

**GOVERNMENT OF INDIA**  
**MINISTRY OF INDUSTRY**



**Final Report of the Industries Development  
Procedures Committee**

## MINISTRY OF INDUSTRY

### RESOLUTION

#### INDUSTRIES DEVELOPMENT PROCEDURES COMMITTEE

New Delhi, the 10th June 1964

**No. 13(4)/Lic.Pol./64.**—In a Resolution dated 13th January, 1964, the Government of India in the Ministry of Industry announced the decisions of Government on the recommendations contained in the Interim Report of the Industries Development Procedures Committee constituted on 24th September, 1963 under the Chairmanship of Shri T. Swaminathan.

2. The Committee submitted its final report on 18th March, 1964, which has been released for publication today. In its final report, the Committee has considered procedures and matters other than those covered by the recommendation in the Interim Report. The main recommendations contained in the final report and Government's decisions thereon are given below.

#### 3. Main recommendations in the Final Report:

(i) *Procedure for industries other than 'key' industries.*—In respect of Industries other than 'key' industries, the Committee has expressed the view that for various practical reasons, including the foreign exchange shortages which make difficult the prompt clearance in all cases of import of capital goods, it would not be practicable to follow the special procedures recommended for 'key' industries. It has, therefore, suggested that, wherever the availability of foreign exchange is not the main limiting factor, after the issue of a letter of intent, all subsequent clearances, such as the import of Capital Goods, approval of foreign collaboration terms, and issue of Capital should be given within three months from the date of receipt of the respective applications. A procedure for keeping a close watch on timely clearances has also been prescribed.

(ii) *Special procedure for certain industries other than 'key' industries which are import-saving or substantially export-oriented.*—The Committee has listed a few industries in which substantial imports are at present taking place. It has recommended that the special procedure for 'key' industries should be made applicable to these industries and also in the case of any other industries which Government consider to be of special importance from the point of view of earning substantial amounts of foreign exchange through exports.

(iii) *Procedure relating to licensing of Raw Materials/Components.*—As delays in the issue of licences for raw materials affect industrial production, the Committee has suggested that ways and means should be found of issuing licences within three months from the commencement of each licensing period. If, for any reason, this procedure is not found practicable, in the interests of ensuring continuous production, the Committee has recommended that *ad hoc* licences equal to 50 per cent of the value of the licence for the first half of the previous licensing year should be issued. For the second half, the Committee has recommended that all licences should be authorised by a General Notification to utilise at least 50 per cent of the value of the licence for the second half, pending the final announcement of policy for this period. The Committee has also suggested that while issuing licences for raw materials, the limitations should normally be value-wise and not quantitative, so that the licensee has the discretion to import any of the permissible items listed in the licence in such proportions as may be necessary.

(iv) *Forms of application for industrial licences and licences for the import of capital goods.*—The Committee has suggested some modifications to these forms, mainly with a view to ensure simplification in some ways. Another consideration that has been taken into account is the extent of detailed information likely to be available to the applicant at the time of his application.

The Committee has recommended the submission of two applications for industrial licence, one, a preliminary application (along with the Treasury Challan) to enable the issue of a 'letter of intent' speedily, and the other a final application at a later stage at the time of the issue of a formal industrial licence. The

consideration which has guided the Committee in suggesting two applications instead of one application as hitherto is that at the time of initial application the entrepreneur does not have a detailed, clear picture of all the items prescribed in the application form. It is not unlikely that in respect of many of the items on which information has been furnished by the applicant in the preliminary application the position may change substantially after consultations and negotiations with foreign collaborators and machinery suppliers, both indigenous and foreign. As the Licensing Sub-Committee's final decision on the conversion of a 'letter of intent' into an industrial licence would depend on a correct final appraisal of all material factors, a final application is also proposed. In the case of 'key' industries this final application is to be considered along with the simultaneous consideration of the subsequent clearances relating to capital goods, foreign collaboration terms, issue of capital etc. In the case of the remaining industries, the final application is to be submitted either along with the capital goods application or at some other suitable point of time when all the relevant final details are available to the applicant. This final application is to be considered by the administrative Ministry concerned before conversion of the 'letter of intent' into an industrial licence.

(v) *Recommendation of the Committee after a year.*—The Committee has stated that it is important that the actual working of the revised procedures should be studied over a period of time. Accordingly, the Committee has recommended that it may be reconstituted after a year, with the same composition as far as may be, to study the results of the working of the revised procedures and to make suitable recommendations to Government.

**4. Other General Recommendations of the Committee.**—The Committee has also made recommendations regarding—

- (i) residual action in cases where letters of intent/licences have already been issued for 'key' industries;
- (ii) form of 'letter of intent';
- (iii) issue of import licence for spare parts either received short or in damaged condition and replacement of which is made free of cost either by the supplier or on payment by Insurance Company; and
- (iv) procedure, in the case of 'key' industries, for consideration of application for grant of loans by the Industrial Credit and Investment Corporation of India and the Industrial Finance Corporation.

**5. Government's decision on the Committee's recommendations.**—Government accept in principle the above recommendations of the Committee. As regards the Committee's recommendations regarding the licensing of raw materials/components, Government believe that it should be possible to issue licences within a period of three months from the commencement of each licensing period; every endeavour will be made to ensure this. Should there, however, be delay, Government have devised a simpler alternative procedure to secure the object which the Committee had in view. Instead of issuing *ad hoc* licences, it is proposed to take action as under:

- (i) In the case of industries where annual licensing is done and where the raw material requirements are not likely to be met from newly developed indigenous sources, annual licences of the same value as for the previous year would be issued subject to the condition that during the first half of the licensing period only 50 per cent of the value of the annual licence can be utilised. There would be simultaneous authorisation for the utilisation of an additional 25 per cent from the commencement of the second half of the licensing period. The value of these licences would be suitably adjusted when the final policy for the period is announced.
- (ii) In other cases, licences for the industry's requirements for the first half year will be issued of a value not exceeding the value licensed for the first half of the previous licensing period.

The additional authorisation of 25 per cent of the value of the annual licence for the second half of the licensing period will not, however, be made in the case of established importers.

Appropriate steps are being taken to implement the recommendations of the Committee.

S. RANGANATHAN, Secy.

## ORDER

Ordered that a copy of the Resolution be communicated to all concerned.

Ordered also that the Resolution be published in the Gazette of India, for general information.

## FINAL REPORT

## OF

## INDUSTRIES DEVELOPMENT PROCEDURES COMMITTEE

The Government of India in the Ministry of Industry constituted this Committee (which has come to be known as the Industries Development Procedure Committee) by their Resolution No. 4(22)Lic.Pol./63, dated the 24th September, 1963. A copy of the Resolution is at Annexure I to this Report. The terms of reference of the Committee were to review the procedures relating to the operation of the controls applicable to the establishment of additional industrial capacity under the Industries (Development and Regulation) Act, 1951, the import of capital goods, the issue of capital, and foreign investment and collaboration and to suggest such modifications as would reduce delays in decision. In a subsequent letter dated the 11th October, 1963, from the Secretary to the Government of India, in the Ministry of Industry to the Chairman of the Committee, it was clarified that the procedures governing the licensing of raw materials for industry could also be deemed to be included in the terms of reference of the Committee. The Committee submitted an interim report on the 17th December, 1963 (Annexure II to the Report). The Government's decision accepting the main recommendations contained in the Interim Report was published in the Gazette of India Extraordinary on the 13th January, 1964 (Annexure III). In this final report, the Committee has considered procedures and matters other than those covered by the recommendations in the Interim Report.

