

INDUSTRIAL. PLANNING AND LICENSING POLICY

Interim Report
to
Planning Commission

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CONTENTS

	Para Nos.
INTRODUCTION	..
PART I—STATISTICAL OUTLINE	1 TO 11
PART II—FRAMEWORK AND POLICY	12 TO 31
PART III—SUMMARY OF RECOMMENDATIONS	

LIST OF TABLES AND STATEMENTS

TABLES I TO 3.

STATEMENTS A TO C

INTRODUCTION

I was appointed an Honorary Consultant in the Planning Commission in July, 1966 to conduct a study of licensing under the Industries (Development and Regulation) Act, 1951. The study had two objectives—

- (i) To review the operation of licensing under the Industries Act broadly over the last two Plan periods and more closely over the last six-seven years, including, the orderly phasing of licensing with reference to targets of capacity.
- (ii) To consider and suggest in the light of the present stage of economic development where and in what direction modifications may be made in the licensing policy.

The precise areas of industrial planning and licensing policy on which I was to work were left to my discretion in consultation with the Industry and Minerals Division of the Planning Commission. I was informed that the broad objectives of Industrial policy which were sought to be achieved through the Industries Act were the following:

- (a) the regulation of industrial development and canalising of resources according to plan priorities and targets;
- (b) avoidance of monopoly and prevention of concentration of wealth;
- (c) protection of small scale industries against undue competition from large scale industries;
- (d) encouragement of new entrepreneurs to establish industries;
- (e) distribution of industrial development on a more widespread basis in different regions; and
- (f) fostering of technology and economic improvements in industries by ensuring units of economic sizes and adopting modern processes.

Though licensing under the Industries Act has been the principal official instrument of industrial planning, and the Act has been in force since 1952, the only appraisal of licensing carried out so far (by the Swaminathan Committee) has been confined to procedures and allied matters. There has been no attempt to appraise the role and purpose of industrial licensing in an industrial environment which has changed considerably since the enactment of the Industries Act or, to aggregate, classify or otherwise analyse the data provided in applications for licences. These omissions are apart from deficiencies in follow-up after the grant of licences.

Within the limited period of six-months allotted for this study, it was not possible to examine the extent to which implementation of licensing policy has subserved the objectives indicated above. The Industry and Minerals Divisions of the Planning Commission kindly placed at my disposal all the files available with them relating to the Licensing Committee and the Capital Goods Committee and inter-government correspondence on industrial policy. These are the only sources of statistical data analysed in this report.

In early August 1966, I submitted a preliminary draft on Industrial Planning and Licensing Policy. This was followed in mid-November 1966 by a supplementary note which presented a statistical analysis of the licensing data collected. This interim report incorporates these two notes, which have been suitably modified in the light of discussions held in the Planning Commission and Ministry of Industry.

The aggregate statistical data on licensing relate to the calendar years 1959, 1960, 1964, 1965 and January-June 1966. The data on the Birla Group cover the period 1957—June 1966. The coverage of capital goods data is indicated in appropriate places. The final report will include aggregate licensing data for 1961 to 1963 also, and the entire data will be analysed in greater detail by industries, states and groups. The statistical data suffer from a number of limitations which are specified later. I am grateful to the Industry and Minerals Division of the Planning Commission for providing me with the facilities required for this study. I have also benefitted from discussions with the officers of the Ministry of Industry.

BOMBAY,

December 5, 1966.

(Sd./-) R. K. HAZARI.

PART I Statistical Outline

0.1. This outline analyses the data on applications, investment in capital equipment and its estimated import component collected from the agenda papers and minutes of Licensing Committee for selected years. The outline covers the distribution of applications and approvals, for licences for selected years, namely, 1959, 1960 and 1964 through June 1966, by

- (a) size of investment in capital equipment,
- (b) type of proposal, i.e., new article, substantial expansion and new undertakings,
- (c) location in specified states, and
- (d) business groups.

0.2. It also covers, as a special case, a study of applications made by and approvals granted to the Birla Group from 1957 through June 1966, together with their proposed investment in capital equipment and its import component, by type of proposal as well as for a select list of products.

0.3. The data suffer from severe limitations, as set out later in para 11. Briefly the data are partial, incomplete and in some cases not fully reliable. They should be taken as rough indicators of magnitudes, not precise amounts.

1.1. A few broad remarks can be made on the basis of the data collected on proposed investment (identified with capital equipment only) and its import component. Between 1959 and 1960, on the one hand, and 1964—June 1966, on the other :

- (a) projects of larger size have become more frequent,
- (b) the import component has declined slightly,
- (c) 'new articles' account for a relatively larger proportion, one-third against one-tenth of applications, made as well as approved, and their share in total investment has also increased,
- (d) the share of the two top industrial states, namely Maharashtra and West Bengal, in proposed investment has visibly declined, though this is more true of West Bengal, than of Maharashtra, and
- (e) the share of large and medium sized groups in the number of applications and investment applied for has increased and their share in approvals has risen slightly to about 30 per cent of the number of applications and 50 per cent of the proposed investment.

1.2. With the exception of (e), these all indicate achievements in broad based and diversified industrial growth.

2.1. The growth of investment intentions has, on the other hand, clearly faltered in the last 2½ years as compared with the eve of the Third Plan. Subject to the limitations enumerated in para 11, the amount of investment

in capital equipment (as indicated in available data) *applied for* rose from Rs. 324 crores in 1959 to Rs. 637 crores in 1960 and then declined to Rs. 431 crores (annual average) in 1964—June 1966. Similarly, the amount of investment in capital equipment (as indicated in available data) *approved* increased from Rs. 161 crores in 1959 to Rs. 328 crores in 1960 and then fell to Rs. 285 crores (annual average) in 1964—June 1966. This trend is visible in the number of applications, too.

2.2. It must be remembered, however, that a significant part of licensing in 1959 and 1960 remained infructuous and the exemption limit for licensing of new undertakings was raised from Rs. 5 lakhs to Rs. 10 lakhs in 1960 and further to Rs. 25 lakhs in 1964.

	1959	1960	1964—June 1966 (annual average)
1. Applications No.	1091 (512)	1260 (539)	653 (819)
Investment (Rs. crores)	324	637	431
2. Approvals No.	694 (321)	654 (257)	457 (215)
Investment (Rs. crores)	161	328	285

Figures in parentheses relate to applications which investment data are not available.

3.1. This faltering trend has not been greatly alleviated by a distinct gain in overall import substitution. The data on import component here are as estimated initially by applicants before finalisation of projects and thorough scrutiny, among others, by DGTD. The addition of new capital intensive industries constantly offsets the import substitution achieved in older industries.

3.2. Granted all these, the fact remains that the import component of capital equipment, as estimated by entrepreneurs, still exceeds 60 per cent, which is only slightly lower than in 1959, though the progress as compared with the peak attained in 1960 is some what better.

PROGRESS OF IMPORT SUBSTITUTION

	1959	1960	1964— June 1966
	<i>import component as % of Total Investment</i>		
1. Applications by size of total investment			
(a) upto Rs. 24 lakhs	69	83	64
(b) Rs. 25—49 lakhs	74	81	63
(c) Rs. 50—99 lakhs	70	81	68
(d) Rs. 100 lakhs and above	60	81	62
All Applications Total	66	81	63
2. Approvals by type			
(a) New article	70	74	60
(b) Substantial expansion	69	73	57
(c) New undertaking	61	84	65
All Approvals Total	64	79	62
3. Approvals by groups			
(a) Birla	88	65	56
(b) Large & medium groups (including Birla)	63	72	63
(c) All private sector [including (b)]	64	79	63

3.3. While the trends *inter se* are not marked, it is rather curious that, taking each period separately, there is not much divergence in the import component as between various sizes of investment, when allowance is made for the crudeness of the data. Since 1960, new articles and substantial expansion have a smaller import component as compared with new undertakings though the difference, once again is not substantial. Among business groups, Birla appears to have reduced its import component substantially—but it had a much higher import component to begin with in 1959.

4.1. The distribution of the number of applications and their investment is extremely skewed. Most of the applications are for a small amount of investment while most of the investment is proposed under relatively few applications (this is without prejudice to changes in the minimum exemption limit during the period). More than two-thirds of the investment is in projects above Rs. 1 crore, which account for only 14 per cent of the number of applications.

PERCENTAGE DISTRIBUTION OF APPLICATIONS
Proposed Investment (Rs. Lakhs)

Year/Period	0—24	25—49	50—99	100 & above	Total
1959 No.	80.6	9.9	2.8	6.7	100.0
Amount	17.9	10.6	6.5	65.0	100.0
1960 No.	65.1	15.1	9.3	10.6	100.0
Amount	10.9	9.9	12.3	66.9	100.0
1964—No.	52.1	22.5	11.9	13.5	100.0
June, 1966 Amount	8.3	11.1	11.4	69.2	100.0

4.2. It follows that any meaningful analysis of industrial licensing data has to be in terms of the investment involved rather than the number of applications.

5.1. Subject to the limitations of data, it appears that rejection of applications has been more frequent of late than in 1959 and 1960.

6.1. As a type of proposal, 'new article' has outstripped 'substantial expansion' in the number of applications and approvals and even the investment involved is fast catching up with the later. Even in 1964—June 1966, however, 'new articles' comprised only 14 per cent (against 4 per cent in 1959 and 9 per cent in 1960) of total investment and import component proposed and approved, though they accounted for roughly one-third of the total number of applications and approvals.

6.2. Most but by no means all of the proposals for 'new articles' are for a relatively small amount of investment:—

Applications for New Articles

Years/Period	No. of applications		Amount of Investment (Rs. crores)	
	Invest- ment Rs. 24 upto Lakhs	Total	Upto Rs. 24 Lakhs	Total
1959	91	105	5	13
1960	100	134	8	58
1964—June 1966	396	559	32	158

7.1. In terms of the number of total approvals, there has been a decline in the proportion of 'new undertakings' from roughly one-half in 1959 and 1960 to about 40 per cent in 1964—June 1966. The proportion of total investment approved for 'new undertakings' has, however, gone up from 57 per cent in 1959 and 1960 (together) to 63 per cent in 1964—June 1966.

8.1. Maharashtra which was the top industrialised state in 1960 (in terms of industrial output as measured by the Annual Survey of Industries*) continue to occupy the top position, even more in approvals than in applications, both by number of applications and investment proposed. Its share in total approved investment, however, fell from 27 per cent in 1959 to 19 per cent in 1960 and 17 per cent in 1964—June 1966. The corresponding share of West Bengal declined (almost equally) from 19 per cent in 1959 to 18 per cent in 1960 and 12 per cent in 1964—June 1966.

8.2. The share of Madras and Bihar has risen significantly from 8 and 6 per cent, respectively, in 1959 to 14 and 12 per cent, respectively, in 1964—June 1966. The remaining States taken together have not done too well. (Though a more detailed breakdown has not been attempted for other States individually, it is possible that Madhya Pradesh and Gujarat have done better than the rest in this category).

- *1. Maharashtra
2. West Bengal
3. Gujarat¹
4. Madras
5. Bihar
6. U.P.
7. Mysore
8. Assam
9. Andhra
10. Kerala
11. M.P.
12. Punjab
13. Delhi
14. Rajasthan
15. Orissa
16. Kashmir

9.1. The share of large and medium sized business groups^(a) in the total number of applications from the private sector was 20 per cent in 1959, 25 per cent in 1960 and 29 per cent in 1964—June 1966. (This rise might be due in part to the increase in the minimum exempt limit for industrial licensing which limitation might be material in number but not when it comes to proportion of investment since most investment is in larger projects.) Their share in the total number of approvals granted to the private sector was 28 per cent in 1959, 27 per cent in 1960 and 30 per cent in 1964—June 1966.

9.2. These groups account for about one half of total investment, as would be clear from the summary below. Their share in investment applied for and approved has tended to rise over the period. Among other things, they enjoy a higher ratio of approvals.

LARGE AND MEDIUM GROUPS AS PER CENT OF ALL PRIVATE SECTOR

Applications and Approvals

	1959	1960	1964— June 1966
Percentages			
I. Applications			
(a) Number	20·1	25·1	28·7
(b) Investment	37·5	43·2	47·2
(c) Import component	57·8	40·6	45·3
II. Approvals			
(a) Number	28·0	27·4	30·0
(b) Investment	46·9	49·4	49·8
(c) Import component	46·1	45·4	50·4

9.3. Within the large and medium groups, Tata has hardly been active, considering its top position while Martin Burn, made no applications whatever in 1959 and 1964—June 1966, and was barely active in 1960. The pride of place is occupied by Birla, which merits special attention.

^(a) These are covered in seven categories as follows:

1. Tata
2. Birla
3. Martin Burn
4. Bangur, Somani, Bird Heilger, Andrew Yule, Dalmia, Sahu Jain, A.C.C.
5. Thapar, Goenka, J.K. Bajoria-Jalan, Shri Ram Inchcape-Mackay.
6. Walchand, Mafatlal, Kasturbhai, Seshasayee, Mahindra, Kirloskar, Kamati, Sarabhai, Simpson.
7. International Combines.

9.4. The Birla have made a strident advance, as is evident from the summary below:

BIRLA AS PER CENT OF ALL PRIVATE SECTOR

Applications and Approvals

	1959	1960	1964— June 1966
Percentages			
1. Applications			
(a) Number	5.5	8.7	8.5
(b) Investment	8.9	21.0	18.7
(c) Import component	11.0	19.0	14.9
2. Approvals			
(a) Number	4.7	7.9	7.9
(b) Investment	10.5	24.7	15.5
(c) Import component	14.1	20.5	14.7

9.5. It has not been possible, given the limitations of time and data, to correlate or tally the licences issued to large and medium groups with the approvals granted by the Capital Goods Committee. It does, appear, nevertheless, that at least as on January 1, 1964, there was a considerable accumulation of pending cases with the Capital Goods Committee. On that date, there were 251 proposals pending for more than one year; these involved imports worth Rs. 231 crores. Of these, 47 proposals involving import of Rs. 67 crores were from large and medium groups. The industry and year-wise distribution of these proposals are given in Table 33

INDUSTRIAL LICENCES NOT COVERED BY FOREIGN EXCHANGE

Clearance as on January 1, 1964.

Year of licence	Number of licences		Foreign exchange required (Rs. crores)	
	Total	Large & Medium Groups	Total	Large & Medium Groups
Pre-1959	17	2	9	1
1959	4	..	Neg	..
1960	72	16	57	28
1961	89	17	107	33
1962	69	12	58	4
TOTAL EXCLUDING 1963	251	47	231	67

10.1. A separate compilation of Birla applications and approvals from 1957 through June 1966 indicate that (in so far as data are available from Licensing Committee paper) the Birlas made 938 applications during the period, inclusive of multiple counting of applications considered more than once. Of these 938, data on proposed investment (in capital equipment alone) are available for 472 applications only. The investment proposed under those 472 applications amounted to Rs. 496 crores, with an import component of Rs. 313 crores. Another 28 applications for which only the import component (not the total investment in capital equipment) is available made an indent of Rs. 43 crores on foreign exchange.

10.2. The licensing Committee granted approval for 375 applications, of which investment data available for 240. These 240 applications involved an investment (in capital equipment) of Rs. 246 crores with an import component of Rs. 159 crores. If, on a rough and crude basis these investment data are boosted *pro rata* for all the 375 applications approved, the total investment (in capital equipment) and its import component would be Rs. 384 crores and Rs. 248 crores, respectively.