2. *Forms of application for industrial licences and licences for the import of capital goods.*—The Committee has given detailed consideration to the form of application prescribed for industrial licences (form D prescribed under the Registration and Licensing of Industrial Undertakings Rules, 1952) and also the application prescribed for import of Capital Goods, and wishes to suggest some modifications to these forms, mainly with a view to ensuring simplification in some ways and provision of all information necessary for a quick and satisfactory decision. Another consideration that has been taken into account is the extent of detailed information likely to be available to the applicant at the time of his application. The revised forms are appended as Annexure IV to this Report.

3. Item (2) in the form of application for the import of Capital Goods relates to Income-tax Verification Certificates. The machinery of tax collection has been progressively tightened up since these certificates were originally asked for. And, in any case, the certificate relates to a past period and does not necessarily ensure that in the immediate period preceding an application for a licence, the applicant has not either evaded or defaulted on tax payment. This item appears to the Committee to be of doubtful value. While the Committee does not specifically suggest the deletion of this item from the form, it has requested the Chairman to discuss with Government the need for the continued retention of this item in the form. The obtaining of the certificate often entails delay which is avoidable.

4. The Committee has recommended the submission of two applications for industrial licence, one, a preliminary application to enable the issue of a 'letter of intent' speedily, and the other a final application at a later stage at the time of the issue of a formal industrial licence. The Treasury Challan, as prescribed, need accompany only the preliminary application. The consideration which has guided the Committee in suggesting two applications instead of one application as hitherto is that at the time of initial application, the entrepreneur does not have a detailed, clear picture of all the items prescribed in the application form. It is not unlikely that in respect of many of the items on which information has been furnished by the applicant in the preliminary application, the position may change substantially after consultations and negotiations with foreign collaborators and machinery suppliers, both indigenous and foreign. The preliminary application would enable the speedy issue of a 'letter of intent', after a broad and not too meticulous examination of the essential features of the proposal to establish an industrial unit. As the Licensing Sub-Committee's final decision on the conversion of a 'letter of intent' into an industrial licence would depend on a correct final appraisal of all material factors, a final application is being proposed. In the case of 'key' industries, this final application should be considered along with the simultaneous

consideration of the subsequent clearances relating to capital goods imports, foreign collaboration terms, issue of capital etc. In the case of the remaining industries, the form of final application should be submitted either along with the capital goods import application or at some other suitable point of time, when all the relevant final details are available to the applicant. This application should be considered by the administrative Ministry concerned with the industry before conversion of the 'letter of intent' into an industrial licence. Where there is a substantial departure in the final application from the details given in the initial application in material particulars, the administrative Ministry concerned should, where necessary, place the case again before the Licensing Sub-Committee, before the 'letter of intent' is converted into a licence.

5. The Committee recommends that appropriate amendments, where necessary, should be made in the Registration and Licensing of Industrial Undertakings Rules to give effect to the above recommendations. Meanwhile the Committee recommends the immediate adoption of the revised procedures suggested.

6. *Form of 'Letter of Intent'.*—The speedy issue of a 'letter of intent' has been recommended by the Committee so that it may be possible for the entrepreneurs to carry on negotiations with foreign collaborators and/or manufacturers of machinery. In order that the 'letter of intent' may fully serve this end, it is necessary that this document should contain a positive assurance regarding the eventual issue of an industrial licence, subject to conditions to be specified being fulfilled. Accordingly, the Committee has given some thought to the form in which the 'letter of intent' should be couched. The form as recommended by the Committee is at Annexure V to this Report.

7. *Priority treatment for certain industries other than 'key' industries which are import-saving or substantially export-oriented.*—The Committee has noted that substantial imports are at present taking place in certain industries listed below. It recommends that, though these have not been included in the list of 'key' industries, the accelerated procedures recommended in the Interim Report should, as far as practicable, be made applicable to them also, so as to ensure that adequate manufacturing capacities are speedily established.

1. Industrial chains.
2. Transformer Oil.
3. Insulating Paper.
4. High Tensile Galvanised Steel Wires.
5. Laboratory Glassware.
6. Detonators and Detonating fuse.
7. Synthetic Fibres.
8. Caprolactum.

The Committee recommends similarly that accelerated procedures may also be adopted in the case of any industries which Government consider to be of a special importance from the point of view of earning substantial amounts of foreign exchange through exports.

8. *Residual action in cases where letters of intent/licences have already been issued for 'key' industries.*—As a sequel to the recommendation in the Interim Report regarding the procedures for 'key' industries the Committee further recommends that cases of applications in which letters of intent or licences have already been issued for 'key' industries should be examined with a view to fixing time limits for the completion of formalities and obtaining of clearances for capital goods imports, foreign collaboration, capital issue i.e. (six months to twelve months from the date of the grant of the letter of intent or licence, as the case may require). The accelerated procedure of simultaneous clearance by the Licensing Sub-Committee should be applied when the holders of these letters of intent/licences hold them up for other clearances.

9. *Procedure for industries other than 'key' Industries.*—The Committee has considered whether in the case of industries other than 'key' industries, the procedure for simultaneous consideration of all subsequent clearances after the initial issue of the 'letter of intent' could be adopted. For various practical reasons, including the foreign exchange shortages which make difficult the prompt clearance in all cases of import of capital goods, it has not been found practicable to follow the procedure recommended for 'key' industries.

10. In the case of these industries, the Committee, however, recommends that, wherever the availability of foreign exchange is not the main limiting factor, after the issue of a 'letter of intent,' all subsequent clearances such as applications for the import of capital goods, approval of foreign collaboration terms and the issue of capital, should be given within three months from the date of receipt of the respective applications. In order to keep a watch on the disposal of these applications, and to ensure that the prescribed time schedules are followed, as far as practicable, it is recommended that a list of cases which have not been disposed of within three months from the date of receipt of the applications should be put up for consideration at each meeting of the C.G. and Foreign Agreements Committees. Cases where applications for the issue of capital have not been disposed of within three months should be brought to the notice of the Licensing Sub-Committee at each of its meetings.

11. *Procedure relating to licensing of raw materials/components.*—The Committee has examined the existing procedures for the licensing of imported raw materials/components required by industry. It has been represented to the Committee that there are considerable delays in the issue of licences which are often issued only at the end of each licensing period. This delay is usually caused by the delay in the allocation of foreign exchange, owing to uncertainties connected with the availability of foreign exchange. As delay in the issue of licences for raw materials affect industrial production, the Committee recommends that ways and means should be found of issuing the licence within three months of the commencement of each licensing period. If, for any reason, this procedure is not found practicable, in the interests of ensuring continuous production, the Committee recommends that *ad hoc* licences equal to 50 per cent of the value of the licences for the first half of the previous licensing year should be issued. The Committee realises that this would entail additional work, but in the interest of uninterrupted industrial production, this procedure is recommended.

12. According to the current procedure, only 50 per cent of the value of the licence can be utilised during the first half of the licensing period. For the second half, a further announcement of policy by Government has to be awaited. The Committee recommends that by a general Notification all licensees should be authorised to utilise at least 50 per cent of the value of the licence for the second half, pending the final announcement of policy for the second half of the licensing period. This would enable a minimum quantity of raw materials (or components) being ordered in time to maintain uninterrupted production. In many cases raw materials (or components) take a few months after ordering to be delivered.

13. The Committee further recommends that while issuing licences, the limitation should normally be value-wise and not quantitative, so that the licensee has the discretion to import any of the permissible items listed in the licence in such proportions as may be necessary. If it is seen that the adoption of the practice leads to misuse of the concession, appropriate remedial action in the case of the individual units concerned could be taken. In any case, "banned" items may not be imported.

14. *Import Licence for spare parts either received short or in damaged condition and replacement of which is made free of cost either by the supplier or on payment by Insurance Company.*—Representations have been made to the Committee about delays in the issue of import licences for spare parts which are either received short or in a damaged condition and replacement of which is made free of cost either by the supplier or on payment by the Insurance Company. Delay in receipt of such spare parts often holds up production. The Committee recommends that where the cost of replacement is being paid by the Insurance Company, a licence should be issued automatically. Where the cost of replacement is met by the supplier, the Committee recommends that special efforts should be made by the Licensing authorities to issue the licences expeditiously.

15. *Procedure followed by the Industrial Credit and Investment Corporation of India and Industrial Finance Corporation for the grant of loans — special procedure for 'key' industries.*—The Chairman of the Committee has had discussions with the Chairmen of the Industrial Credit and Investment Corporation of India (ICICI) and of the Industrial Finance Corporation (IFC) regarding the procedures followed by them. It has been agreed by the Chairmen of both the Corporations that if the parties concerned could approach the I.C.I.C.I./I.F.C. immediately after the issue of the 'letter of intent', in the case of 'key' industries, the Corporations would take up consideration of their cases without waiting for

clearances by the Capital Goods Committee. Final clearance of the application by the Corporations would of course be subject to clearance by the Capital Goods Committee. This procedure would result in a substantial saving of time and the Committee recommends the adoption of this procedure.

**16. Reconstitution of the Committee after a year.**—Government has already implemented the main recommendations in the Interim Report. The Committee hopes that Government will soon take a decision on the recommendations in this Report. The Committee considers it important that the actual working of the revised procedures should be studied over a period of time. Accordingly, the Committee recommends that this Committee, with the same composition as far as may be, be reconstituted after a year to study the results of the working of the revised procedures and asked to make a report and suitable recommendations to Government. The co-ordinating Section in the Ministry of Industry should maintain statistics showing particularly the pace of disposal of applications under the revised procedures and other details so that the Committee, if and when reconstituted, may have the necessary factual information for an appraisal readily available. At that point of time the feasibility of adopting the accelerated procedures in the case of industries other than 'key' industries could also be studied.

**17. Acknowledgements.**—The Committee wishes to place on record its deep appreciation of the services of officials, non-officials and organisations who have assisted in its work and made possible the submission of its report within the time limit prescribed by Government. The other members of the Committee wish to express their gratitude in particular to Shri K. J. George, the Committee's Member-Secretary, whose knowledge, experience, devotion to duty and promptness have been of inestimable value to them. The Committee is also beholden to the secretarial staff who have put in ungrudging work which has made possible the discharge of its responsibilities at relatively little expense.

T. Swaminathan.  
Bharat Ram.  
A. R. Foster.  
Lakshmi Pat Singhania.  
A. M. M. Murugappa Chettiar.  
P. Chentsal Rao.  
N. C. Srivastava.  
P. Govindan Nair.  
V. K. Ramaswami.  
K. J. George.

#### ANNEXURE I

(To be published in the Gazette of India, Extraordinary Part I, Section 1, dated the 24th September, 1963)

No. 4(22) Lic.Pol./63

Government of India  
Ministry of Industry  
New Delhi, the 24th September, 1963

#### RESOLUTION

The Government of India have been giving consideration to steps which could be taken to accelerate the pace of industrial development. One of the suggestions made in this context is that there is need to simplify the procedures and regulations relating to the approval of schemes of industrial expansion. It is important that controls operate speedily and efficiently in order that they may serve as instruments for the achievement of a high rate of industrial growth.

2. Government have accordingly decided that the operation of the controls applicable to the establishment of additional industrial capacity under the Industries (Development and Regulation) Act, 1951, the import of capital goods, the issue of capital and foreign investment and collaboration should be examined by a Committee which will suggest such modifications as would reduce delays in decision.

3. The membership of the Committee will be as follows:

- (1) Shri T. Swaminathan, Secretary, Departments of Supply and Technical Development—Chairman.
- (2) Shri Bharat Ram.
- (3) Mr. A. R. Foster.

- (4) Shri Lakshmipat Singhanian.
- (5) Shri A. M. Murugappa Chettiar.
- (6) Shri P. Chentsal Rao.
- (7) Shri N. C. Srivastava, Adviser, Planning Commission.
- (8) Shri P. Govindan Nair, Additional Secretary, Ministry of Finance, Department of Economic Affairs.
- (9) Shri V. K. Ramaswami, Economic Adviser, Ministry of Industry.
- (10) Shri K. J. George, Deputy Secretary, Ministry of Industry—Member-Secretary.

4. The Committee will submit interim reports as and when necessary, and will complete its work within six months.

#### ORDER

Ordered that a copy of the Resolution be communicated to all concerned.

Ordered also that the Resolution be published in the Gazette of India, for general information.

(Sd.) R. V. SUBRAHMANYAN, Jt. Secy.

### ANNEXURE II INTERIM REPORT OF

### INDUSTRIES DEVELOPMENT PROCEDURES COMMITTEE

#### PART I—INTRODUCTION

The Government of India in the Ministry of Industry, by their Resolution No. 4(22)Lic.Pol./63, dated the 24th September, 1963, set up a Committee consisting of the undersigned to review the operation of controls applicable to the establishment of additional industrial capacity under the Industries (Development and Regulation) Act, the import of capital goods, the issue of capital, and foreign investment and collaboration and to suggest such modifications as would reduce delays in decision. The Resolution also provided for the Committee submitting interim reports as and when necessary. This is an interim report which the Committee wishes to submit.

2. The Committee has so far held three meetings in New Delhi and has generally reviewed the existing procedures regarding the issue of licences under the Industries (Development and Regulation) Act, the import of capital goods, the issue of capital, and approval of foreign investment and collaboration. It has also undertaken a few studies of cases selected at random involving these various processes. These studies have disclosed delays at various stages, partly due to the long time taken in the movement of files from one authority to another and partly due to delays inherent in a system involving consultation with multitudinous authorities. The Chairman of the Committee, in his capacity as Secretary to Government, is bringing to the notice of the individual Ministries concerned the reports on the case studies, so that they may independently take such action as may be considered appropriate to prevent the type of avoidable delays that are taking place.

3. In this interim report the Committee is confining itself to two main recommendations which it considers to be very important and speedy action in respect of which is likely to assist in the expeditious operation of the controls in the fields to which they relate. The first recommendation relates to a speedy procedure for according clearance in principle to the establishment of additional industrial capacity, i.e., the issue of a "letter of intent", as this is commonly referred to. The second recommendation relates to the speedy processing of all applications relating to certain "key" industries which are either important for the promotion of self-sustaining industrial growth or are industries in which we are substantially lagging behind in the achievement of our Plan targets.