10.3. The pace of Birla advance was moderate in 1957 and 1958, considering that it was the second largest group in size and already had the largest number of companies, more than 300. The build-up of momentum started in 1959 and the breakthrough came in 1960. There has been no looking back since then. Over these 9½ years, the Birlas applied for 228 new articles, 267 substantial expansions and 443 new undertakings (all gross of some multiple counting) and received approvals for 102, 149 and 124, respectively.

10.4. The data on capital goods approved (not to be confused with capital goods licensing) are not fully comparable with Licensing Committee approvals, because many proposals approved by the Licensing Committee do not make progress towards capital goods approval either due to the absence of import component or various other reasons; at the same time, capital goods approval is granted to a large number of proposals which do not appear in Licensing Committee papers or at least those which were accessible to me. Out of 375 Birla applications approved by the Licensing Committee from 1957 through June 1966, 51 had no import component, 209 did not reach the CGC (see para 10.8 below) 80 secured CGC approval (1959—September 1966), and 29 were in cotton and coal for which there is a separate foreign exchange allocation procedure, making a total of 369 most of the remaining 16 appeared to be under CGC consideration. At the same time, there are as many as 119 cases, with a foreign exchange allocation of Rs. 50 crores, which do not figure in available Licensing Committee data.

Subject to this unsatisfactory comparability it will be found as indicate below that, from 1959 through September 1966, the Birlas secured CGC

approval for 199 proposals involving an import component of Rs. 120 crores.

CGC APPROVALS OF BIRLA APPLICATIONS[@]

Year of CGC Approval	No. of Approvals	Amount (Rs. Lakhs)
1959	7	749
1960	7	1892
1961	22	1239
1962*	26	2270
1963	32	2296
1964	40	891
1965	42	1692
1966*	23	..
TOTAL**	199	12010

[@]Excluding coal and cotton textiles.

*January—September only.

**Including 119 approvals for Rs. 5037 lakhs of projects which do not figure in Licensing Committee.

Source : (1) Minutes of Capital Goods Committee.

(2) List of projects covered by foreign exchange allocations as on January 1, 1961 issued by Economic Adviser, Ministry of Industry.

10.5. The recent general slack in investment or pessimism in expectations has not affected the Birlas, rather the country.

During the 2½ years, 1964—June 1966, they put in 325 applications for industrial licences, of which 132 proposed an investment of Rs. 180 crores. Approval was received for 130, of which 85 accounted for an investment of Rs. 102 crores, with an import component of Rs. 57 crores.

10.6. The large number of Birla proposals and the amount of investment contemplated therein are diffused over the entire industrial structure. Except basic steel and power generation, almost every kind of industrial product capable of domestic manufacture is covered in the Birla perspective plan. There is evidence of interest in new and rapidly growing industries, particularly, aluminium, electrical goods, chemicals, cement, man-made fibres and yarn, heavy engineering, alloy steel, pig iron, tools, timber products, newsprint, and pipes and tubes but traditional industries like cotton, sugar, vanaspati and paper are by no means ignored. (See statement A).

10.7. While West Bengal and Maharashtra continue to be their prime location, Birlas have ventured on a large scale in recent years into Madhya Pradesh, Andhra, Rajasthan, U.P., and Gujarat, and are also developing interest in Assam, Madras, Kerala, Punjab, Orissa and Bihar. There is one project in Kashmir (and the blank on the Birla map in Mysore has been filled up of late by the acquisition of a cement company and a machine tool company).

10.8. It is difficult to evaluate the multitude of Birla applications in almost every product without a close and complete follow-up of developments after the consideration of applications by the Licensing Committee. The data in hand indicate abiding or at least preserving interest in a tremendous variety of products, interest which at times defies several deferments or rejections of application to attain consummation in approval, interest which seeks to overwhelm the relevant authorities with multiple proposals the moment suitable opportunities offer themselves. This performance is unrivalled, and is not to be belittled or under-estimated. Whether and if so, to what extent, this performance actually blocks the entry of other, existing or potential, entrepreneurs and thereby shuts out competition, is an open question, which cannot be answered straightaway on the basis of the data in hand.

In so far as Licensing Committee data can be compared with CGC data, it does appear, nevertheless, that a large number of Birla licences do not experience a follow-through to the CGC stage. The particulars of such licences are given in Statement B, which also gives an incomplete picture to the extent all data on licences issued are not available from Licensing Committee papers. From 1957 through June 1966, 209 Birla proposals which were approved by the Licensing Committee and which had an import component in capital equipment did not seem to have secured CGC approval. Of these 209, data on import component as given in applications for licences are available for 154. The 154 proposals had estimated an import component of Rs. 124 crores, as compared with the over-all total of Rs. 159 crores under 240 applications estimated in para 10.2 above. *This definitely over-states the infructuousness of Birla licences for, a large number of proposals approved by CGC do not figure in Licensing Committee data.* As stated in para 10.4 CGC approved 199 Birla proposals from 1959 through September 1966 and allocated Rs. 120 crores of which 119 proposals involving Rs. 50 crores did not appear in Licensing Committee papers.

One might in a rash mood, hazard the statement that Birlas do not follow up about one-half of their licences.

BIRLA LICENCES/LETTERS OF INTENT IMPORT COMPONENT WHICH HAVE NOT COME TO CAPITAL GOODS COMMITTEE THROUGH SEPT. 1966.

Year of L.C. approval	No. of approvals		Import component (Rs. lakhs) of A
	A. Import Comp. available	B. Import Comp. not available	
1957	6	..	607
1958	6	..	66
1959	18	2	797
1960	32	7	3737
1961	12	3	616
1962	8	3	443
1963	12	9	1320
1964	30	9	3018
1965	24	18	1578
1966*]	6	4	246
TOTAL	154	55	12428

*Licences upto June, CGC data upto September.

10.9. It is to some extent legitimate to infer, therefore, that Birla enterprise, justifiable or not in terms of ultimate performance, does tend to pre-empt licensable capacity in many industries. The sheer pressure of multiple applications for each product must be such as to yield positive results for at least two or more applications. If all the licences received do fructify or are intended to fructify, their progress, if any, before or after capital goods approval can be so adjusted or spaced as to minimise the financial and managerial burdens of the group at any time—not necessarily those of the economy as a whole. If the applications are rejected or deferred for subsequent consideration, they remain on the waiting list against future licensing, ahead of new applications from others.

10.10. The obligation on all units having fixed assets of more than Rs. 25 lakhs to take out a license for new articles—applications which can be rejected out of hand on the ground of sufficient licensed (not necessarily actual) capacity keeps at bay existing large undertakings which might have the capacity to offer competitive products by feasible diversification. Enterprise plus imaginative understanding of licensing formalities, thus, enable the Birlas to foreclose the market. Astute management turns this process into high and quick returns on investment, which earns foreclosure of economic resources generally, and helps magnify the halo round the House of Birla.

10.11. It is perhaps, no accident that certain Birla companies which appear repeatedly among the ranks of applicants (see statement A) and some of which do get approval for their proposals—have little to boast of in their balance sheets and profit and loss accounts. A rough sample check with data available in the Company Law Board reveals that Aryavarta Industries, Bikaner Commercial, Eastern Equipment and Sales, Manjushree Industries, and Orient General Industries, which put in a large number of applications for a variety of products are either, trading and/or finance companies or, have very small assets to show against the licences issued to them. Aryavarta, Bikaner Commercial and Eastern Equipment show hardly any fixed assets in their latest available balance sheets, though the last mentioned has a sizable turnover. Orient General had (as on 31st March, 1965) fixed assets of Rs. 35 lakhs against investments worth Rs. 57 lakhs in shares, and a sales turnover of Rs. 463 lakhs; during the year ended 31st March 1963, its sales amounted to Rs. 370 lakhs against fixed assets of Rs. 9 lakhs. Manjushree, which holds licences/letters of intent for acrylic fibre, bamboo pulp, steel castings and cotton spinning had, on 30th September, 1964, a share capital of Rs. 5,000 and no liabilities or assets to speak of. Bikaner Commercial which obtained a licence for industrial explosives (probably in 1963) proposed in 1964 to transfer it to Kingslay Golaghat Assam Tea, “a company under the same management”, because it could not raise the necessary funds.

10.12. It should be possible to enlarge the scope of such checking to include many similar cases. These are without prejudice to the substantial number and investment significance of applications from established companies which have proceeded to implement their licenses.

Limitations of Data

11.1. The data are taken wholly from the agenda papers and minutes of licensing Committee set up under the Industries (Development and Regulation) Act. This is, I understand, the first time that investment and

import component data from this source have been aggregated and classified, as distinct from the number of applications and approvals which have been available so far. The applications also contain some information on the requirements of physical resources like power, railway wagons, water, raw material, etc. I further understand that it has never been considered worthwhile to aggregate these data in any event, they have not been used for purposes of planning or administration.

The data suffer from severe limitations.

11.2. Since 1962 the Ministry of Industry maintains three lists of industries for licensing purposes, which are subject to change every six months; (i) free list, in which licences are given without reference to the Licensing Committee, (ii) merit list, in which licences are given on merits after scrutiny by the Licensing Committee, and (iii) rejection list, in which applications are rejected on grounds of sufficient capacity without reference to the Licensing Committee.

- Application for the free list, as it stands from time to time, do not come before the Licensing Committee. *Such applications and approvals are not included in the data analysed here.* It is reasonable to suppose that the number of such applications and approvals might be considerable.

Applications rejected on grounds of being on the rejection list are reported to the Licensing Committee which sometimes does consider them on merit; in any event, beyond specifying the product state of location and applicant's name, this report does not contain any data. Hence the data here are incomplete to that extent.

It is only in respect of the merit list that the Licensing Committee is furnished with a comprehensive summary of the data. Even in this case, the amount of proposed investment is, in many cases, not specified or the summaries as presented omit some particulars; e.g., state of location, type of proposal, etc.

11.3. There is a time lag between approval by the Licensing Committee which is technically a recommendation to Government and issue of a license or, sometimes an intra-Government difference of opinion which delays confirmation of minutes of meetings.

Since 1964, the Licensing Committee first issue a letter of intent valid for a specified period and, after completion of various preliminaries, gives a licence. In these data, no distinction has been made between licences and letters of intent.

11.4. The same application with or without alternations is, at times, considered more than once by the Licensing Committee which may defer or reject it and then reconsider, again sometimes, more than once, at the request of the applicant of the state of location or consequent upon re-opening of a whole issue. It has not been possible to eliminate multiple counting of such applications. Some of the deferred cases are decided "on file" at a higher level and the decision is not available in the licensing Committee papers.

11.5. The distinction between the three types of licences new articles, substantial expansion and new undertaking, is not always clear in the

available papers. Errors of recording and taking down of data are somewhat common in this area.

11.6. Owing to limitations specified in (11.2) to (11.5), *the data on number of applications and approvals analysed here are not expected to tally with those released periodically by the Ministry of Industry.*

11.7. Estimates of investment and import component are, in most cases, tentative and are to be taken as broad magnitudes only. For the sake of convenience, investment is identified in this analysis with capital equipment and excludes other related fixed investment. The import component is as estimated initially by the applicant.

11.8. The minimum exemption limit for licensing of new undertakings was raised from Rs. 5 lakhs to Rs. 10 lakhs in 1960 and further to Rs. 25 lakhs in 1964. Inter-temporal comparison have to keep in mind the changes in exemption limits, though these would not appreciably affect the distribution of investment as distinct from the number of applications.

New articles and substantial expansion of undertakings already licensed are not, however, covered by the exemption limit. A separate licence is required for each such proposal, even if no investment is required for the manufacture of a new article.

Substantial expansion is not defined precisely in the Industries Act but is interpreted to mean an addition of more than 10 per cent to licensed capacity.

11.9. Under the Industries Act, only the Central Government and specified Governments are exempt from licensing. State Governments and public sector bodies corporate have to apply for licences in the normal course. The procedure for considering proposals from such applicants is not uniform. Apparently, the larger investment proposals do not come before the licensing Committee. Their data are not included here.

11.10. The state of location refers generally to the location of the undertaking. Sometimes, however, it also refers to the state of location of the registered office, etc. It has not been possible to avoid errors on his account.

11.11. The data have no reference to follow-up action after consideration of proposals by the licensing Committee and/or the Capital Goods Committee. To the extent licences do not fructify ultimately or, there is a time lag between sanction and actual investment, or a difference between estimated cost and actual cost, there would be a wide gap between investment intentions and fulfilment.

PART II

Framework and Policy

I now turn to the articulation and effectiveness of industrial planning, and make suggestions to bring about some basic changes in industrial licensing policy. Since the analysis is based on certain views about Planning in general, I set out first the broad outline of my thinking on the subject.

12.1. The Indian economy is an amalgam of various elements. The public sector accounts for only about 15 per cent of national income though its share in new investment is considerably larger. In 1950-51, the contribution of the public sector to the output of (organised) industrial manufactures was less than 2 per cent; this contribution rose to about 8 per cent in 1960-61 and would have exceeded 20 per cent at the end of the Third Plan. This improvement notwithstanding the general picture is one of an economy in which the private sector (monetized and non-monetized) accounts for the bulk of output, income and savings. In other words, aside from subsistence activity, economic operations are subject to the market mechanism, to the extent the allocation and management of economic resources are not under the direct and/or effective administrative control of Government.

12.2. Nobody seriously suggests that the market mechanism is or can be an exclusive or perfect means for the allocation of resources and maximisation of the growth rate. Equally, there are grave doubts, particularly in view of our past experience, about the possibility of achieving a perfect administration which would successfully and efficiently override or supplant what are usually described as market criteria or market assessment of operations. Even a perfect administration in a fully centrally planned economy (which was held one time as the planned counterpart of classical perfect competition) would need, it is now recognised, shadow prices or rates of returns, etc. for effective planning and assessment of performance.

12.3. In a mixed economy, with a relatively small but fast growing public sector in industrial production, and a large but not so fast growing private sector subject to various administrative controls, the allocation of resources is guided by a combination of market forces and administrative directions. Since the private sector generates the bulk of resources, which are a common pool upon which both public and private sectors draw and since economic activity takes place in a traditionally free environment, it is obvious that the market mechanism is in fact of greater import than administrative fiat.

13.1. A number of measures have been taken of late in the direction of making greater use of fiscal and monetary devices to regulate, among other things, the direction of private investment; at the same time many direct controls on prices, production and distribution have been relaxed or lifted. Tax concessions and credit policies have been more selective since

1964 while the prices and/or distribution of several industrial products have been decontrolled. Some industries have been delicensed pursuant to the recommendations of the Swaminathan Committee. *Profitability standards have been or are proposed to be laid down and enforced for public enterprises; it is broadly accepted in principle that essential or high priority industries in the private sector, too, should make adequate profits to generate and mobilise resources.

13.3. I agree with the view that planning should make the best use of the market mechanism, at the same time as it steps up the growth of public sector investment and output, and depends upon fiscal, monetary and foreign exchange controls for manipulation of the market mechanism in the desired directions. In the context of industrial planning, this implies, among other things, a clear advance statement of priorities, greater reliance on relative profitability, taxation (both direct and indirect) and provision of credit and foreign exchange, rather than pre-occupation with the system and procedure of industrial licensing. Moreover since planning is essentially the projection of (entrepreneurship and) management on a national scale, there has to be a clear perception of the areas which are of overwhelming importance in relation to the principal objectives and which, therefore, require planning in depth, as distinguished from other areas which are of lesser significance in quantitative terms or for attainment of the principal objectives and which, therefore require only nominal attention in planning.

14.1. Industrial planning, in the present situation has to aim at three main inter-related objectives;

- (a) Minimising the net aggregate foreign exchange cost of the industrial programme and making the best available use of foreign exchange;
- (b) Minimising the total (including rupee) cost of the industrial programme; and

*Eleven industries were delicensed in May 1966; (1) iron and steel castings and forging, (2) iron and steel structurals (3) electric motors upto 10 h.p. (4) pulp (5) power alcohol (6) solvent extracted oils (7) glue and gelatin (8) glass (9) firebricks and furnace linings (10) cement, gypsum and insulating boards (11) timber products.

The reconstituted Swaminathan Committee recommended in march 1966 that "... generally speaking, industries which do not involve the import of capital goods and of raw materials should be exempted from the licensing provisions of the Act.... It should by and large be left to the economic judgement of the entrepreneur to decide whether or not he will enter the field and make an investment and to what extent. In these fields, the targets laid down by the Planning Commission should serve as indicative targets and as a factor to be considered by the prospective investor in his assessment of demand and other economic data."

In November 1966, another 29 industries were delicensed on the two grounds mentioned above, plus the need to create additional Fourth Plan capacity and to exploit export potential and increase agricultural production; (1) cast iron spun pipes (2) steel ingots/billets by electric furnace (3) non-vehicular internal/combustion engines below 50 h.p. (both diesel and petrol) (4) electric motors upto 50 h.p. (5) electric furnaces without import of switchgear and transformer (6) bicycles and components (7) tea machinery (8) power driven pumps (9) agricultural sprayers (except manual) conventional and knapsack type with indigenous engines (10) Air and gas compressors upto 6 C.M.M. (11) fire fighting equipment (12) coated abrasives (13) sewing machines and components (14) weighing machines (15) mathematical, surveying and drawing instruments (16) mixed fertilisers (17) calcium carbonate (18) barium carbonate (19) barium chloride (20) barium nitrate. (21) barium sulphate (22) blanc fixe (23) activated bleaching earth (24) activated carbon (25) metallic stearates (26) sodium aluminate (27) paper board/straw board (28) paper for packaging (29) hard board including fibre board, chip board and particle boards.

- (c) Maximising the total output (especially in the priority areas) in relation to the given volume investment and materials.

14.2. (It is difficult to assess the extent to which industrial licensing (or planning in general) has so far contributed towards the fulfilment of these objectives.) As emphasised earlier, the market mechanism is stronger and more pervasive than administrative fiat in channelising investment and determining output, directly, in the private sector and indirectly through the common pool of resources, in the public sector too. Besides, licensing had a number of objectives which, at the time of enactment of the Industries (Development and Regulation) Act fifteen years back, were perhaps considered as equal in importance to channelisation of investment. (These objectives concerned balanced regional development, protection of small and cottage industries, and avoidance of concentration and monopoly. These, and discouragement of wasteful competition, too, have received attention in Planning and administration.)

15.1. In any event, *the area of significance which industrial licensing occupies is progressively shrinking.* From about one-fourth of total (large scale) industrial investment in the First Plan, the public sector raised in its share to roughly one-half in the following two Plans; the proportion would be about 60 per cent in the Fourth Plan. Formalities apart, industrial licensing does not really apply to the public sector.

15.2. Similarly, large private projects, which amount for two thirds or more of proposed total investment, are subjected to a procedure somewhat different from that for 'normal' licensing.

15.3. Moreover, for some time to come, most of the expansion and diversification of output and fresh investment is expected from existing, rather than new, undertakings and, to that extent, licensing is either not required or involves considerations and problems different from those till, say, 1961.

15.4. As for balanced regional development, the more diffused availability of power and what are in effect postage stamps rates for steel, cement and coal, together with the setting up of new industrial centres, mostly around public sector projects, have been a positive beneficial influence as against the rather negative bias which industrial licensing has.

15.5. (It can also be suggested that Licensing (though, perhaps, to a lesser extent than the foreign exchange crisis) has been one of the successful instruments of the policy during the Second Plan period to create the urge to industrialise.) This urge was reinforced among other things, by the implicit assurance of more or less monopolistic (or non-competitive) positions which licensee expected to occupy, with the help of foreign collaborators who initiated them into new industries. Now, the urge is there (perhaps, not so much due to crises) in spite of the foreign exchange crises and so is a much greater degree of familiarity with new technology, and, in a way, things are simplified in so far as additional output comes from existing rather than new units. Correspondingly, the need to assure monopolistic positions is, to put it mildly less pressing. More output, at less cost, if possible, has become more important than licensing of additional capacity *per se*.

Objectives of Licensing

16.1. The main objectives of the Industrial Development and Regulation Act were to :

- (1) provide for Government control over the location, expansion and setting up of private industrial undertaking with a view *inter alia* to channel investments into the desired directions, promote balanced regional development, protect small and cottage industries and prevent concentration of ownership and control to the common detriment;
- (2) take over or transfer the management of those undertakings which are being conducted in a manner detrimental to the industry or the public interest; and
- (3) set up Development Councils, one for each major industry, to act as some kind of industrial planning and development organisations.

16.2. Leaving aside (2) and (3), which I deem to be outside my terms of reference, the major assumption implicit in the Act was that growth and allocation of resources should be looked after wholly or mainly by administrative guidance, promotion and control and hardly at all by the market mechanism. This assumption had considerable justification upto a point for, left to itself, the market mechanism could not deliver the goods, especially in the absence of an adequate infra-structure and direct Government participation in industry and trade. The scale and complexity of the effort undertaken subsequently by both public and private sectors and acute continuing shortage of foreign exchange, could barely be foreseen in the early fifties.

16.3. As plan programmes for industry acquired significance, the essentially negative instrument of licensing assumed the positive role of being the principal administrative instrument and sanction for projecting the installation of capacity upto or around the targets laid down in the plan. Licensing was not, however, concerned with the actual fulfilment of these capacity targets or the output resulting from additional capacity or the cost of additional capacity and output. In obeisance to indiscriminate import substitution, and the "urge to industrialise", it even failed to curb investment in obviously low priority areas—assuming that such areas were officially recognised.

16.4. Since 1957, licensing has also sought (more at CGC than the Licensing Committee stage) to keep the volume of projected investment within the available resources of foreign exchange and/or to utilise available foreign credits.

16.5. This wide variety of objectives, between which conflict is inherent when key resources become acutely scarce, has imposed a strain on licensing, which has been relieved only marginally by recent procedural adjustments and relaxations.

17.1. While I have still to undertake industry-wise (as also individual State-wise and group-wise) tabulation of data, and thereby have the benefit of documentation for arriving at conclusions it is a well established and admitted fact that, since the First Plan, shortfall in investment and output have been large and persistent, mainly in basic industries, notably, steel cement, machinery and fertilisers. The gains in terms of balanced regional development and wider distribution of entrepreneurship are as seen in Part I,

at best, moderate, if not adverse. That licensing has served to channelise investment appears to me extremely doubtful.

17.2. With official circles, the following are by now recognised as defects in the licensing system :

- (a) Licensing is only among the first of the many hurdles that have to be crossed by a private entrepreneur, so that a licence does not automatically provide a package sanction or clearance.
- (b) The issue of licences tends to give an exaggerated picture of industrial capacity which sometimes scare away genuine entrepreneurs who might be chronologically late, at the same time as it encourages foreclosure of licensed capacity by influential groups and sitting tight on unimplemented licences.
- (c) Licences are normally or, in most cases, issued for a capacity 10 to 25 per cent above the target for the end-Plan year and that, too, mostly around the beginning of a Plan period. An excessive—though quantitatively unverifiable—pressure is thus imposed on the available foreign exchange and possible collaborators and also on domestic suppliers. This leads to bottlenecks and delays, apart from adversely affecting the terms of negotiation with foreign and domestic suppliers and creditors.
- (d) The process of consideration and re-consideration of applications at various levels and at various times contributes to delays and higher costs, without improving the feasibility of the projects concerned.
- (e) There is very little follow up of licensing to see that the approved projects fructify in a satisfactory phased schedule. *Even the authorities concerned are not fully aware of the total investment and foreign exchange commitments of licences issued for those under implementation at any particular period of time.*

Analysis of Deficiencies

18.1. The above failures and deficiencies are not less important because they are obvious and admitted. These were inherent in the licensing system as it was conceived and made to function. They were bound to arise because the Planning Commission laid no guidelines and there was no official insistence or market pressure on entrepreneurs to prepare thorough feasibility reports.

18.2. Licensing has proceeded on the assumption that capacity target for individual industries are the only constants in changing economic situation. *No attempt has been made to synchronise or adjust the pace of licensing and revocation to the actual trends in capacity and output in relation to emerging demand. The Planning Commission had *never*, on its own, set out a list of priority industries/projects which should receive preferential allocation of foreign exchange and other scarce inputs. Nor has it at any time, given clear instructions about how precisely the various conflicting objectives of licensing should be reconciled on an industrywise or project-wise basis. There has also been no quantitative indication from the

*In a plan, only the targets of aggregate income, consumption and investment can be considered as relatively invariant. I am unable to uncover any sanctity or utility in creating each component target on a constant though I readily concede this. Some selected targets should be less variable than others.

Planning Commission to the executive ministries (or licensing authorities) of the effect of lags in the fulfilment of various targets from time to time on the requirements of additional capacity or output in inter-linked sectors of industry.

18.3. At the entrepreneurial end, the desire to be at the head of the queue and to foreclose as much of the target as possible is not matched by adequate home-work and vetting of projects. This tendency has been encouraged by the practice of issuing licences or more recently, letters of intent, somewhat liberally in the belief that the proposals would in any case be closely scrutinised at the CGC and/or indigenous clearance stage and, subsequently, by financial institutions in many cases. Deficient entrepreneurial homework was, perhaps, inevitable to some extent so long as there was an overwhelming dependence upon the foreign collaborator to get project and give specifications of equipment. With the establishment of greater know-how within the country and reliance upon existing rather than new undertakings, this deficiency is no longer excusable or incurable.

18.4. I would spell out the principal shortcomings of industrial planning and licensing as follows :

- (a) There have been no overall policy guidelines to be in force and supplement the plan targets which indicate the capacity and output to be achieved at the end of each five year period. The Planning Commission has not indicated the precise areas in which investment plans are to be encouraged or discouraged and how this encouragement or discouragement is to be carried out with reference to available foreign exchange and other factors without having to get involved in the scrutiny of each individual proposal or project.
- (b) In the absence of well ordered priorities and flexibility of inter-related programmes at various levels of performance, there has been a tendency to rely upon various *ad hoc* criteria. One of those has been the policy of licensing projects, the foreign exchange costs of which on capital and/or maintenance account are covered by available credits and/or foreign collaboration and/or export obligations. It can be said in defence of this policy that there has been no resulting distortion of planning or industrial development because the projects so approved are, nearly, in all cases, included in the plan. That does not, however, answer the basic argument that this is reversal or inversion of what is implied in planning. A project must first of all be intrinsically feasible and occupy a high place in the list of priorities before it can be considered for the allotment of scarce resources, especially foreign exchange. Just because a project is, or can be made, amenable to availability of foreign exchange should not qualify it for approval.
- (c) In attempting to cover almost the whole range of large scale industrial development, licensing inevitably loses sight of the relative importance, of different projects and/or products. The licensing authority and the departments which service it are loaded at any one time with hundreds or thousands of proposals, without clear and definite criteria to appraise their worth in terms of relative costs and the attainment of targets in related, particularly basic, industries/projects.

The maintenance or re-shuffling of three lists, rejection, merit and relatively free, which passes under the euphemistic title of industrial licensing policy, has nothing to do with priorities or their fulfilment or actual fructification of licenses. These lists are based on the historical or contrived accident of the pace of previous licensing in relation to end-plan targets.

- (d) The basic idea of a license was, and has to be, that it represents a social sanction for drawing scarce resources from the national pool, for a project of significant size. To the extent that licenses or letters of intent have not in fact been utilised implies that licensing has not performed this function whatever the precise reasons. At the same time, those who have licenses, and seriously intend to utilise them find that they are no more than formal passports which have to be shown to various authorities for clearances in due course; they do not assure the licensees of their requirements in so far as they are to come from Government in a Comprehensive package. A large floating population of licenses inevitably reduces the utility of a license for placing indents upon scarce resources for priority projects.

18.5. These deficiencies are so fundamental that they cannot be overcome by procedural or administrative changes. They indicate the need for better and more effective planning by the Government and the entrepreneur, and recasting of the scope and working of the licensing mechanism. The recommendations made below are made against this background.

More Effective Planning

19.1. I should emphasise that there can be no improvement in the licensing system unless there is a basic change in the scope and drawing up of industrial programmes in the Planning Commission. The role of the Planning Commission in this context should not be confined to the laying down of end-Plan targets and representation on the Licensing and Capital Goods Committees.

19.2. The industrial programmes of the Five Year Plan must separate the grain from the chaff. One must know which targets are compulsive and have to be fulfilled, as distinct from those which are merely indicative and have no major impact upon income generation or crucial investment. Practical observation and the blessings of literacy have made the elite familiar with the concept and working of interdependence but only a planning body can establish the precise location and magnitude of such interdependence where it exists or its insignificance where it does not. The Planning Commission has to specify the major priority areas and suggest from time to time the broad policies on taxation, credit, prices and allocation of foreign exchange required to fulfil the targets set for these areas.

19.3. The Planning Commission already has projections made by its Perspective Planning Division and the Economic Division. These projections were based on the assumption *inter-alia* of certain growth rates and estimates of foreign aid. These would now be revised in keeping with the changed situation and fresh estimates of aggregate sectoral and industry-wise requirements, consistent with the over-all plan and availability of resources, would be derived. It is not merely worthwhile but

essential that these estimates, in so far as they relate to priority and inter-dependent areas, should be worked out for various alternative levels of realisable or expected performance.

This exercise would enable the Planning Commission to know in advance the implications of various lags and leads in different areas and thereby to suggest the corrective action that is necessary and/or to modify the individual targets. Imbalances or distortions would, with the help of these exercises, be treated within the strategy of the Plan instead of remaining external to it and creating further imbalances and distortions. The industrial aggregations, which find expression in the Plan have to be continuously reconciled with developments at the level of individual firms or groups of inter-related project. The targets computed on a macro-economic basis, as in the Notes of the Perspective Planning and the economic Divisions, have to be made consistent with capacity and output projections based upon the performance of individual projects.

20.1. Having indicated the priorities and selected a few basic industries/projects which qualify for them, Government should undertake to pre-empt foreign exchange and (where necessary) rupee resources, and provide key physical resources like power, transport and land for their benefit. Out of the given available foreign exchange or whatever is in sight, it should be possible to reserve block allocations in favour of these industries/projects, even if this means exhausting the entire available quantum or transitional locking up of foreign exchange at the expense of other sectors of the economy.