4. The Committee has noted in the course of its case studies that all procedures involving frequent movement of files between various offices and at various levels entail delay. Therefore the most expeditious way of ensuring early clearances would be to resort to a procedure which eliminates consultation on files to the minimum and involves taking decisions, within a prescribed number of days of



the receipt of applications, at meetings consisting of representatives of Ministries primarily concerned.

5. Rule 15 of the Registration and Licensing of Industrial Undertakings Rules, 1952, lays down a period of three months within which decisions should be taken on applications for industrial licences. For various reasons, this provision, has in practice, remained inoperative. In fact, in respect of 8 cases selected at random for case study, the time taken ranged from 61 to 396 days, and in 6 out of the 8 cases, the period involved was more than 150 days.

## PART II—PROCEDURE FOR ISSUE OF "LETTERS OF INTENT"

6. In the Committee's view, it is a matter of the utmost importance that the applicants should know as early as possible whether Government would be prepared to consider favourably the proposal put forward by them. It will be difficult for the entrepreneurs to negotiate with foreign collaborators or suppliers of machinery without such an indication from the Government. The Committee, therefore, favours a speedy procedure under which a "letter of intent" can be issued within a month or so of the date of receipt of the application.

7. The Committee's first recommendation, therefore, is that only "letters of intent" should first be issued except in cases where a licence under the Industries (Development and Regulation) Act, can be issued straightaway. Intending applicants, it is suggested, should be advised through a Press Note regarding the proposal to issue "letters of intent" instead of industrial licences in the first instance. The present form of application for an industrial licence will be the basis on which issue of "letters of intent" will be considered. The applicant should be advised to send the application, in original, with 10 spare copies, to the Ministry of Industry, which will act as the coordinating Ministry. The Committee would suggest that there should be a small separate section in the Ministry of Industry which will deal exclusively with the receipt of all such applications, and their subsequent prompt distribution to all authorities concerned.

8. The receiving section in the Ministry of Industry should promptly distribute a copy each of the application to the following authorities:—

1. Secretary to the administrative Ministry of the Central Government concerned.
2. Industries Division of the Planning Commission.
3. Department of Economic Affairs (Ministry of Finance).
4. Company Law Division of the Ministry of Finance.
5. The Directorate General of Technical Development (D.G.T.D.)/Textile Commissioner/Iron & Steel Controller/Technical Advisers concerned.
6. Director of Industries of the State Government concerned.

To facilitate linking up in the various Ministries etc. of the papers relating to a particular case, it is suggested that each application should be serially numbered in the order of receipt in the receiving section of the Ministry of Industry and that the endorsements of copies to other Ministries, etc., should bear this Serial No. Each applicant should also be informed of the Serial No. allotted to his application for purposes of future reference and all future correspondence on the application, whether from the Ministry of Industry or other Ministries/Departments of Government will indicate this reference number. As, during the course of case studies it has been noticed that undue delays have often taken place in the process of mere physical distribution of applications, the Committee would suggest that it should be ensured that copies of the applications are sent out within three days of their receipt in the special section.

9. The primary responsibility for processing all applications expeditiously will be that of the administrative Ministry concerned. The receipt Section in the Ministry of Industry should, however, immediately on receipt of applications, write to the Director of Industries of the State Government concerned, in a prescribed form, inviting his attention to the application and calling for his comments, if any, to be sent direct to the administrative Ministry concerned, within three weeks from the date of receipt of the application by him. It should be made clear in this letter that if no comments from the State Government are received within this period, it will be presumed that the State Government have no objection to the proposed application and that this will be further processed on this assumption.

10. The Directorate General of Technical Development should initiate action immediately on receipt of their copy, either direct from the applicant (as many applicants do send copies direct to the D.G.T.D.) or through the co-ordinating

Ministry It has been noticed during the course of case studies that movement of files from one Directorate to another within the D.G.T.D. through the co-ordinating Section of the D.G.T.D. and from one Development Officer to another, has been a time-consuming process. The Committee would, therefore, suggest that resort should be had by the D.G.T.D. as far as practicable, to the procedure of meetings of all officers concerned, for formulating their views, or for according clearances. The D.G.T.D. should finalise their views and communicate them to the administrative Ministry within a period of 3 weeks.

11. The applications for "letters of intent" should be considered by a sub-committee of the Licensing Committee consisting of the Secretary to the Government of India in the Ministry of Industry as Chairman, the Secretaries to the administrative Ministries concerned/or their representatives, the Secretary, Department of Economic Affairs or his representative, Secretary, Department of Technical Development or his representative, a representative from the Company Law Division of the Ministry of Finance and a representative of the Planning Commission. It will be the responsibility of the administrative Ministry concerned to send, within a period of one month of the receipt of the application, a brief note making appropriate recommendations, incorporating also the technical views of the D.G.T.D., to the Secretary of the Licensing Sub-Committee for placing the case before the Sub-Committee. It will be the duty of the Secretary to the Sub-Committee to bring to the notice of the Sub-Committee any cases where applications have been pending for more than 6 weeks without being brought before the Sub-Committee.

12. The notes for the Sub-Committee of the Licensing Committee to consider applications for "letters of intent"/industrial licence should be in a form to be prescribed. The Committee would suggest that the Sub-Committee should meet normally once a fortnight, and more frequently, if this should be necessary.

13. In making the above recommendations regarding the procedure for issue of "letters of intent", the Committee has not provided for a strict scrutiny in each case from the point of view of availability of fuel, power, rail transport and other facilities. The entrepreneurs are required to give information regarding their requirements in the application form. It would be reasonable to assume that the entrepreneur gives an adequate measure of consideration to these factors before deciding on the project and a particular location. Having regard to the fact that in practice very few applications are even now being turned down on the ground of non-availability of fuel, power, etc., the Committee does not think it would be worthwhile doing a rigorous or time-consuming scrutiny. The Committee would suggest that the Ministry of Industry, as the co-ordinating Ministry, should arrange to send periodically, to the authorities concerned, consolidated statements giving requirements of fuel, power, etc., in respect of approved schemes; so that these may be taken note of. If the Ministries concerned with the provision of fuel, power, etc., feel at any time that, in any particular area, fresh licensing should not be done because of any anticipated shortages, it would be open to these Ministries to advise the Ministry of Industry accordingly.

14. The "letter of intent" should broadly indicate the conditions subject to which Government will be prepared to consider the grant of a licence and should also indicate that within a specified period, varying, say from 6 to 12 months,—depending on the nature of the industry—the party should come up with definite proposals regarding—

- (1) Terms of foreign collaboration, if envisaged;
- (2) Import of capital equipment, if involved; and
- (3) Issue of capital, if involved.

15. It should be made clear in the "letter of intent" that, if within the prescribed period the applicant does not submit all the remaining applications for the various clearances, the "letter of intent" shall automatically be deemed to have become inoperative. The period which should be allowed to the applicant to submit the remaining applications should be determined by the Licensing Sub-Committee while considering the case.

16. One particular advantage the Committee visualises in the procedure is that the difficulties in regard to the prompt weeding out of infructuous licences can be overcome to some extent. Under the existing licensing procedures, licences are as a rule issued in the first place. For one reason or another, it happens that a large number of licences merely remain paper licences without being implemented. Revocation of licences in such cases has to follow a statutory procedure which takes time. It often therefore happens that substantial capacity is blocked by such in ructuous licensing. Under the procedure that is now being suggested, under which only 'letters of intent' will be first issued, if the party does not make adequate progress within the stipulated time, the letter of intent would be automatically

deemed to have become inoperative. The Committee trust that this procedure will help substantially in dealing with the problem of prompt cancellation of infructuous licences.