During the Third Plan period total CGC approvals (excluding releases by the Textile sub-committee from April, 1963 and by the *ad hoc* committee) amounted to Rs. 688 crores while licenses were issued for Rs. 396 crores only (a bare Rs. 8 crores during 1965-66). Actual payments against the licenses are apparently not known to anybody. Of the total licenses issued, cash licenses against official credits/trade agreements amounted to Rs. 227 crores and licenses against IFC/ICICI sub-loans to Rs. 53 crores, making a total of Rs. 280 crores or 70 per cent of aggregate licensing. (See Table 34). This 70 per cent. together with small amounts from other sources, at least, is reasonably amendable to pre-emption, if the remaining 25 or 27 per cent which comes from direct foreign credits/investments and deferred payments is not. The brief industry-wise picture (Table 36) shows that, a few industries account for a large absorption—and most of these few in turn have only a few units each. It should not be difficult, therefore, to carry out pre-emption.

There are, it is true, significant lags between allocation, licensing and actual payment, so that in the mechanics of operation pre-emption is not as clearcut or easy as it sounds. Pre-emption, obviously, can apply only to allocation and licensing, not payments once the earlier stages are gone through. I understand that no insuperable difficulties are expected with the introduction of pre-emption, in spite of the problems thrown up by these lags.

20.2. For more than five years now, the policy of Government has been to allow the private sector to import capital goods only against

credits, investments or similar facilities. (A rather similar principle is applied to the public sector also but its demands are, on an average, much larger). As will be observed from Table 34, a nominal approval of Rs. 5 crores and licenses worth Rs. 3 crores, were given against free resources during the entire Third Plan period. (Most of this went to iron and steel). This policy has been justified, to a considerable extent, by the extreme shortage of foreign exchange, non-project credits new account for two-thirds to three-fourths of fresh assistance. In any event, there is no special virtue in continuing to adhere steadfastly to this rule of allowing capital goods against credits/investments only. Increasing domestic manufacture of machinery and availability of foreign exchange for importing machinery components are helping us to improve our bargaining position in the procurement of capital goods out of country-tied credits, but this process needs to be reinforced by some increase in the allocation of free exchange. In absolute terms, the amounts required would be small. It would be worthwhile to allocate an additional Rs. 5 crores per year to selected projects, on condition that (i) sub-allocations are in lieu of three to five times the equivalent in tied allocation and (ii) no single applicant or business groups gets more than a specified amount. This experiment is worth a trial.

21.1. Correspondingly, the industries or projects which are not included in the priority lists should know in unambiguous terms that (i) foreign exchange allocation for them over a period on account of both capital goods and maintenance would be either out of a stated ceiling or on merits after the needs of the priority sectors have been fulfilled and (ii) their progress is left to the operation of market forces and they should expect little or no assistance from Government.

21.2. For consideration on merits, the principal factor should be the extent to which the proposals save foreign exchange for the priority industries/projects rather than vaguely for the country as a whole. The other factors which may be kept in mind for consideration on merits should be (a) does the project utilise by-products or industrial wastes and thereby contributes to value added on a scale disproportionately large in relation to the initial investment? and (b) technical institutions or laboratories may be allowed to import proto-type plants for promoting subsequent fabrication without foreign collaboration and according to Indian specifications.

22.1. I now come to related objectives which industrial planning and licensing have to subserve.

22.2. Instead of inducing the licensing authorities to consider each case on its merits, the industrial programmes should specify in advance the industries in which setting up of fresh capacity or substantial expansion in output from existing capacity is amenable to regional allocation. The industries which are not allocable on grounds of techno-economic feasibility should be developed regardless of regional considerations and the programmes must say so.

22.3. Subject to considerations of economic size and foreign exchange costs, regional allocations of capacity and output, where feasible, can be indicated at the beginning of each plan period for the 'allocable' industries. The allocations should be reviewed every two years or so in the light of actual developments.

22.4. The Government should also indicate in advance the industries and/or products which are to be either wholly reserved for small units or in which a specified percentage of projected output is to be reserved for small units over a specified period and/or in which large units would not as a rule be permitted to set up competitive plants. These lists can be reviewed every two years or so in the light of various, including technological developments

22.5. As a matter of policy, the Planning Commission and Government should declare that certain traditional industrial activities shall be closed in future to the specified ten or fifteen largest business groups and their associates. This would imply that the large groups already established in these activities shall not be permitted to expand in these areas, which would henceforth be reserved for small groups and independent businessmen. In the event of a change in the coverage of industrial licensing or its practical abolition, the large groups should not receive any capital goods clearance or assistance from financial institutions for expansion within the traditional industries. It should also be stated at the same time that the large groups would be welcome in areas of new technology and where there are economic possibilities of large exports.

23.1. Efforts on these lines would be greatly aided if better and more effective use is made of the technical servicing capacity of DGTD. At present, one gets the impression that this organisation is used several times over for scrutinising a large number of amorphous proposals through the various stages of their progress (or lack of it).

23.2. The DGTD should publish a regular Bulletin giving information on the indigenous availability, present and future, of engineering and chemical products, and Test House/ISI/national laboratory reports on the quality, etc., of relatively new products. The Bulletin should also regularly publish information on the prices of domestic engineering and chemical products, especially intermediates, and compare them with the landed cost or international prices of comparable products, together with the import duties levied on them.

23.3. It should also be possible for DGTD to give positive advice by indicating the areas in which it would be economical to produce components for various industrial goods, and the minimum economic capacity, investment and foreign exchange required for their production, as also the possibility of manufacturing these items with domestic collaboration.

Project Preparation

24.1. The licensing system does not place adequate emphasis upon entrepreneurial homework. It favours chronological precedence instead of stressing the preparation of thorough feasibility—and project—reports. Even at the CGC stage, leave aside the letter of intent stage, there is no firm basis for accepting the feasibility (including its import component) of a project to qualify it for the allocation of the most scarce input, namely, foreign exchange.

24.2. It might be argued that the expense and effort involved in this preparatory work is worth while only if a licence is assured and there is reasonable assurance of other clearances. This argument reflects the extent to which the licensing system has discouraged the performance of intrinsically entrepreneurial functions and the length to which plan fulfilment

has been made to depend upon a long, drawn out scrutiny of inadequately prepared proposals.

24.3. It should be provided that any project with a total fixed investment of Rs. 1 crore and above or having a capital goods import component of Rs. 25 lakhs and above shall be considered for approval by Government only if it is supported by a thorough feasibility report, certified by a recognised (preferably domestic) consultant.*

24.4. These feasibility reports should be appraised by *ad hoc* committees, one each for a group of projects, consisting of persons from DGTD, financial institutions, ministries concerned and approved consultancy firms or technical institutions.

24.5. This procedure was ensure that every project of reasonable size which makes a draft upon national resources is intrinsically feasible and eligible for priority rating, and not just waiting to jump the queue because it is amendable to availability of foreign credits or collaboration. As stated in Part I, projects with an investment of Rs. 1 crore and above account for more than two-thirds of total private investment but their number each year would not exceed about 150. The scrutiny involved would, therefore, cover relatively few projects but the major part of investment. This would be a feasible and worthwhile exercise.

Coverage of Licensing

25.1. What has been suggested above must be a necessary part of the drawing up and formulation of industrial programmes in the Plan. The policy that is adopted for modification of the scope and mechanism of licensing is a relatively secondary matter. I hold this view because most of the defects of licensing policy appear to have arisen from planning deficiencies though administrative complications, too, have made their contribution. The suggestions made below on the scope of licensing are consistent with the planning approach suggested earlier namely, that if one puts aside the public sector as being outside the scope of licensing in fact, the problem is one of laying down priorities and selecting a few top priority areas for planning in depth, and leaving the rest of the economy to look after itself within a frame work of indicative targets and drastically restricted availability of foreign exchange.

25.2. Recent changes in licensing policy fall under two broad heads. Some industries have been delicensed on the ground that they require little or no foreign exchange on capital and maintenance account and/or they have a large export or agricultural growth potential, this process of delicensing is expected to continue. Besides, in October 1966, Government revised the definition of 'substantial expansion' from 10 to 25 per cent of existing licensed capacity and gave freedom to manufacture new articles (*i.e.*, to diversify), subject to a 'no entry' small industry list of 71 products, no additional expenditure of foreign exchange, installation if any of only minor indigenous balancing equipment and a diversification ceiling of 25 per cent of total production.

25.3. These relaxations confirm the view that licensing and its ancillary sanctions are concerned primarily with conservation and (some kind of)

*This principle is comparable to the architects role in municipal approval of building plans—which involve much less investment

allocation of foreign exchange, rather than with channelisation of investment which was the original purpose of the Industries Act. True, a channelisation purpose is implied in the relaxations and that is in the direction of indigenous procurement of machinery and materials, and away from foreign goods. At the same time, delicensing and freedom to expand and diversify imply that regulation through the Industries Act of the level and pace of investment in specified industries, balancing of demand for and supply of individual products, location and size of plants is now being left to the market mechanism, regulated by fiscal and credit policies, in so far as there is no direct foreign exchange burden. The liberalisation of policy on expansion and diversification is a move in the right direction, provided the preliminary essentials of industrial planning, referred to earlier have been firmly grasped. These would imply, in brief, the selection of a few top priority areas for planning in depth, pre-emption of foreign exchange and complementary domestic resources for them, a systematic use of fiscal and credit policies to encourage or discourage investment/production where held desirable and, above all, continued and growing emphasis upon public sector expansion and returns on investment. Matching of priorities and relative profitability, of planning objectives and techniques with market criteria and tests, should be the main instruments of industrial planning and policy. Social channelisation of investment cannot be achieved by reliance upon one instrument alone, be it industrial licensing, taxation, market mechanism or any other. Elements of all these and other techniques have to be used in concert.

26.1. Whether or not industrial licensing is retained, it is clear that Government has, in some way or other, to look after the bulk of private investment for it has a close bearing on national objectives and the resource position. This, it should be emphasised, is not the same as regulating the bulk of investment proposals. The principal fact which emerges from the statistical analysis in Part I is that most of the investment is concentrated in a relatively few projects. In 1964—June 1966, applications for the manufacture of new articles with an investment in capital equipment of less than Rs. 25 lakhs accounted for 71 per cent of such applications but only 20 per cent of the proposed investment under this head. In the case of *substantial expansion*, similarly, proposals of less than Rs. 25 lakhs accounted for 60 per cent of applications but only 10 per cent of total investment. For *new undertakings* during the same period, if Rs. 1 crore is adopted as the dividing line, applications for less than that amount were 78 per cent of total applications but would have absorbed only 35 per cent of total investment.

26.2. Taking these dividing lines, namely, Rs. 25 lakhs for new articles and substantial expansion and Rs. 1 crore for new undertakings, proposals above these limits would leave the industrial policy administration with only 29 per cent of applications but as much as 71 per cent of proposed investment in capital equipment, assuming that the broad distribution pattern of 1964—June 1966 continues to hold good. The number of new undertakings to be "looked after" would be about 125-150 per year, which is a reasonable number for worthwhile follow-up in detail.

There is a considerable advantage in raising the exempt limit for new undertakings from Rs. 25 lakhs to Rs. 1 crore, rather than Rs. 50 lakhs. Devaluation has raised the cost of imported equipment and to some extent of domestic goods, too. The size of projects has been increasing and will

continue to increase and, one hopes, that their import component would decline significantly. Further more, keeping the exempt limit at Rs. 50 lakhs would increase the coverage of the number of applications from 22 per cent (at Rs. 1 crore) to 17 per cent, *i.e.* by more than two-thirds while the investment coverage would go up from 65 per cent (as Rs. 1 crore) to 86 per cent. Coverage of two-thirds of investment is a reasonably satisfactory proposition, beyond which the workload in terms of the number of proposals might not be commensurate with the benefits expected,

26.3. I recommend that, if licensing is retained, the exempt limit for new undertakings should be raised from Rs. 25 lakhs to Rs. 1 crore, that for substantial expansion should be 25 per cent of existing licensed capacity or Rs. 25 lakhs whichever is more, and that for new articles should be fixed at Rs. 25 lakhs. In the case of the latter two, the relaxation should not involve any additional foreign exchange outgo on capital and maintenance account or entry into the small industry list but there should be no restriction on the installation of domestically produced equipment, and no percentage ceiling on diversified production within the total production.

27.1. The issue of a licence must assure the entrepreneur concerned of full assistance from Government in securing such major inputs as foreign exchange, rupee resources, power, transport and land. The entrepreneur must, in return, undertake to commission the project within an agreed period of time. As far as possible, such package licences should be issued after inviting something like tenders, from which a selection can be made (and a waiting list maintained) on the basis of the lowest foreign exchange cost inclusive of collaboration servicing payments, if any, and maintenance imports over a specified period.

27.2. While making this selection, the licensing authority must be quite clear about whether the projects covered are to be set up at any cost or, with reference to international costs and the possibility of reaching parity with them in the foreseeable future taking, where necessary, import duties into account. This process implies that before a project is finally selected and included in the priority list, it would have been established as intrinsically feasible.

27.3. The parties which fail to make adequate progress in the implementation of licenses should be penalised by transferring their licenses to any alternative agency for completion of the project and its subsequent management. Compensation, if any, for this purpose should be paid on a fair valuation, not subject to litigation.

27.4. There appears to be some evidence that a few influential groups make a deliberate attempt to foreclose licensable capacity by putting in multiple applications for the same product and also succeed in taking out several licenses. I understand that quite often there is considerable delay, that is, if there is any progress, in the utilisation of such multiple licenses—even after CGC approval. As a rule, not more than one licence and/or CGC clearance for a single product should be issued to a single firm or business group.

28.1. Applicants should not be required to seek approval of a change of location within the State specified originally or, from one State to another in case the industry falls outside the list of industries for which a

regional angle has been accepted. The clearance of proposals by State Governments should be restricted to the availability of power and land only. Assuring or arranging the supply of raw material and water is and should be the concern of the entrepreneur.

28.2. I see no benefit or advantage in getting the opinion of various departments, Ministries and the Company Law Board on individual projects, so long as the projects conform to the criteria of clearance set out in advance by these departments, etc. and the projects are cleared by DGTD after a thorough techno-economic appraisal.

29.1. As of January 1964 (for which the latest data are available), 751 applications for foreign exchange equivalent to Rs. 231 crores (pre-devaluation) were pending with CGC for more than one year. Applications received in 1961 and earlier, *i.e.*, pending for more than two years, were 182 and these indented foreign exchange of Rs. 173 crores, of these, 35 applications for Rs. 63 crores were from large and medium sized groups. (Table 33).

29.2. There is no justification for allowing cases to remain before CGC for more than two years for, by then, much of the perspective changes altogether. The proposals made earlier should obviate most of the reasons for this delay in so far as the priority areas and major projects are concerned. For the area and projects left uncovered by these proposals, it should be provided that, in future, an application to CGC would be deemed to have lapsed automatically if it is not approved within two years. Since CGC clearance unlike an industrial license, is purely administrative, there should be no difficulty in enforcing this rule.

30.1. It would be worthwhile to revoke all unimplemented licenses issued before December, 31, 1964, if necessary, by amending the definition of 'effective steps' under the Rules of the Industries Development and Regulation Act. 'Unimplemented' for this purpose should mean failure to apply to C.G. Committee or to secure its clearance since end-December—1964 and/or steps to raise 51 per cent of the share capital required. This would give industrial programmes a reasonably clear slate to begin with.

30.2. Steps should also be taken to revoke CGC approvals/licenses if the applicants fail to make adequate rapid progress to utilise them. Data are not available on the extent of unutilised CGC approvals and licenses due to causes other than the normal lag in shipments but one suspects that this non-utilisation is not negligible.

31.1. So far as industries/projects which are not included in the priority lists or which are not covered by licensing are concerned, broad indicative targets should continue to be laid down by the Planning Commission, more for information than Government involvement. The fears that this so-called relaxation would lead to a distortion of the pattern of investment, misallocation of resources and excessive pressure on available foreign exchange are, in my opinion, highly exaggerated. The bulk of industrial investment and allocation of foreign exchange would be in the public sector and the priority/licensed area of the private sector, both of which would be within the ambit of planning in depth. If any misallocation of resources threatens to take place, it can be squeezed back into the desired shape by fiscal and credit measures and denial of foreign exchange. It

should also be emphasised that the production of luxury goods would be effectively limited by the small size of the market for them.

31.2. In the context of the above scheme it would be neither necessary nor logical to retain the present distinction between the free, merit and banned lists for licensing. These are based essentially on the historical or contrived accident of the pace of past licensing and have little to do with the realities of the situation at any particular time. If investments in certain directions are to be discouraged, there are other and more effective ways of doing so. Licensing by itself, one suspects from past experience, is not an economical or very effective instrument for discouraging what may be considered from the planning view point as the wrong kind of investments.

PART III

Summary of Recommendations

1. The Planning Commission should not confine itself to the laying down of end-Plan targets but should also indicate which targets are compulsive and which are merely indicative. It should specify the major priority areas and suggest from time to time the broad policies on taxation, credit, prices and allocation of foreign exchange required to fulfil the targets set for these areas. (Para 19.1; 19.2).
2. Estimates for priority and inter-dependant areas should be worked out for various alternative levels of realisable or expected performance. The industrial aggregations which find expression in the Plan have to be continuously reconciled with developments at the level of individual firms or groups of inter-related projects. (Para 19.3)
3. Having indicated the priorities and selected a few basic industries/projects which qualify for them, Government should undertake to pre-empt foreign exchange and (where necessary) rupee resources, and provide key physical resources like power, transport and land for their benefit. (Para 20.1)
4. It is worthwhile to experiment with a slightly larger allocation of free foreign exchange for import of capital goods in the priority area. (Para 20.2)
5. The non-priority areas should look after itself, within a ceiling or residue of available foreign exchange, Consideration of its needs on merits should be on the basis of specified factors. (Para 21.1, 21.2)
6. Regional allocations, small industry reservations and policies regarding concentration of economic power should be built into the industrial plan and programmes, and not left to be determined on an *ad hoc* basis. (Para 22).
7. Better and more affective use should be made of the technical servicing capacity of DGT D (Para 23).
8. Any project with a total fixed investment of Rs. 1 crore and above or having a capital goods import component of Rs. 25 lakhs and above should be considered for approval by Government only if it is supported by a thorough feasibility report, certified by a recognised (preferably domestic) consultant. (Para 24.3)
9. As compared with industrial planning, modification of the scope and mechanism of licensing is a relatively secondary matter. (Para 25.1)
10. Matching of priorities and relative profitability, of planning objectives and techniques with market criteria and tests, should be the main instruments of industrial planning and policy. Social channelisation of investment cannot be achieved by reliance upon one instrument

alone, be it industrial licensing, taxation, market mechanism or any other (Para 25.3)

11. If licensing is retained, the exempt limit for new undertakings should be raised from Rs. 25 lakhs to Rs. 1 crore, that for substantial expansion should be 25 per cent of existing licensed capacity or Rs. 25 lakhs whichever is more, and that for new articles should be fixed at Rs. 25 lakhs, the latter two subject to specified conditions. (Para 26.3)
12. The entrepreneur must, in return for a package licence, undertake to commission the project within an agreed period of time. Licensees may be selected where possible after inviting something like tenders, and after appraising the costs as compared with international costs. Parties which fail to make progress in implementation of licences should be penalised by transferring their licenses to any alternative agency for completion of the project and its management. (Para 27.1, 27.2, 27.3)
13. As a rule, not more than one licence and/or CGC clearance for a single project should be issued to a single firm or business group. (Para 27.4)
14. It is possible to rationalise the process of clearance of applications by various official agencies. (Para 28.1, 28.2).
15. An application to CGC should be deemed to have lapsed automatically if it is not approved within 2 years. (Para 29.2)
16. All unimplemented licences issued before December 31, 1964 should be revoked. Steps should also be taken to revoke unimplemented CGC approvals/licenses if the applicants fail to make adequate rapid progress. (Para 30.1, 30.2)
17. It would be neither necessary nor logical to retain the present distinction between the free, merit and banned lists for licensing (Para 31.2)

TABLES

1. Size Distribution of Applications 1959.
2. Type Distribution of Applications 1959.
3. Size-cum-Type Distribution of Applications 1959.
4. Regional Distribution of Applications 1959.
5. Group Distribution of Applications 1959.
6. Size Distribution of Applications 1960.
7. Type Distribution of Applications 1960.
8. Size-cum-Type Distribution of Applications 1960
9. Regional Distribution of Applications 1960.
10. Group Distribution of Applications 1960.
11. Size Distribution of Applications 1964.
12. Type Distribution of Applications 1964.
13. Size-cum-Type Distribution of Applications 1964.
14. Regional Distribution of Applications 1964.
15. Group Distribution of Applications 1964.
16. Size Distribution of Applications 1965.
17. Type Distribution of Applications 1965.
18. Size-cum-Type Distribution of Applications 1965.
19. Regional Distribution of Applications 1965.
20. Group Distribution of Applications 1965.
21. Size Distribution of Applications Jan—June 1966.
22. Type Distribution of Applications Jan —June 1966.
23. Size-cum-Type Distribution of Applications Jan—June 1966.
24. Regional Distribution of Applications Jan —June 1966.
25. Group Distribution of Applications Jan —June 1966.
26. Size Distribution of Applications (Summary) 1964—June 1966.
27. Type Distribution of Applications (Summary) 1964—June 1966.
28. Size-cum-Type Distribution of Applications (Summary) 1964—June 1966.
29. Regional Distribution of Applications (Summary) 1964—June 1966
30. Group Distribution of Applications (Summary) 1964—June 1966.
31. Birla Applications for Industrial Licences 1957—June 1966 (Summary).
32. Birla Applications for Industrial Licences 1957—June 1966.
33. Industrial Licences Not Covered by Foreign Exchange Clearance as on January 1, 1964.
34. CGC Releases in Third Plan by Source.

- 35. CGC Releases in Third Plan by Years.
- 36. CGC Releases April 1961—September 1966 by Industry.

STATEMENTS

- A. Select List of Birla Applications for Industrial Licences by products.
- B. List of Birla Applications for Licences/Letters of Intent Approved by Licensing Committee but not before CGC through September 1966.
- C. List of Birla, Licences not covered by Foreign Exchange Allocation as on January 1, 1964.

TABLE I—SIZE DISTRIBUTION OF APPLICATIONS 1959
(Amount in Rs. crores)

	Total Investment							Total	Investment data not available No.
	Upto 0·10	0·10— 0·24	0·25— 0·49	0·50— 0·99	1·00— 4·99	5·00— 9·99	10·00 above		
1. No. of applications	655	225	108	31	68	3	1	1091	512
%	(60·0)	(20·6)	(9·9)	(2·8)	(6·2)	(0·3)	(0·2)	(100·0)	
2. Total Investment	25	33	34	21	165	35	11	324	
%	(7·6)	(10·3)	(10·6)	(6·5)	(50·9)	(10·7)	(3·4)	(100·0)	
(a) Import component	17	23	25	15	11	17	6	214	
%	(8·4)	(9·4)	(11·0)	(7·4)	(51·7)	(8·3)	(3·0)	(100·0)	
(b) Indigenous component	7	10	9	6	54	18	5	109	
%	(6·1)	(9·2)	(8·6)	(5·4)	(50·1)	(16·0)	(4·6)	(100·0)	

TABLE 2—TYPE DISTRIBUTION OF APPLICATIONS 1959

(Amount in Rs. Crores)

	Approved				Rejected or Deferred				Total			
	Invest- ment data not avail- able No.	No.	Total Invest- ment	Import Compo- nent	Invest- ment data not avail- able No.	No.	Total Invest- ment	Import Compo- nent	Invest- ment data not avail- able No.	No.	Total Invest- ment	Import Compo- nent.
1. New Article	120	59	7	5	58	46	6	5	178	105	13	10
%		(8.5)	(4.1)	(4.8)		(11.6)	(3.9)	(4.1)		(9.7)	(4.0)	(3.7)
2. Substantial Expansion	111	205	51	35	49	115	33	24	160	350	84	59
%		(38.2)	(31.6)	(34.0)		(29.0)	(20.1)	(21.6)		(34.8)	(70.2)	(27.8)
3. New Undertaking	90	380	103	63	84	236	124	82	174	606	227	145
%		(53.3)	(64.3)	(61.2)		(59.4)	(76.0)	(74.3)		(55.5)	(25.8)	(68.5)
TOTAL	321	694	161	103	191	397	163	111	512	1091	324	214
%		(100.0)	(100.0)	(100.0)		(100.0)	(100.0)	(100.0)		(100.0)	(100.0)	(100.0)

TABLE 3—SIZE-CUM-TYPE DISTRIBUTION OF APPLICATION 1959

(Amounts in Rs. Crores)

	Total Investment							Total
	Upto 1.10	0.10— 0.24	0.25— 0.49	0.50— 0.99	1.00— 4.99	5.00— 9.99	10.00 & above	
1. New Article:								
No.	72	19	9	3	2	..	..	105
Total Investment	2	3	3	2	3	..	..	13
2. Substantial Expansion :								
No.	252	60	34	8	26	..	..	380
Total Investment	9	9	10	5	51	..	..	84
3. New Undertaking :								
No.	331	146	65	20	40	3	1	606
Total Investment	14	21	21	14	111	35	11	227
Total								
No.	655	225	108	31	68	3	1	1091
Total Investment	25	33	34	21	165	35	11	324

TABLE 4—REGIONAL DISTRIBUTION OF APPLICATION 1959

(Amounts in Rs. crores)

	Accepted			Rejected or Deferred			Invest- ment data not available	Total		
	No.	Total Invest- ment	Import Compo- nent	No.	Total Invest- ment	Import Compo- nent		No.	Total Invest- ment	Import compo- nent
1. West Bengal	152	30	17	82	29	19	111	234	58	36
%	(21.9)	(18.9)	(17.7)	(20.7)	(17.5)	(16.8)		(21.4)	(17.9)	(16.8)
2. Maharashtra	263	44	28	119	34	28	185	382	78	56
%	(37.9)	(27.1)	(26.6)	(30.0)	(21.1)	(25.6)		(35.1)	(24.1)	(26.0)
3. Bihar	12	9	6	8	3	2	11	20	12	8
%	(1.7)	(5.7)	(6.1)	(2.0)	(2.0)	(2.0)		(1.8)	(3.9)	(4.0)
4. Madras	56	13	8	20	15	9	36	76	28	17
%	(8.1)	(8.0)	(6.6)	(5.0)	(9.0)	(8.1)		(7.0)	(8.5)	(7.9)
5. Others	211	65	45	168	82	52	169	379	148	97
%	(30.4)	(40.8)	(43.0)	(42.3)	(50.4)	(47.5)		(34.7)	(45.6)	(45.3)
Total	694	161	104	397	163	110	512	1091	324	214
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)		(100.0)	(100.0)	(100.0)

TABLE 5—GROUP DISTRIBUTION OF APPLICATIONS 1959
(Amounts in Rs. crores)

	1	2	3	4	5	6	7	8	9	Total		
	Sub-total Large & Medium Groups (1 to 7)							Private sector Total of 1-8				
Total applied investment data not available	5	27	2	10	8	17	40	109	393	502	10	512
No.	20	56	..	31	30	65	75	797	1074	17	1091	
%	(1.8)	(5.2)	..	(2.9)	(2.7)	(6.1)	(7.1)	(74.2)	(100.0)			
Total Investment	3	28	..	33	18	15	21	197	1315	8	323	
%	(1.1)	(8.9)	..	(10.4)	(5.7)	(4.9)	(6.5)	(62.5)	(100.0)			
Import Component	2	23		17	13	10	13	129	207	6	213	
%	(0.9)	(11.1)		(8.2)	(6.2)	(4.9)	(6.2)	(62.5)	(100.0)			
Total accepted : Investment data not available No.	4	13	2	6	5	15	27	72	239	311	10	321
No.	15	32		13	22	48	61	491	682	12	694	
%	(2.2)	(4.7)		(1.9)	(3.3)	(7.0)	(8.9)	(72.0)	(100.0)			
Total-Investment	2	16		14	9	11	20	82	154	7	161	
%	(1.5)	(10.5)		(9.0)	(6.0)	(7.1)	(12.8)	(53.1)	(100.0)			
Import component	2	14		6	4	6	13	53	98	5	103	
%	(1.7)	(14.1)		(6.5)	(4.5)	(6.2)	(13.1)	(53.9)	(100.0)			

Group Code :

1. Tata.
2. Birla.
3. Martin Burn.
4. Dangur Somani, Bird Heilger, Andrew Yule, Dalmia, Sahu Jain, A. C. C.
5. Thapar, Goenka, J. K., Bajoria-Jalan, Shri Ram, Inchcape-Mackay.
6. Walchand, Mafatlal, Kasturbhai, Seshasayee Mahindra, Kirloskar, Kamani, Sarabhai, Simpson.
7. International combines.
8. Other.
9. Government & Co-operatives.

TABLE 6.—SIZE DISTRIBUTION OF APPLICATIONS 1960
(Amounts in Rs. crores)

	Total Investment							Total Investment data not available No.	
	Up to 0.10	0.10-2.24	0.25-0.49	0.50-0.99	1.00-4.99	5.00-9.99	10.00 & above.		
1. No. of applications %	498 (39.5)	323 (25.6)	190 (15.1)	115 (9.3)	114 (9.0)	15 (1.1)	5 (0.4)	1260 (100.0)	539
2. Total Investment %	21 (3.3)	48 (7.6)	63 (9.9)	78 (12.3)	236 (37.1)	90 (14.1)	100 (15.7)	637 (100.0)	..
(a) Import component %	17 (3.2)	40 (7.6)	51 (9.9)	63 (12.2)	204 (39.5)	74 (14.3)	69 (13.3)	517 (100.0)	..
(b) Indigenous component %	4 (3.4)	8 (6.7)	12 (10.1)	15 (12.6)	88 (27.7)	16 (13.4)	31 (26.1)	119 (100.0)	..

TABLE 7—TYPE DISTRIBUTION OF APPLICATIONS 1960
(Amount in Rs. crores).

Type	Approved				Rejected or deferred				Total			
	Investment data not available No.	No.	Total Investment	Import component	Investment data not available No.	No.	Total Investment	Import component	Investment data not available No.	No.	Total investment	Import component
1. New Article %	30	65 (9.9)	31 (9.5)	23 (8.9)	31	69 (11.4)	27 (8.8)	24 (9.1)	61	134 (10.6)	58 (9.1)	47 (9.1)
2. Substantial Expansion %	92	219 (33.5)	121 (36.8)	88 (34.2)	91	135 (22.3)	74 (24.0)	66 (25.4)	183	354 (28.1)	195 (30.6)	154 (29.8)
3. New Undertaking %	135	370 (56.6)	176 (53.7)	147 (56.9)	160	402 (67.3)	207 (67.2)	170 (65.5)	295	772 (61.3)	384 (60.3)	316 (61.1)
4. Total %	257	654 (100.0)	328 (100.0)	258 (100.0)	282	606 (100.0)	309 (100.0)	259 (100.0)	539	1260 (100.0)	637 (100.0)	517 (100.0)

TABLE 8—SIZE-CUM-TYPE DISTRIBUTION OF APPLICATIONS @1960
(Amount in Rs. crores).