### PART III—SPECIAL PROCEDURE FOR “KEY” INDUSTRIES

17. Having regard to the shortfalls in effective establishment of capacity for the attainment of our Plan targets, and the need for speedily establishing additional capacity in certain important industries for our industrial development, the Committee has drawn up a brief list of industries, which should be regarded as ‘key’ industries. This list is appended to this report. The list is by no means exhaustive and is intended to be one of immediate practicability, accordingly certain other important industries, for example aluminium, copper, zinc, lead, tungsten carbide etc., which were considered for inclusion, have been left out as these industries would require special *ad hoc* treatment for various reasons, e.g., availability of raw material, requirement of large power resources, the need for further expansion in existing units rather than through licensing of new units. Such a list will obviously have to be reviewed from time to time—perhaps every 6 months. The Committee will further examine this list and suggest additions, if any, in the final report.

18. Once a “letter of intent” has been issued, it is the Committee’s recommendation that in respect of the ‘key’ industries, a special procedure should be evolved for dealing simultaneously with all other clearances involved, such as approval of foreign collaboration terms, approval to the issue of capital and the issue of import licences. The Committee’s recommendation in this regard is intended to apply only to the procedure to be followed in respect of ‘key’ industries.

19. After a “letter of intent” has been issued, in accordance with its terms, the party has to submit his applications for other clearances within a stipulated period. In the case of the ‘key’ industries, it is the Committee’s recommendation that all further clearances required should be considered simultaneously by the Sub-Committee of the Licensing Committee referred to in para. 11 *ante*, the Chief Controller of Imports and Exports being co-opted as an additional member of the Sub-Committee as also, when necessary, the Controller of Capital Issues.

20. It will be the responsibility of the administrative Ministry concerned to keep a watch over the time limit allowed to applicants, as prescribed in the “letter of intent”. Extension of the time limit should be the exception rather than the rule. Extensions should be granted only by the Licensing Sub-Committee after due consideration of all factors. Intending applicants should be advised in a Press Note that all the applications for the clearances required in the case of the ‘key’ industries such as foreign collaboration approval, issue of capital, import applications, etc., should be submitted simultaneously, so that they may be considered at one meeting by the Licensing Sub-Committee. They should also be advised to send the required number of copies of all their applications to the Ministry of Industry. The special section in the Ministry of Industry will, immediately on receipt of the application, transmit copies to the following authorities, giving the same Serial No. as given earlier to the application for industrial licence:

1. Secretary of the administrative Ministry concerned.
2. D.G.T.D./Textile Commissioner/Iron and Steel Controller/Technical Advisers concerned.
3. Secretary, Department of Economic Affairs.
4. Planning Commission (Industries Division).
5. Chief Controller of Imports and Export (copy of import application only with Treasury Challan).
6. Controller, Capital Issues (copy of Capital Issue application with Treasury Challan and of proposals regarding foreign collaboration, wherever foreign equity participation is involved).

21. Immediately on receipt of the application, it will be the responsibility of the administrative Ministry concerned to initiate action and ensure that within a period of three weeks of the receipt of the applications a brief summary of the

relevant aspects of the case is sent to the Secretary to the Licensing Sub-Committee for consideration at the next meeting of the Sub-Committee.

22. The D.G.T.D. should, immediately on receipt of the copies of the applications, initiate all action required on their part regarding technical advice and in particular take up the question of clearance in regard to indigenous non-availability of items contained in the import application. Clearance of the entire import list applied for should not be held up if there is some doubt about only a part of the machinery regarding indigenous non-availability. Further, as has been suggested earlier, clearances in this office should normally be on the basis of meetings of officers concerned and on known availabilities with relation to the state of the order books of principal suppliers rather than on the basis of leisurely movement of files or on the basis of time-consuming individual reference to suppliers.

23. The administrative Ministry, should, to the extent practicable, prepare the notes for the Sub-Committee after discussion with the concerned officers in the D.G.T.D. so that it may be possible for them to finalise the note for the Licensing Sub-Committee within a period of three weeks. It should be the responsibility of the administrative Ministry to ensure that applications are placed before the Sub-Committee not later than five weeks from the date of their receipt. The Secretary to the Sub-Committee should bring to the notice of the Sub-Committee, at each meeting, cases which have been pending for more than six weeks and have not yet been placed before the Sub-Committee.

24. It is the Committee's recommendation that the industries included in the "Key" industries list should be given special preferential treatment in respect of release of foreign exchange and regarding all other clearances such as permission for issue of capital.

25. In order that final decisions may be taken at the meetings of the Licensing Sub-Committee without waiting for further consultation with the applicants by correspondence, in all cases where such consultation is likely to be necessary, a representative of the applicant may also be asked to make himself available on the day of the meeting of the Licensing Sub-Committee, for consultation, if required by the Sub-Committee. The Committee makes this recommendation since it may be possible for the Licensing Sub-Committee to take a decision at the meeting in the light of such clarification, written or otherwise, which the applicant or his representative, may be able to give on the spot.

26. The Committee has suggested the inclusion of the CCI & E, on the Licensing Sub-Committee so that he is in touch with the decisions of the Sub-Committee and import licences can issue without any further checking or observance of routine formalities and without undue delay in his office.

27. The Committee has considered whether in view of its recommendation regarding simultaneous consideration of all clearances in the case of 'key' industries, an integrated application form for all these clearances should be evolved. It is felt that it would be preferable to continue to have separate applications, which would, however, be submitted by the applicants simultaneously, so far as the 'key' industries are concerned.

28. The Committee further recommends that at the "letter of intent" stage, the Sub-Committee of the Licensing Committee should give special attention to the applications relating to 'key' industries, with a view to indicating, if possible, the source from which foreign exchange is likely to be available.

#### PART IV—GENERAL.

29. The Committee further recommends that for the convenience of the Licensing Sub-Committee, all notes put up to the Sub-Committee for "letter of intent" should be grouped into two parts—Part I relating to 'key' industries and Part II relating to other industries.

30. Government have been from time to time publishing a list of industries in respect of which industrial licences will ordinarily be rejected without reference to the Licensing Committee—the list commonly referred to as the 'banned' list. The Committee would suggest that this list, along with the list of 'key' industries should be reviewed at intervals of 6 months. It has been suggested to the Committee that it would help intending applicants if, in addition to the list of 'banned' items, a list of other industries which will be licensed on merits is also simultaneously published. In view of the importance attached in such a notification by industry for psychological reasons, the Committee would recommend that Government should consider the need for and the feasibility of such a notification.

31. The Committee would suggest that meetings of the full Licensing Committee, as constituted at present, including representatives of State Governments, should be held at suitable intervals to review all the decisions taken by the Sub-Committee proposed in these recommendations.

32. The main objectives in this interim report have been to suggest—

- (i) an expeditious procedure for the issue of "letters of intent" in all cases; and
- (ii) a special procedure calculated to avoid delays in the case of all clearances in respect of 'key' industries.

Because of the important bearing that the achievement of this objective will have on our industrial development, the Committee has thought fit to submit this interim report. It would suggest that the special procedure recommended herein for 'key' industries should be tried out with immediate effect.

33. The Committee is giving further thought to other aspects of the matters referred to it, including the procedure to be adopted for industries other than those included in the list of 'key' industries. These will be dealt with in the Committee's final report. For the time being the existing licensing procedures may continue in the case of industries other than 'key' industries except for the substitution of "letters of intent" for licences in the first instance where licences cannot be issued straightaway.

T. Swaminathan,

Bharat Ram,

A. R. Foster,

Lakshmipat Singhania,

A. M. M. Murugappa Chettiar,

P. Chentsal Rao,

N. C. Srivastava,

P. Govindan Nair,

V. K. Ramaswami,

K. J. George.



#### LIST OF KEY INDUSTRIES.

1. Pig Iron.
2. Alloy Steel.
3. Ferro-Chrome and other Ferro Alloys except Ferro-Manganese and Ferro-Silicon.
4. Malleable Iron Castings.
5. Steel Castings.
6. Steel Forgings.
7. Structural (Heavy).
8. Industrial Machinery.
9. Cranes.
10. Machine Tools including Small Tools, Dies, Jigs, and Fixtures.
11. Automobile Ancillaries.
12. Coated Abrasives.
13. Electric Winding Wires.
14. Fertilizers.
15. Sulphuric Acid.

16. Caustic Soda and Soda Ash.
17. Rubber Chemicals.
18. Petro-chemicals including Synthetic Rubber.
19. Pesticides.
20. Paper and Paper Board.
21. Cement.
22. Pulp. (Cellulosic).

### ANNEXURE III

[To be published in the Gazette of India, Extraordinary Part I, Section I, dated the 13th January, 1964.]

### MINISTRY OF INDUSTRY

#### RESOLUTION

#### INDUSTRIES DEVELOPMENT PROCEDURES COMMITTEE

*New Delhi, the 13th January 1964*

**No. 13(2)/Lic. Pol./64.**—By a Resolution dated the 24th September, 1963, the Government of India in the Ministry of Industry appointed a Committee under the Chairmanship of Shri T. Swaminathan to review the operation of controls applicable to the establishment of additional industrial capacity under the Industries (Development and Regulation) Act, the import of capital goods, the issue of capital, foreign investment and collaboration and to suggest such modifications as would reduce delays in decision.

2. The Committee submitted an interim report on 17th December, 1963, which has been released for publication today. The main recommendations contained in the report and Government's decision thereon are given below.

**3. Main recommendations in the Interim Report.**—In the interim report, the Committee has confined itself to two main recommendations. The first recommendation relates to a speedy procedure for according clearance in principle to the establishment of additional industrial capacity i.e. the issue of a "letter of intent", as this is commonly referred to. The second recommendation relates to a special procedure for the speedy processing of all applications relating to certain "key" industries, which are either important for the promotion of self-sustaining industrial growth or are industries in which there is a substantial gap in the achievement of Plan targets.

**4. Procedure for speedy issue of "letters of intent".**—The Committee has stressed that it is of the utmost importance that the applicant should know as early as possible whether Government will be prepared to consider favourably the proposal put forward by him, as it will be difficult for the entrepreneur to negotiate with foreign collaborators or suppliers of machinery, without such an indication from Government. They have, therefore, recommended a procedure under which a "letter of intent" can be issued within about a month from the date of the receipt of the application.

5. To ensure expeditious disposal of the applications, the Committee has recommended certain time schedules to be followed in the disposal of applications. It has also recommended that while considering individual applications for the issue of "letters of intent", there need be no rigid or time-consuming scrutiny, in each case, of the availability of fuel, power, rail transport and other facilities. The Committee has also recommended that the main work of consideration of applications should be by a Sub-Committee of the Licensing Committee constituted as follows:—

*Chairman*

Secretary, Ministry of Industry

*Members*

Secretary, Department of Economic Affairs or his representatives.

Secretary, Department of Technical Development or his representative.

A representative of the Company Law Division of the Ministry of Finance. Secretaries of the Administrative Ministries concerned or their representatives.

A representative of the Planning Commission.

6. The Committee has also recommended that the "letters of intent" should be valid for a specified period and that, if within this period, the applicant does not submit all the remaining applications for the various clearances, the "letter of intent" should automatically stand cancelled.

7. **Special procedure for Industries referred to as "key" Industries.**—Having regard to the shortfalls in the effective establishment of capacities for the attainment of Plan targets and the need for speedily establishing additional capacity in certain industries which are important for the promotion of self-sustaining industrial growth, the Committee has drawn up a list of industries, to be treated as 'key' industries. This list, is not exhaustive and is intended to be one of immediate practicability. This list, it has been recommended, should be reviewed from time to time. After the issue of a "letter of intent", applications for all further clearances required in the case of these 'key' industries, such as foreign collaboration approval, issue of capital, import applications etc., should, the Committee has recommended, be submitted simultaneously, so that they may be considered at one meeting by the Licensing Sub-Committee referred to above, the Chief Controller of Imports and Exports and, when necessary, the Controller of Capital Issues, being co-opted as additional members. The applications are to be placed before the Sub-Committee within about a month of the receipt. The Committee has also recommended that at the 'letter of intent' stage, the Sub-Committee of the Licensing Committee should give special attention to the applications relating to these 'key' industries, with a view to indicating, if possible, the source from which foreign exchange is likely to be available. It has also been recommended that the industries included in the 'key' list should be given special preferential treatment in respect of release of foreign exchange and regarding all other clearances such as permission for issue of capital.

8. **Other general recommendations of the Committee.**—(i) There should be a small separate cell in the Ministry of Industry, which will function as the co-ordinating Ministry, to deal exclusively with the receipt of all applications for licences under the Industries Act and also the applications for the subsequent clearances that may be required, and for their prompt distribution to the other authorities concerned. To facilitate linking up in the various Ministries etc., of the papers relating to a particular case, it has been proposed that each application should be serially numbered in the order of receipt in the receiving Section of the Ministry of Industry and that the endorsements on copies to other Ministries etc., should bear this serial number. Each applicant is to be informed of the serial number allotted to his application for purposes of future reference and all future correspondence on the application will indicate this reference number.

(ii) In addition to the list of 'banned' items for industrial licensing, which is now being published from time to time, a list of other industries which will be licensed on merits should also simultaneously be published.

(iii) Meetings of the full Licensing Committee, as constituted at present, including representatives of the States Governments, should be held at suitable intervals, to review all the decisions taken by the Sub-Committee.

9. **Government's decision on the Committee's recommendations.**—Government accept in principle the above recommendations of the Committee.

As regards the composition of the proposed Sub-Committee of the Licensing Committee, Government are, however, of the view that the other members of the Licensing Committee stationed at Delhi may also be associated with the work of the Sub-Committee, without causing any undue delay on this account.

The list of 'key' industries has been drawn up by the Committee, having regard to the shortfalls in effective establishment of production for the attainment of Plan targets and the need for speedily establishing additional capacity in certain industries which are important for the promotion of self-sustaining industrial growth. This would involve speedy licensing of additional capacity under the Industries (Development and Regulation) Act in certain cases, while, in others, where adequate capacity has already been licensed, only expeditious sanctions will have to be given for matters like Capital Goods Clearance, Capital issues, approval of foreign collaboration terms etc. Government accepts this recommendation.

Appropriate steps are being taken to implement the recommendations of the Committee.

## ORDER

Ordered that a copy of the Resolution be communicated to all concerned.

Ordered also that the Resolution be published in the Gazette of India, for general information.