Type		Upto 0·10	0·10-0·24	0·25-0·49	0·50-0·99	1·00-4·99	5·00-9·99	10·00 above	Total
1. New article	No.	67	3	15	7	10	1	1	134
	Total Investment	3	5	5	5	23	5	12	58
2. Substantial Expansion	No.	167	85	42	28	22	9	1	354
	Total Investment	64	12	141	20	42	57	45	195
3. New Undertakings	No.	264	205	133	80	82	5	3	772
	Total Investment	12	31	45	53	172	23	43	384
Total	No.	498	323	190	115	114	15	5	1260
	Total Investment	21	48	63	78	236	90	100	637

@ Excluding applications for which investment data are not available.

TABLE 9—REGIONAL DISTRIBUTION OF APPLICATIONS 1960
(Amount in Rs. crores)

State	Approved			Rejected or deferred			Total			Investment data not available No.
	No.	Total Investment	Import component	No.	Total Investment	Import component	No.	Total Investment	Import component	
1. West Bengal %	133 (20.3)	60 (18.2)	47 (18.1)	113 (17.6)	67 (21.7)	52 (20.0)	246 (19.5)	120 (19.8)	99 (19.1)	91
2. Maharashtra %	205 (51.3)	63 (19.3)	52 (20.2)	167 (26.6)	95 (30.7)	81 (31.2)	372 (29.5)	158 (24.8)	133 (25.7)	120
3. Bihar %	20 (3.1)	12 (3.7)	9 (3.5)	10 (1.7)	6 (1.9)	5 (1.8)	30 (2.4)	18 (2.8)	14 (2.7)	6
4. Madras %	51 (7.6)	21 (6.4)	17 (6.6)	39 (8.5)	16 (5.2)	13 (5.0)	90 (7.1)	38 (5.9)	30 (5.7)	75
5. Others %	245 (37.5)	172 (52.4)	133 (54.6)	277 (45.6)	125 (40.5)	109 (42.0)	522 (41.5)	297 (46.7)	242 (46.8)	247
TOTAL %	654 (100.0)	328 (100.0)	258 (100.0)	606 (100.0)	309 (100.0)	259 (100.0)	1260 (100.0)	637 (100.0)	517 (100.0)	539

TABLE 10-GROUP DISTRIBUTION OF APPLICATIONS 1960

(Amounts in. Rs. Crores)

Groups	Grand Total												
	I	2	3	4	5	6	7	8	9	10	11	12	13
1. Total Applications Investment data not available No.		4	80	N	11	25	14	16	100	420	520	19	539
(a) No.		9	107	3	29	43	45	73	309	921	1230	30	1260
%		(0.7)	(6.7)	(0.2)	(2.4)	(3.5)	(3.7)	(5.9)	(25.1)	(74.9)	(100.0)		
(b) Total Investment		12	126	2	19	28	26	46	259	340	599	38	637
%		(2.0)	(21.0)	(0.3)	(3.2)	(4.8)	(4.3)	(7.6)	(43.2)	(56.8)	(100.0)		
(c) Import Component		9	93	2	16	25	20	32	197	289	487	31	517
%		(1.8)	(19.0)	(0.9)	(3.3)	(5.1)	(4.1)	(6.4)	(40.6)	(59.4)	(100.0)		
2. Total Approved Investment data not available No.		2	17	N	9	9	5	6	48	188	236	17	253
(a) No.		6	50	3	23	17	24	50	173	458	631	23	654
%		(1.0)	(7.9)	(0.5)	(3.6)	(2.7)	(3.8)	(7.9)	(27.4)	(72.6)	(100.0)		
(b) Total Investment		10	72	2	9	9	9	35	144	147	291	37	328
%		(3.4)	(24.7)	(0.7)	(3.1)	(3.1)	(2.4)	(12.0)	(49.4)	(50.6)	(100.0)		
(c) Import Component.		8	47	2	8	9	6	24	104	125	229	30	258
%		(3.5)	(20.5)	(0.9)	(3.5)	(3.9)	(2.6)	(10.5)	(45.4)	(54.6)	(100.0)		

Group Code : See under Table 5.

TABLE II-SIZE DISTRIBUTION OF APPLICATIONS 1964.
TOTAL INVESTMENT*

(Amounts in Rs. Crores)

	Upto 0.10	0.10-0.24	0.25-0.49	0.50-0.99	1.00-4.99	5.00-9.99	10.00-and above	Total Invest- ment data not available No.	
1. No. of Applications %	211 (26.5)	199 (24.9)	187 (23.5)	96 (12.1)	86 (10.8)	16 (2.0)	2 (0.2)	797 (100.0)	759 ..
2. Total Investment %	10 (2.1)	33 (7.1)	61 (13.2)	61 (12.2)	166 (35.8)	106 (22.8)	26 (5.8)	464 (100.0)	.. ..
(a) Import component %	7 (2.3)	22 (7.1)	41 (13.6)	45 (15.0)	97 (32.3)	73 (24.4)	16 (5.3)	301 (100.0)	.. ..
(b) Indigenous component %	3 (1.8)	11 (6.8)	20 (12.3)	16 (9.8)	69 (43.0)	33 (20.2)	10 (6.1)	163 (100.0)	.. ..

*Investment in capital equipment only.

TABLE 12-TYPE DISTRIBUTION OF APPLICATIONS 1964

(Amounts in Rs. Crores).

	Investment data not available No.	Approved			Investment data not available	Rejected or Deferred*			Investment data not available No.	No.	Total Investment	Import component
		No.	Total Investment	Import component		No.	Total Investment	Import component				
1. New Article %	76 (38.6)	188 (34.8)	48 (15.1)	29 (14.5)	202 (35.9)	83 (32.3)	28 (19.2)	17 (16.5)	278 (36.6)	271 (34.0)	76 (16.4)	46 (15.3)
2. Substantial Expansion %	85 (43.1)	126 (23.3)	61 (18.9)	10 (20.1)	86 (15.3)	35 (13.6)	12 (8.2)	8 (7.8)	171 (22.5)	161 (20.2)	73 (15.5)	49 (16.3)
3. New Undertakings %	36 (18.3)	225 (41.9)	210 (66.0)	130 (65.4)	274 (48.8)	139 (54.1)	106 (70.6)	78 (75.7)	310 (40.0)	365 (45.8)	316 (68.1)	206 (68.4)
TOTAL %	197 (100.0)	540 (100.0)	318 (100.0)	198 (100.0)	562 (100.0)	257 (100.0)	146 (100.0)	103 (100.0)	759 (100.0)	797 (100.0)	464 (100.0)	301 (100.0)

*There is some multiple counting of the applications which have been considered more than once.

TABLE 13.—Size-cum-Type DISTRIBUTION OF APPLICATIONS@ 1966.

(Amounts in Rs. Crores)

Type		Total Investment							Total
		Upto 0.10.0	10.0-24.25	0.49	0.50-0.99	1.00-4.99	5.00-9.99	10.00 and above	
1. New Article	No. of applications	116	60	53	28	14	..	..	271
	Total Investment	5	9	18	19	25	..	..	76
2. Substantial Expansion	No. of applicants	6	37	29	14	17	2	..	161
	Total Investment	3	6	10	10	30	14	..	73
3. New Undertaking	No. of applicants	33	102	105	34	55	14	2	365
	Total Investment	2	18	34	32	112	92	26	316
TOTAL	No. of applicants	211	199	187	96	86	16	2	797
	Total Investment	10	33	61	61	167	106	26	454

@Excluding applications for which investment data are not available.

TABLE 14—REGIONAL DISTRIBUTION OF APPLICATIONS 1966

(Amounts in Rs. crores)

	Accepted				Rejected or Deferred				Total			
	Investment not available	No.	Total investment	Import component	Investment data not available	No.	Total investment	Import component	Investment data not available	No.	Total investment	Import component
	No.				No.				No.			
1. West Bengal %	39 (19·8)	104 (19·2)	42 (13·2)	27 (13·6)	86 (15·3)	80 (11·7)	15 (10·3)	8 (7·8)	125 (16·3)	184 (16·8)	57 (12·3)	35 (11·6)
2. Maharashtra %	69 (35·0)	165 (30·5)	57 (17·8)	41 (20·7)	160 (28·6)	60 (23·3)	353 (28·0)	23 (23·4)	229 (30·3)	225 (28·2)	92 (19·6)	64 (21·3)
3. Bihar %	5 (2·5)	13 (2·4)	29 (9·0)	16 (8·1)	25 (4·4)	4 (1·6)	1 (0·7)	1 (0·9)	30 (3·9)	17 (2·2)	30 (6·5)	17 (5·7)
4. Madras%	12 (6·1)	44 (8·2)	42 (13·2)	28 (14·1)	47 (8·3)	21 (8·2)	6 (4·1)	4 (3·9)	59 (7·8)	65 (8·2)	48 (10·3)	32 (10·6)
5. Others %	73 (36·6)	214 (39·7)	149 (46·8)	86 (43·5)	244 (43·4)	142 (55·2)	89 (60·9)	67 (65·0)	316 (41·7)	356 (44·6)	238 (51·3)	153 (50·8)
TOTAL : %	197 (100·0)	540 (100·0)	318 (100·0)	198 (100·0)	562 (100·0)	257 (100·0)	146 (100·0)	103 (100·0)	759 (100·0)	797 (100·0)	464 (100·0)	301 (100·0)

TABLE 15.—GROUP* DISTRIBUTION OF APPLICATIONS 1964

(Amounts in Rs. crores)

		1	2	4	5	6	7	Sub total large and medium groups	8	Total Private	Govt. & Co-op 9	Grand Total
I. Total Applications	Investment data not available No.	8	83	25	25	25	50	219	520	739	20	759
a.	%	6 (0.8)	61 (8.0)	21 (2.8)	28 (3.7)	37 (4.8)	41 (5.4)	194 (25.5)	566 (74.5)	762 (100.0)	35	797
b.	Total Investment %	1 (0.2)	79 (19.8)	18 (4.5)	32 (8.0)	24 (6.0)	14 (3.5)	168 (42.0)	232 (58.0)	400 (100.0)	64	464
c.	Import component %	neg. (—)	42 (16.4)	9 (3.5)	22 (8.5)	15 (5.8)	12 (4.6)	100 (38.8)	158 (61.2)	258 (100.0)	43	301
2. Total Approved	Investment data not Available No.	5	14	12	8	18	23	80	111	191	6	197
a.	No. %	6 (1.2)	42 (8.2)	15 (2.9)	18 (3.5)	28 (5.5)	32 (6.3)	141 (27.6)	371 (72.4)	512 (100.0)	28	540
b.	Total Investment of (a) %	1 (0.4)	64 (23.5)	14 (5.1)	12 (4.4)	23 (8.4)	11 (4.0)	125 (45.8)	148 (54.2)	273 (100)	45	318
c.	Import component %	neg. (—)	38 (22.5)	8 (4.7)	8 (4.7)	14 (8.4)	10 (5.9)	78 (46.2)	91 (53.8)	169 (100.0)	23	197

*Group Code

1. Tata
2. Birla.
3. Martin Burn
4. Dangur—Somani, Bird Heilger, Andrew Yule, Dalmia, Sahu Jain, A.C.C.
5. Thapar, Geenka, J. K., Bajoria-Jalan, Shri Ram, Inchcape-Mackay
6. Walchand, Mafatlal, Kasturbhai, Seshasayee, Mahindra, Kirloskar, Kamani, Sarabhai, Simpson
7. International Combines
8. Other
9. Government & Co-operatives.

TABLE No 16.—SIZE DISTRIBUTION OF APPLICATIONS 1965.

(Amount in Rs. crores)

	Total Investment								Total	Investment data not available No.
	Upto 0-10	0-10-0-24	0-25-0-49	0-50-0-99	1-00-4-99	5-00-9-99	10-00 & above			
1. No. of applications %	158 (25.2)	172 (27.2)	127 (20.2)	78 (12.4)	75 (12.1)	14 (2.2)	3 (0.5)	627 (100.0)	934 ..	
2. Total Investment %	7 (1.5)	28 (6.3)	42 (9.4)	50 (11.3)	160 (35.9)	92 (20.6)	67 (15.0)	446 (100.0)	.. ..
3. Import component %	4 (1.4)	17 (6.2)	24 (8.7)	31 (11.2)	93 (33.7)	51 (18.5)	56 (20.3)	276 (100.0)	.. ..
4. Indigenous component %	3 (1.7)	11 (6.5)	18 (10.6)	19 (11.2)	67 (39.4)	41 (24.1)	11 (6.5)	170 (100.0)	.. ..

TABLE 17—TYPE DISTRIBUTION OF APPLICATIONS • 1965.

(Amount in Rs. crores)

	Invest- ment data not avail- able No.	No.	Total Invest- ment	Import compo- nent	Invest- ment data not avail- able No.	No.	Total Invest- ment	Import compo- nent	Invest- ment data not avail- able No.	No.	Total Invest- ment	Import compo- nent
1. New Article %	73 (26.2)	150 (32.9)	36 (11.4)	19 (9.9)	157 (24.0)	51 (30.0)	22 (17.2)	14 (16.5)	230 (24.7)	201 (32.1)	58 (13.0)	33 (12.4)
2. Substantial Expansion %	113 (40.5)	124 (27.1)	79 (24.9)	36 (18.8)	164 (15.9)	25 (14.7)	7 (5.5)	3 (3.5)	217 (23.2)	149 (23.8)	86 (19.3)	39 (14.1)
3. New Undertaking %	93 (33.3)	183 (40.0)	202 (63.7)	136 (71.3)	394 (60.1)	94 (55.3)	99 (77.3)	68 (80.0)	487 (52.1)	277 (44.1)	302 (67.7)	203 (73.5)
TOTAL %	279 (100.0)	457 (100.0)	317 (100.0)	191 (100.0)	655 (100.0)	170 (100.0)	128 (100.0)	85 (100.0)	934 (100.0)	627 (100.0)	446 (100.0)	276 (100.0)

TABLE 18—SIZE-Cum-TYPE DISTRIBUTION OF *APPLICATIONS 1965

(Amounts in Rs. crores)

Type		Total Investment							Total
		Up to 0.10	0.10-0.24	0.25-0.49	0.50-0.99	1.00-4.99	5.00-9.99	10.00 & above	
1. New Article	No. of Applications	96	67	21	8	5	4	..	201
	Total Investment	4	10	7	5	9	23	..	58
2. Substantial Expansion	No. of Applications	38	43	27	19	19	3	..	149
	Total Investment	2	6	9	12	35	22	..	86
3. New Undertaking	No. of Applications	24	62	79	51	51	7	3	277
	Total Investment	1	12	25	33	116	46	67	302
TOTAL :	No. of Applications	158	172	127	78	75	14	3	627
	Total Investment	7	28	42	50	160	92	67	446

*Excluding applications for which investment data are not available.