S. RANGANATHAN, Secy.

### ANNEXURE IV

#### FORM OF PRELIMINARY APPLICATION FOR INDUSTRIAL LICENCE

To be addressed with 10 spare copies to the Coordination & Licensing Progress Section, Ministry of Industry, Udyog Bhavan, New Delhi.

1. Name of the Scheduled Industry or Industries to which the articles proposed to be manufactured relate.
2. Name and address of the applicant.
3. Name and address of the Industrial undertaking.
4. If possible at this stage, indicate—
  - (a) whether it is proposed to be undertaken by proprietors, partners, private limited or public limited company.
  - (b) Names of proprietors, partners, or Board of Directors and their addresses.
  - (c) Name and address of the Managing agents, if any.
  - (d) Obligations, rights and privileges of Managing Agents in the constitution and working of the Company.
  - (e) How is it proposed to finance the undertaking?
  - (f) Is any foreign collaboration (whether in the form of royalty or consultancy agreement) or investment envisaged? If so, the extent and nature of such collaboration. Is it proposed to find foreign exchange for import of capital equipment in any other way?

5. Proposed location of the factory.

Tehsil ..... District ..... State .....

6. Lines of manufacture proposed:

- Name of product
- and/bye product.

\*Proposed (Annual)  
installed capacity.

\*Basis of estimating installed capacity should be clearly stated, viz., whether the operation will be continuous or by shifts and the number of shift days assessed for estimating the annual capacity.



## 7. Manufacturing Programme:

(a) Existing activities, if any:

Sl. No.	Items of production	Existing capacity		Current Annual Prodn.	
		Quantity/tonnage	Value	Quantity/tonnage	Value
1.					
2.					
3.					
etc.					

(b) Final manufacturing programme for items in respect of which this application is made.

Sl. No.	Item of manufacture	Annual capacity		Estimated Annual Prodn.		CIF value of unit product
		Quantity/tonnage	Value	Quantity/tonnage	Value	
1.						
2.						
3.						
etc.						

(c) Forecast of time required for implementation of the project.

8. Phased manufacturing programme for 7(b) above, if any:

Year	Item of production	Annual Turnover		Percentage by value of imported content (i.e. total of all imported raw materials and components.
		Quantity/tonnage	Value	
1st Year				
(i)				
(ii)				
(iii)				
(iv)				
2nd Year				
(i)				
(ii)				
(iii)				
(iv)				
3rd Year				
etc.				

(Attach a sheet, if necessary)

9. Estimated requirements of main raw materials:

Name of raw material	Whether indigenous or imported; if the latter, the country of origin	Quantity required per year	Estimated value
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## 10. Requirements of capital equipment.

Total value of equipment required:

## (i) Imported:

Please give name of the countries in the order of preference.

## (ii) Indigenous:

11. Indicate your requirements of rail transport for movement of raw materials and finished products in the proforma attached.

## 12. Water Supply:

- (a) Will it be ample for requirements of:

(1) factory, and

(2) township or staff quarters?  
(state approximate quantity).

- (b) Will it be drawn from public supply?

(c) Effluent problems, if any.

## 13. Power Supply:

- (a) Total requirements proposed to be drawn from:

(1) own generating station

(2) public supply.

- (b) In case of own station give brief particulars of plant in operation.

14. If possible indicate your requirements of coal/coke in the proforma attached.

15. If possible indicate the estimated requirements of fixed assets i.e. investment in land, buildings and machinery.

land—

Building—

Machinery—

Note.—Where the land and/or building is rented, the capitalised value of the same may be given.

16. Give a brief description of the processes involved in the manufacture and factors favourable for their adoption.

Place \_\_\_\_\_

Date \_\_\_\_\_

Signature of Applicant.

## ANNEXURE IV (Contd.)

Statement showing the Rail Transport Requirements of M/s.....  
For the movement of Raw Materials and Finished Goods for the manufacture of.....

Exact location of the undertaking and railway station which will serve it.	Commodity required to be manufactured	Quantities of finished products in tons, required to be moved by rail year by year during the next few years		The directionwise breakdown of traffic as stated in Col. 3 on a daily basis indicating important stations/areas to which the despatches are to take place	Name of each raw materials	Source of supply of each raw material indicating stations and areas etc.	Quantity of each raw materials		Brief indications of special facilities if any reqd. at the despatching & receiving stations including types of wagons.	Any other information relevant to railway transport requirements.
		Annual movement (tons)	Daily average (tons)				Annual movement (tons)	Daily movement (tons)		
I	2	3	4	5	6	7	8	9	10	11

## ANNEXURE IV (Cont.)

Statement showing the requirements of Coal/Coke of M/s.....

Exact location of the undertaking & the Railway Station which will serve it	Grade, Class, etc. of coal/coke required		Quantity of coal/coke required per month		Source of supply indicating station and areas	Date of commencement of the works	Type of burning equipment used
	Coal	Coke	Coal	Coke			
1	2	3	4	5	6	7	8

## ANNEXURE IV

## FORM OF FINAL APPLICATION FOR INDUSTRIAL LICENCE

To be addressed with 10 spare copies to the Co-ordination and Licensing Progress Section, Ministry of Industry, Udyog Bhavan, New Delhi.

1. Serial No. allotted to the application for industrial licence.
2. Name of the Scheduled Industry or Industries to which the articles proposed to be manufactured relate.
3. Name and address of the applicant.
4. Name and address of the industrial undertaking.
5. Whether it is proposed to be undertaken by proprietors, partners, private limited or public limited company.
6. Names of proprietors, partners, or Board of Directors and their addresses.
7. Name and address of the Managing Agent, if any.
8. Obligations, rights and privileges of Managing Agents in the constitution and working of the Company.
9. How is it proposed to finance the undertaking?
10. Proposed location of the factory:  
Tehsil ..... District ..... State .....
11. Lines of manufacture proposed:  
Name of product ..... \*Proposed (Annual)  
and bye-product. .... installed capacity.

\*Basis of estimating installed capacity should be clearly stated, viz., whether the operation will be continuous or by shifts and the number of shift days assessed for estimating the annual capacity.

## 12. Manufacturing Programme:

(a) Existing activities, if any:

Sl. No.	Items of production	Existing capacity		Current Annual Production	
		Quantity/tonnage	Value	Quantity/Tonnage	Value
1.					
2.					
3.					
etc.,					

(b) Final manufacturing programme for items in respect of which this application is made.

Sl. No.	Item of manufacture	Annual capacity		Estimated annual production		C.I.F. value of unit product
		Quantity/tonnage	Value	Quantity/tonnage	Value	
1.						
2.						
3.						
etc.,						

13. Phased manufacturing programme for  
12(b) above, if any:

Year	Item of production	Annual Turnover	Percentage by value of imported content (i. e. total of all imported raw materials and components)
		Quantity/Value tonnage	
1st Year			
	(i)		
	(ii)		
	(iii)		
	(iv)		
2nd Year			
	(i)		
	(ii)		
	(iii)		
	(iv)		
3rd Year			
etc.	(Attach a sheet, if necessary)		

14. Estimated requirements of main raw materials.

Name of raw Material	Whether indigenous or imported; if the latter, the country of origin	Quantity required per year.	Estimated value
-------------------------	---	-----------------------------------	-----------------

15. Requirements of capital equipment,  
Total value of equipment required:

- (i) Imported:

Please give name of the countries in  
the order of preference.

- (ii) Indigenous

16. Indicate your requirements of rail  
transport for movement of raw  
materials and finished products in  
the proforma attached.

17. Water Supply:

- (a) Will it be ample for requirements  
of:

- (1) factory, and  
(2) township or staff quarters?  
(State approximate quantity)

- (b) Will it be drawn from public  
supply?

- (c) Effluent problems, if any.

18. Power supply:

- (a) Total requirements proposed to be  
drawn from:

- (1) own generating station.  
(2) public supply.

19. Indicate the requirements of coal/coke  
in the proforma attached.

20. Indicate the estimated requirements of fixed assets i.e. investment in land, building and machinery—

Land  
Building  
Machinery

Note.—Where the land and/or building is rented, the capitalised value of the same may be given.

21. Give a brief description of the processes involved in the manufacture and factors favourable for their adoption.



## ANNEXURE IV

*for the movement of Raw Materials and Finished Goods for the manufacture of M/s.*

Exact location of the undertaking and railway station which will serve it	Commodity required to be manufactured	Quantities of finished products in tons required to be moved by rail year by year during the next few years		The direction wise breakdown of traffic as stated in col. 3 on daily basis indicating important stations / areas to which the despatches are to take place		Name of each raw materials	Source of supply of material in- dicating stations and areas, etc.	Quantity of each raw material		Brief indications of special facilities if any required at the despatching & receiving stations including spl. types of wagons		Any other information relevant to railway transport requirements
		Annual movement (tons)	Daily average (tons)					Annual movement (tons)	Daily movement (tons)			
1	2	3	4	5	6	7	8	9	10	11		

## ANNEXURE IV

*Statement showing the requirement's of Coal/Coke of M/s.*

Exact location of the undertaking & the Rly. Stn. which will serve it	Grade, Class, etc. of coal/coke reqd.		Quantity of coal/coke required per month		Source of supply indicating stations and areas.	Date of commencement of the works	Type of burning equipment used.
	Coal	Coke	Coal	Coke			
1	2	3	4	5	6	7	8

## ANNEXURE IV

## Form of application for import of Capital Goods

Particulars of applicant:

1. Name:

Full Postal Address

(i) House/Shop No.

(ii) Name of Street/Road

(iii) Name of Locality

(iv) Name of State.

Telegraphic Address:

2. Registration No. allotted to Income-tax Verification Certificate or Exemption therefrom by the licensing authorities.

3. Details of Treasury or Bank Certificate under which the requisite fee prescribed under Commerce and Industry Ministry's Order No. 17/55, dated the 7th December, 1955 has been deposited. (Treasury Receipt to be attached).

4. Country or countries in the order of preference from which goods are to be shipped and the manner of financing the import.

5. (i) Name and address of the manufacturers, if practicable.

(ii) If practicable, the name and address of supplier merchant on whom the order has been placed. State number and date of order and of its acceptance, if any, (evidence of firm contract where made should be furnished).

6. Detailed description of goods (with number or quantity). For Machine Tools Falling under Part VI of the ITC Schedule the following particulars may be given in a separate Statement:

(i) S. No.

(ii) Quantity along with full specification of machine tools and electric motors, etc.

(iii) Manufacturer's name and address.

(iv) Code No. as appearing in the Code-Book-Styled — "Classification of Machine Tool types."

(v) Country of origin.

(vi) Supplier's name and address.

(vii) C.I.F. value.



7. Indicate in serial order the nomenclature of each individual item of capital goods required specifying under each of the items the following particulars.

- (i) Broad specification of the item.
- (ii) Quantity required.
- (iii) Individual total CIF value against each serial No.
- (iv) Part and serial No. in the schedule to the Government of India late Ministry of Commerce and Industry Order No. 17/55, dated 7th December 1955 (*Vide* Parts I, II, III, IV, V and VI.)

8. Total value of goods C.I.F. (in Rupees).

9. Do the goods covered by this application, form a complete order or only an instalment? If the latter, state:

- (a) the extent of the instalment.
- (b) the extent of the full order.
- (c) the date of any connected application for import licences, and No. and date of any licence issued.

10. Have you made enquiries from all indigenous suppliers of items included in the application, mentioned in the Directorate General of Technical Development's published lists as suppliers of items.

Note.—Copies of correspondence with suppliers to be enclosed. Where no replies have been received within one month this fact may also be mentioned.

11. Whether the machinery to be imported is (a) second hand and reconditioned or (b) new. If (a) proposed certificate from the suppliers of a firm of consulting engineers should always be furnished to indicate the age of the machinery, its present condition and probable unexpired life.

12. In cases where the value of application for capital goods/H.E.P. exceeds Rs. 5 lakhs or where the value is below Rs. 5 lakhs but the total imports of the scheme as a whole exceed Rs. 5 lakhs, the following information should be supplied in quintuplicate:—

- (a) If a phased manufacturing programme has been approved with respect to the undertaking, the specific phase covered by the application.

- (b) Value of plant and machinery already imported in connection with the scheme.
  - (c) If Capital Goods/Heavy Electrical Plant licences are held by the undertaking and are yet to be fully utilised, the date, number and value of such licences and the manner in which unutilised portions are proposed to be utilised.
  - (d) Details regarding deferred payment/foreign capital investment arrangements contemplated or other financing arrangements proposed for financing the cost of imports.
13. Full details of the enclosures attached with the application (every copy of the document should be marked as a true copy and signed beneath by the applicant).

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that any licence granted to me/us on the basis of the statements furnished is liable to cancellation in addition to any other penalty that the Government may impose having regard to the circumstances of the case if it is found that any of the statement of facts therein are incorrect and false.

Date .....

Signature .....

Name in Block Letters.....

Designation .....

Residential Address .....

(1) Applicants are advised to read the licensing instructions for the current period carefully before filling up the Application Form for import licence.

(2) The information required against the various items in the form should be given legibly and complete in all details to avoid correspondence and delay in the disposal of their applications. The licensing authorities have discretion to reject an application if the application is not complete in all respects.

(3) Documentary evidence as asked for should be sent along with the application

(4) Any special reasons in support of the application may, if necessary be explained in a covering letter attached to the application.

(5) Application should be signed by the proprietor, partner or managing director of the firm or by any person duly authorised to sign any legal declaration on behalf of the firm. The position held by the person signing the application should be clearly stated.

(6) Any applicant supplying false or incorrect information may be liable to have his licence cancelled and in addition may be debarred from the grant of an import licence in future.

## ANNEXURE V

### *Form of the letter of intent.*

I am directed to refer to your application dated the ..... for the issue of an industrial licence for the establishment of an industrial undertaking for the manufacture of ..... and to say that Govern-

ment are prepared to issue an industrial licence to you subject to your finalising arrangements in respect of the following, to the satisfaction of the Government:

- 1.
- 2.
- 3.
- etc.

2. You are requested to send within a period of ..... from the date of issue of this letter\* (1) proposals regarding foreign collaboration (2) application for import of capital goods (3) application for consent to the issue of capital, with 10 spare copies of each of these applications, to the Coordination and Licensing Progress Section of the Ministry of Industry.

3. This 'letter of intent' is valid for a period of ..... months and, in the event of your not submitting applications/proposals relating to the conditions mentioned above within the stipulated period, this letter of intent will automatically lapse.

Under Secretary to the Government of India.

\*Strike out whichever is not applicable.

Copy to:

- 1.
- 2.
- 3.
4. C.L.P. Section.