TABLE 19—REGIONAL DISTRIBUTION OF APPLICATIONS 1965

(Amounts in Rs. crores)

States	Approved			Rejected or Deferred			Total			Investment data Not available No.
	No.	Total Investment	Import Component	No.	Total Investment	Import Component	No.	Total Investment	Import Component	
West Bengal	61	30	19	38	10	26	99	70	45	129
%	(13.3)	(9.5)	(9.5)	(22.2)	(31.3)	(30.6)	(15.8)	(15.2)	(16.3)	(13.8)
Maharashtra	121	57	36	47	30	21	168	87	57	246
%	(26.5)	(18.0)	(18.8)	(27.5)	(24.4)	(24.7)	(26.8)	(19.2)	(20.6)	(26.3)
Bihar	23	54	24	4	10	7	27	64	31	52
%	(5.1)	(17.0)	(12.2)	(2.3)	(7.8)	(8.2)	(4.3)	(14.3)	(11.2)	(5.6)
Madras	39	26	10	9	2	1	48	28	11	61
%	(8.5)	(8.2)	(5.2)	(5.3)	(1.6)	(1.2)	(7.6)	(6.3)	(4.0)	(6.5)
Other	213	150	108	73	46	30	285	196	132	446
%	(46.6)	(47.3)	(53.9)	(42.7)	(35.9)	(35.3)	(45.4)	(44.0)	(47.9)	(47.8)
TOTAL	457	317	191	171	128	85	627	445	276	934
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

TABLE 20—GROUP* DISTRIBUTION OF APPLICATIONS 1965

(Amounts in Rs. crores)

	Investment data not available	I	2	3	4	5	6	7	Sub-Total large and medium groups	Total		Grand	
		11	81	nil	28	30	41	58	249	8	Private	9	Total
I. Total Applications													
A.	No.	10	56	nil	14	21	32	48	181	412	593	34	627
	%	(1.7)	(9.5)		(2.3)	(3.5)	(5.4)	(8.1)	(30.5)	(69.5)	(100.0)		
b. Total Investment		24	62		15	56	18	21	196	221	417	28	446
	%	(5.7)	(14.9)		(3.6)	(13.4)	(4.4)	(5.0)	(47.0)	(53.0)	(100.0)		
c. Import component		13	34		5	49	13	11	125	137	262	14	276
	%	(5.0)	(13.0)		(1.9)	(18.7)	(5.0)	(4.2)	(47.8)	(52.2)	(100.0)		
2. Total approved	Investment data not available												
	No.	4	26	Nil	16	15	11	32	104	156	260	19	279
a.	No.	10	36	Nil	11	17	23	34	131	296	427	30	457
	%	(2.3)	(8.4)		(2.6)	(4.0)	(5.4)	(8.0)	(30.7)	(69.3)	(100.0)		
b. Total Investment		24	36		14	56	17	19	166	125	291	26	317
	%	(8.2)	(12.3)		(4.8)	(19.3)	(5.8)	(6.5)	(57.1)	(42.9)	(100.0)		
c. Import component		13	18		5	48	12	10	106	72	178	13	191
	%	(7.3)	(10.1)		(2.9)	(27.0)	(6.7)	(5.6)	(59.6)	(40.4)	(100.0)		

*Group Code:

1. Tata
2. Birla
3. Bangur Sumani, Bird Heilger
4. Andrew Yule, Dalmia
5. Sahu Jain A.C.C.
5. Thapar, Goenka, J. K., Bajoria, Jalan, Shri Ram, Inchcape-Mackay
6. Walchand, Mafatlal, Kasturbhai, Seshasayee, Mahindra, Kirloskar, Kamani, Sarabhai, Simpson
7. International Combines
8. Other
9. Government & Cooperatives

TABLE 21—SIZE DISTRIBUTION OF APPLICATIONS JAN-JUNE 1966

(Amount in Rs. crores)

	Total Investment							Total Investment data not available No.	
	Upto 0·10	0·10-0·24	0·25-0·49	0·50-0·99	1·00-4·99	5·00-9·99	10·00 & above		
1. No. of applications	61	50	51	20	17	5	4	208	354
%	(29·3)	(24·0)	(24·5)	(9·6)	(8·1)	(2·6)	(1·9)	(100·0)	..
2. Total Investment	3	8	17	12	31	37	61	169	..
%	(1·8)	(4·7)	(10·0)	(7·1)	(18·3)	(21·9)	(36·2)	(100·0)	..
(a) Import component	2	5	11	8	24	26	27	103	..
%	(1·9)	(4·8)	(10·7)	(7·8)	(23·3)	(25·2)	(26·3)	(100·0)	..
(b) Indigenous component	1	3	6	4	7	11	34	66	..
%	(1·5)	(4·5)	(9·1)	(6·1)	(10·8)	(16·7)	(51·5)	(100·0)	..

TABLE 22.—TYPE DISTRIBUTION OF APPLICATIONS JAN.—JUNE, 1966

(Amount in Rs. crores)

Type	Approved				Rejected or deferred				Total			
	Invest- ment data not avail- able No.	No.	Total Invest- ment	Import compo- nent	Invest- ment data not avail- able No.	No.	Total Invest- ment	Import compo- nent	Invest- ment data not avail- able No.	No.	Total Invest- ment	Import compo- nent
1. New article %	32 (47.4)	72 (49.7)	19 (25.7)	13 (24.1)	67 (22.9)	15 (23.9)	5 (5.5)	3 (6.1)	99 (28.0)	87 (41.8)	24 (14.8)	16 (15.5)
2. Substantial Expansion %	17 (29.8)	36 (24.8)	24 (30.8)	18 (33.3)	58 (19.9)	12 (19.0)	4 (4.4)	3 (6.1)	75 (21.2)	48 (23.1)	28 (16.6)	21 (20.4)
3. New Undertaking %	13 (22.8)	37 (25.5)	34 (43.5)	23 (42.6)	167 (57.2)	36 (57.1)	82 (90.1)	43 (87.8)	180 (50.8)	73 (35.1)	116 (68.6)	66 (64.1)
TOTAL %	62 (100.0)	145 (100.0)	78 (100.0)	54 (100.0)	292 (100.0)	63 (100.0)	91 (100.0)	49 (100.0)	354 (100.0)	208 (100.0)	169 (100.0)	103 (100.0)

TABLE 23.—SIZE-Cum-TYPE DISTRIBUTION OF APPLICATIONS *JANUARY-JUNE 1966

(Amount in Rs. crores)

		Upto 0.10	0.10- 0.24	Total Investment		1.00- 4.99	5.00 9.99	10.00 & above	Total
				0.25- 0.49	0.50- 0.99				
1. New Article	No.		41	16	17	6	7	..	87
	Total Investment		2	2	6	4	11	..	24
2. Substantial Expansion	No.		10	16	14	4	3	1	48
	Total Investment	neg.		2	4	2	10	9	28
3. New Undertaking	No.		10	18	20	10	7	4	73
	Total Investment	neg.		3	7	6	10	28	61
Total No.			61	50	51	20	17	5	208
Total Investment			3	8	17	12	31	37	169

*Excluding applications for which investment data are not available.

TABLE 24.—REGIONAL DISTRIBUTION OF APPLICATIONS JANUARY-JUNE 1966

(Amount in Rs. crores)

States	Approved				Rejected or Deferred				No.	Total investment	Total Import component	Investment data not available No.
	No.	Total investments	Import component	Investment data not available No.	No.	Total investment	Import component	Investment data not available No.				
1. West Bengal	27	11	9	8	9	4	3	47	36	15	12	55
%	(16.6)	(13.6)	(16.4)	(12.9)	(14.3)	(4.4)	(6.2)	(16.1)	(17.3)	(8.9)	(11.6)	(15.5)
2. Maharashtra	47	10	6	23	9	4	2	62	56	14	8	85
%	(32.4)	(12.8)	(10.9)	(37.1)	(14.3)	(4.4)	(4.2)	(21.2)	(26.9)	(7.7)	(7.7)	(24.0)
3. Bihar	4	2	1	1	2	neg.	neg.	17	6	2	1	18
%	(2.7)	(4.7)	(1.8)	(1.8)	(3.2)	(—)	(—)	(5.8)	(2.9)	(1.2)	(1.3)	(5.1)
4. Madras	13	32	20	5	6	2	1	19	19	31	21	24
%	(6.0)	(41.2)	(36.4)	(8.1)	(9.5)	(2.2)	(2.1)	(6.6)	(9.1)	(20.1)	(20.5)	(6.8)
5. Others	54	26	19	28	37	81	42	147	91	105	61	172
%	(37.4)	(38.8)	(34.5)	(40.3)	(53.7)	(89.0)	(87.5)	(50.3)	(43.8)	(32.1)	(59.2)	(48.6)
TOTAL	145	78	55	62	63	91	48	292	208	169	103	354
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

TABLE 25—GROUP *DISTRIBUTION OF APPLICATIONS JAN.-JUNE 1966

(Amount in Rs. crores)

		Sub Total large & small group						Total Private	Total	Grand Total		
		1	2	4	5	6	7					
	Investment data not available											
	No.	7	29	19	9	11	25	100	229	329	25	354
1. Total Applications :	No.	7	15	6	13	11	18	70	123	193	15	208
a.	%	(3.6)	(7.8)	(3.1)	(6.7)	(5.8)	(9.3)	(36.3)	(63.7)	(100.0)	..	..
b. Total Investment	No.	1	39	9	27	7	8	91	55	146	23	169
	%	(0.7)	(26.6)	(6.2)	(18.5)	(4.8)	(5.5)	(62.3)	(37.7)	(100.0)	..	..
c. Import component	No.	neg.	15	9	14	5	8	51	38	89	14	103
	%	(1.0)	(16.8)	(10.0)	(15.5)	(5.6)	(8.9)	(57.8)	(42.2)	(100.0)	..	..
2. Total Investment approved	No.	2	5	1	2	5	8	20	56	56	6	62
a.	No.	7	7	4	11	6	15	50	84	134	11	145
	%	(5.2)	(5.2)	(3.0)	(8.2)	(4.5)	(11.2)	(37.3)	(62.7)	(100.0)	..	..
b. Total Investment	No.	1	2	1	2	4	8	18	39	57	21	78
	%	(1.8)	(3.6)	(1.8)	(3.5)	(7.0)	(14.0)	(31.6)	(68.4)	(100.0)	..	..
c. Import component	No.	neg.	1	neg.	1	3	7	13	29	42	12	54
	%	(1.2)	(2.4)	(1.2)	(2.4)	(7.1)	(16.7)	(31.0)	(69.0)	(100.0)	..	..

58

*Group code 1. Tata

1. Birla

3. Martin Burn

4. Bangur-Somani Bird Heilger, Andrew Yule, Dalmia Sahu Jain A.C.C.

5. Thapar, Goenka, J.K. RAJORIA,—Jalan, Shri Ram, Inchcape Mackay

6. Walchand, Mafatlal, Kasturbhai, Seshasayee, Mahindra, Kirloskar, Kamani, Sarabhai, Simpson.

7. International combines.

8. Others

9. Government & Co-operatives.

APPLICATIONS TO LICENSING COMMITTEE FOR INDUSTRIAL LICENCES

1964 to June 1966.

(SUMMARY)

TABLE 26—SIZE DISTRIBUTION OF APPLICATIONS*

(Amount in Rs. crores)

	Upto 0·10	0·10- 0·24	0·25- 0·49	0·50- 0·99	1·00- 4·99	5·00- 9·99	10·00 & above	Total	Investment data not available No.
1. No. of applications	430	421	365	194	178	35	9	1632	2047
%	(26·3)	(25·8)	(22·5)	(11·9)	(10·9)	(2·1)	(0·6)	(100·0)	..
2. Total Investment	20	69	120	123	357	235	154	1079	..
%	(1·2)	(6·4)	(11·1)	(11·4)	(33·1)	(21·8)	(14·3)	(100·0)	..
A. Import component	13	44	76	84	214	150	100	680	..
%	(1·8)	(6·5)	(11·2)	(12·4)	(31·4)	(22·1)	(14·6)	(100·0)	..
B. Indigenous component	7	25	44	39	143	85	54	398	..
%	(1·8)	(6·3)	(11·3)	(9·8)	(35·9)	(22·4)	(13·4)	(100·0)	..

* Figures are gross of multiple counting of applications considered more than once.

TABLE 27—TYPE DISTRIBUTION ON APPLICATIONS 1964—JUNE 1966

(Amounts in Rs. crores)

Type	Approved				Rejected or Deferred*				Total			
	Investment data not available No.	No.	Total Investment	Import component	Investment data not available No.	No.	Total Investment	Import component	Investment data not available No.	No.	Total Investment	Import component
1. New Article	181	410	103	61	426	149	55	34	607	559	158	195
%	(33.6)	(35.9)	(14.4)	(13.7)	(28.2)	(30.4)	(15.1)	(14.3)	(29.6)	(34.3)	(14.6)	(13.9)
2. Substantial Expansion	215	286	164	94	248	72	23	14	263	358	187	109
%	(40.0)	(25.0)	(23.0)	(21.3)	(16.4)	(14.7)	(6.3)	(5.9)	(22.6)	(21.9)	(17.4)	(16.1)
3. New Undertaking	142	446	446	289	835	269	87	189	977	715	734	475
%	(26.4)	(39.1)	(62.6)	(65.0)	(55.4)	(54.9)	(78.6)	(79.8)	(47.8)	(43.8)	(68.0)	(70.0)
TOTAL	538	1142	713	444	1509	490	365	237	2047	1632	1079	680
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

*There is some multiple counting of applications considered more than once.

TABLE 28—SIZE-CUM-TYPE DISTRIBUTION OF APPLICATION* 1964-JUNE, 1966

(Amounts in Rs. crores)

Type		Total Investment							Total
		Upto 0·10	0·10- 0·24	0·25- 0·49	0·50- 0·99	1·00- 4·99	5·00- 9·99	10·00 and above	
1. New Article :	No. of applications	253	143	91	52	26	4	..	559
	Total Investment	11	21	31	28	45	23	..	158
2. Substantial Expansion	No. of applications	110	96	70	37	39	6	..	358
	Total Investment	5	14	23	24	75	45	..	187
3. New Undertaking	No. of applications	67	182	204	105	113	25	9	715
	Total Investment	3	33	67	154	168	166	154	734
TOTAL	No. of applications	430	421	365	194	178	35	9	1632
	Total Investment	20	68	121	206	278	234	154	1071

*Excluding applications for which investment data are not available.

TABLE 29—REGIONAL DISTRIBUTION OF APPLICATIONS 1964—JUNE 1966

(Amount Rs. crores)

States	Approved			Received or deferred			Total			Investment data not available No.
	No.	Total Investment	Import component	No.	Total Investment	Import component	No.	Total Investment	Import component	
West Bengal %	192 (16.8)	83 (11.6)	55 (12.4)	77 (15.7)	59 (16.2)	37 (15.7)	269 (16.5)	142 (13.1)	92 (13.5)	309 (15.1)
Maharashtra %	333 (29.2)	124 (17.3)	83 (18.7)	116 (23.6)	69 (18.9)	48 (19.6)	449 (27.4)	193 (17.9)	129 (19.0)	560 (27.4)
Bihar %	40 (3.5)	85 (11.9)	41 (9.2)	10 (2.0)	11 (3.0)	8 (3.4)	50 (3.1)	96 (8.9)	49 (7.2)	100 (4.9)
Madras %	96 (8.4)	100 (14.0)	58 (13.0)	36 (7.4)	10 (2.7)	6 (2.6)	132 (8.1)	110 (10.2)	64 (9.4)	144 (7.0)
Others %	481 (42.1)	323 (45.2)	208 (46.7)	252 (51.3)	216 (59.2)	138 (58.7)	733 (45.9)	539 (49.9)	346 (50.9)	934 (45.6)
TOTAL %	1142 (100.0)	715 (100.0)	445 (100.0)	491 (100.0)	365 (100.0)	235 (100.0)	1633 (100.0)	1080 (100.0)	680 (100.0)	2047 (100.0)

TABLE 30—GROUP* DISTRIBUTION OF APPLICATIONS 1964—JULY 1966
(Amount in Rs. crores)

	1	2	4	5	6	7	Sub-total large and medium groups	8	Total private	Govt & Co-op. 9	Grand Total
1. Total applications . . . Investment data not available No.	26	193	72	64	80	133	568	1375	1943	103	2047
a. No. %	23 (1.5)	132 (8.5)	41 (2.6)	62 (4.0)	80 (5.2)	107 (6.9)	445 (28.7)	1103 (71.3)	1540 (100.0)	84	1632
b. Total Investment %	26 (2.7)	180 (18.7)	42 (4.4)	115 (11.8)	49 (5.1)	43 (4.5)	455 (47.2)	508 (52.8)	963 (100.0)	115	1078
c. Import component %	13 (2.1)	91 (14.9)	23 (3.8)	85 (14.0)	33 (5.4)	31 (5.1)	276 (45.3)	333 (54.7)	609 (100.0)	71	680
2. Total approved . . . Investment data not available No.	11	45	29	25	34	60	204	303	507	31	538
a. No. %	23 (2.1)	85 (7.9)	30 (2.8)	46 (4.3)	57 (5.3)	81 (7.6)	322 (30.0)	751 (70.0)	1073 (100.0)	69	1142
b. Total Investment %	26 (4.2)	102 (16.5)	29 (4.7)	70 (12.2)	44 (7.1)	38 (6.1)	309 (49.8)	312 (50.2)	621 (100.0)	92	713
c. Import component %	13 (3.3)	57 (14.7)	13 (3.3)	57 (14.7)	29 (7.5)	27 (6.9)	196 (50.4)	193 (49.6)	389 (100.0)	53	442

Group Code* : 1. Tata.
2. Birla.
3. Martin Burn.
4. Bangur-Somani, Bird Hellger, Andrew, Yul, Dalruia, Saljain, Acc.

5. Thapar Goenka, J.K. Bajoria-Jilan, Shri Ram, Inchease—Macray.
6. Walchand, Mafatlal, Kasturbhai Seshasayee, Mahindra, Kirloskar, Kamani, Sarabhai, Simpson.
7. International combines.
8. Other.
9. Government & Co-operatives.

TABLE 31.—BIRLA APPLICATION FOR INDUSTRIAL LICENCES.
(1957—June 1966—Summary)

Period	Type	Applications*														
		Total (4+5+6)	Date on invest-ment	Only on date avail-able for	Date not avail-able for	Total invest-ment of (4)	Import compo-ment of (7)	Import compo-ment of (5)	Total (11+12+13)	Date on invest-ment avail-able for	Only on import compo-ment avail-able for	Data not avail-able for	Total invest-ment of (11)	Import compo-ment of (14)	Import compo-ment of (12)	
		Numbers				Rs. crores			Numbers				Rs. crores			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1957-59 (3 years)	NA	26	10	1	15	4	3	1	17	7	..	10	3	3	..	
	SE	79	45	7	27	25	19	3	58	32	5	21	11	8	2	
	NU	37	27	3	7	27	21	10	15	10	..	5	13	11	..	
TOTAL		142	82	11	49	56	44	14	90	49	5	36	27	22	2	
1960-63 (4 years)	NA	108	58	6	14	42	27	13	4	24	3	14	11	8	3	
	SE	122	77	2	47	92	65	4	54	40	..	14	71	46	..	
	NU	241	127	9	105	120	86	11	60	42	3	16	36	26	3	
TOTAL		471	258	17	196	261	178	29	155	106	5	44	117	79	6	
1964—June 1966 (2½ years)	NA	94	42	..	52	22	12	..	44	28	..	16	15	8	..	
	SE	66	26	..	40	17	10	..	37	20	..	17	17	9	..	
	NU	165	64	..	101	141	69	..	49	37	..	12	70	41	..	
TOTAL		325	132	..	193	180	91	..	130	85	..	45	102	58	..	

TABLE 32—BIRLA APPLICATIONS FOR INDUSTRIAL LICENSES 1967—June 1966

Calendar Year	Type	Applications*							Approvals						
		Total Data on (4+5+6)			Only Data not available for		Total Import investment of (4)	Import component of (7)	Import component of (5)	Total Data (11+12+13)	Only import component available for	Data not available for	Total Import investment of (11)	Import component of (14)	Import component of (12)
		Numbers			Rs. crores			Numbers			Rs. crores				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1957	NA	10	4	..	6	3	2	..	9	4	..	5	3	2	..
	SE	20	8	4	8	7	4	2	14	5	3	6	neg.	neg.	1
	NU	7	4	2	1	6	6	neg.	3	2	..	1	5	4	..
	TOTAL	37	16	6	15	16	12	2	26	11	3	12	8	6	1
1958	NA	6	1	1	4	neg.	neg.	1	..	..	..	..	..	..	..
	SE	22	9	3	10	5	4	1	17	6	2	9	1	1	1
	NU	8	6	1	1	8	6	10	3	2	..	1	5	4	..
	TOTAL	36	16	5	15	13	10	12	20	8	2	10	6	5	1
1959	NA	10	5	..	5	neg.	neg.	..	8	3	..	5	neg.	neg.	..
	SE	37	28	..	9	13	11	..	27	21	..	6	9	7	..
	NU	22	17	..	5	13	10	..	9	6	..	3	3	3	..
	TOTAL	69	50	..	19	26	21	..	44	30	..	14	12	10	..

1960	NA	16	13	..	3	10	8	..	8	6	..	2	5	3	..
	SE	46	38	..	8	70	48	..	27	21	..	6	53	32	..
	NU	72	53	..	19	45	36	..	32	24	..	8	16	14	..
	TOTAL	134	104	..	30	125	93	..	67	51	..	16	73	49	..
1961	NA	29	16	4	9	18	11	8	12	5	3	4	neg.	neg.	3
	SE	24	12	2	10	2	2	4	8	5	..	3	I	neg.	..
	NU	61	36	5	20	32	19	5	8	7	I	..	11	6	neg.
	TOTAL	114	64	11	39	52	32	17	28	17	4	7	11	6	3
1962	NA	19	15	I	3	4	2	5	6	5	..	I	..	..	..
	SE	26	11	..	15	2	I	..	6	4	..	2	I	I	..
	NU	79	28	3	48	43	27	7	10	5	I	4	8	4	3
	TOTAL	124	54	4	66	49	30	12	22	14	I	7	9	5	3
1963	NA	44	14	I	29	9	6	neg.	15	8	..	7	5	4	..
	SE	26	12	..	14	18	14	..	13	10	..	3	17	13	..
	NU	29	10	I	18	7	4	neg.	10	6	..	4	2	2	..
	TOTAL	99	36	2	61	34	24	neg.	38	24	..	14	24	19	..
1964	NA	48	22	..	26	11	6	..	21	14	..	7	7	4	..
	SE	25	8	..	17	5	3	..	14	7	..	7	5	3	..
	NU	71	31	..	40	63	33	..	21	21	..	..	52	31	..
	TOTAL	144	61	..	83	79	42	..	56	42	..	14	64	38	..
1965	NA	40	17	..	23	11	6	..	20	11	..	9	8	4	..
	SE	30	14	..	16	11	6	..	20	11	..	9	11	6	..
	NU	67	25	..	42	40	22	..	22	14	..	8	17	9	..
	TOTAL	137	56	..	81	62	34	..	62	36	..	26	36	19	..
Jan. June 1966	NA	6	3	..	3	I	neg.	..	3	3	..	..	..	neg.	..
	SE	11	4	..	7	I	I	..	3	2	..	I	I	neg.	..
	NU	27	8	..	19	37	14	..	6	2	..	4	I	I	..
	TOTAL	44	15	..	29	39	15	..	12	7	..	5	2	I	..

Footnotes : Same as for Table 31

TABLE 33.—INDUSTRIAL LICENCES NOT COVERED BY FOREIGN EXCHANGE CLEARANCE AS ON JANUARY 1, 1964*

(Foreign exchange amounts in Rs. lakhs)

Srl. No.	Product	Item	Year of issue of industrial licence					Total
			1962	1961	1960	1959	Before 1959	
1.	Alloys tool & special steel	No.	(1)1	5(1)	..	..	6	(2)
		Th. tonnes . . .	15(15)	90(25)	..	..	105	(40)
		F. ex.	17(17)	648(450)	..	..	665	(467)
2.	Pig Iron】	No.	1(1)	..	..	..	1	(1)
		Th. tonnes . . .	100(15)	..	..	..	100	(15)
		F. ex.	200(17)	..	..	..	200	(17)
3.	Ferro manganese . .	No. . . . .	..	..	..	1	1	
		Th. tonnes . . .	..	..	..	44	44	
		F. ex. . . . .	..	..	..	150	150	
4.	Steel wire	No.	1	1(1)	..	..	2	(1)
		tonnes	1050	700	(700)	..	1750	(700)
		F. ex.	5	1	(1)	..	6	(1)
5.	Tinplate	No. . . . .	..	1	(1)	..	1	(1)
		Th. tonnes . . .	..	90	(90)	..	90	(90)
		F. ex. . . . .	..	675	(675)	..	675	(675)
6.	Steel castings	No.	1	1	4	..	6	
		Th. tonnes . . .	3	3	14	..	20	
		F. ex.	7	1	41	..	48	
7.	Steel forging	No.	3	4	3	1(1)	11	(1)
		Th. tonnes . . .	8	12	10	5(50)	35	(5)
		F. ex.	35	181	17	22(22)	255	(22)

8. Grey iron castings	No.	3(1)	6(1)	3	..	12	(2)
	Th. tonnes	27(22)	18(2)	22	..	67	(24)
	F. ex.	20(19)	25(12)	25	..	70	(31)
9. MI spun pipes	No	6(2)	7	3	I	17	(2)
	Th. tonnes	12(4)	16	8	I	37	(4)
	F. ex.	57(48)	49	59	neg.	165	(48)
10. C. I. spun pipes	No.	..	8(5)	2(1)	3(1)	13	(7)
	Th. tonnes	..	230(189)	85(61)	56(30)	371	(280)
	F. ex.	..	281(205)	52(20)	101(40)	434	(265)
11. Steel pipes and tubes	No.	..	(7)I	4(2)	..	11	(3)
	Th. tonnes	..	408(150)	83(65)	..	491	(215)
	F. ex.	..	1240(500)	207(180)	..	1447	(680)
12. Steel wire ropes	No	4(1)	..	1	..	..	5(1)
	Th. tonnes	12(3)	..	3	..	..	5(3)
	F. ex.	131(30)	..	45	..	..	170(50)
13. Paper mill machinery	No.	..	2	..	..	..	2
	Rs. lakhs	..	840	..	..	..	840
	F. ex.	..	93	..	..	..	93
14. Ball & roller bearings	No.	2(1)	2	2	..	..	6(1)
	Lakh Nos.	5(2)	21	22	..	..	48(2)
	F. ex.	98(92)	99	231	..	..	428(92)
15. Aluminium	No.	..	..	1	..	..	1
	Th. tonnes	..	..	20	..	..	20
	F. ex.	..	..	900	..	..	900
16. Clocks watches time pieces	No.	2	2	2	..	..	6
	Th. nos.	270	400	155	..	..	825
	F. ex.	9	38	6	..	..	..

*Licences issued in 1963 are excluded.

L Linked with other products

Figures in parentheses relate to large and medium groups

Source :—Economic Adviser, Ministry of Industry.

Srl. No.	Product	Item	Year of issue of industrial licence.					Total
			1962	1961	1960	1959	Before 1959	
17.	Cables, VIR, PVC	No. Mn. yds. F. ex.	.. ..	.. ..	36@(na) n.a. (na)	3(1) na	I na	4(1) 36@(na) na (na)
18.	Winding wires, E&C	No. Tonnes F. ex.	5 1680 9**	.. ..	500 @@(500) 19(13)	2(1) ..	.. ..	7(1) 2180(500) 28 (13)
19.	Electric fans	No. Th. Nos. F. ex.	.. ..	.. ..	.. ..	.. ..	.. ..	2+2 5252 1414
20.	House service meters	No. Th. Nos. F.ex.	.. ..	3 147 31	3 138 14	.. ..	.. ..	I 7 15 300 3 48
21.	Fertilizers, nitrogen	No. Th. tonnes E. ex.	4 262 4279	3 224 3180	.. ..	.. ..	.. ..	7 486 7459
22.	Fertilizers, phosphate	No. Th. tonnes F. ex	2(1) 66(10) L(L)	3 107 4***	2 (2) 9(9) 32(32)	.. ..	.. ..	7 (3) 182 (19) 36(32)
23.	Sulphuric Acid	No. Th. tonnes F. ex.	I 165 L	3(1) 326(17) 15(12)	3(1) 59(17) 10(3)	2 17 6	.. ..	9(2) 567 (34) 31 (15)
24.	Caustic soda	No. Th. tonnes F. ex	.. ..	(3) (32) 265(265)	.. ..	.. ..	I ..	4(3) 65(32) 265 (265)

70

25. Soda ash	No.	..	..	1(1)	..	1	12 (1)
	Th. tonnes	..	..	33(33)	..	132	165 (33)
	F. ex.	..	..	50(50)	..	460	510(50)
26. Paper & paper board	No.	..	5(2)	6(1)	..	..	11(3)
	Th. tonnes	..	133(51)	66(38)	..	..	199 (89)
	F. ex.	..	1485(750)	1147(500)	..	..	2632 (1350)
27. Newsprint	No.	..	2(2)	1(1)	..	..	3 (3)
	Th. tonnes	..	120(120)	30(30)	..	..	150(150)
	F. ex.	..	1150(1150)	550(550)	..	..	1700(1700)
28. Cement	No.	4	2	..	..	8	8
	Lakh tonnes	7.7	2.7	..	..	4.5	14.9
	F. ex.	180	90	..	..	90	360
29. Refractories	No.	6(1)	..	5(1)	..	1	12 (2)
	Th. tonnes	68(20)	..	157(60)	..	102	527 (80)
	F. ex.	31(16)	..	200(75)	..	n.a.	251 (91)
30. Insulators, L.T. & H.T.	No.	4	3	1	..	..	8
	Th. tonnes	4.7	4.2	1.9	..	..	10.3
	F. ex.	60	84	16	..	..	160
31. Pulp, rayon grade	No.	..	2	1(1)	..	..	3 (1)
	Th. tonnes	..	52	60(60)	..	..	112 (60)
	F. ex.	..	1034	650(650)	..	..	1684 (650)
32. Other products	No.	19(3)	16(1)	17(1)	..	4	56(5)
	F. ex.	629(158)	688(L)	795(L)	..	19	2131(158)
GRAND TOTAL	No.	69(12)	89(17)	72(16)	4	(-)-17(2)	251(47)
	F. ex.	5787(397)	10680(3344)	5742(2849)		(-) 859(62)	23079(6652)

@ For one licence only, capacity of other two not available.

(a) @ For one licence only.

•• Two licences only.

+ Both 1955.

••• Linked with other products.

TABLE 34—CGC Releases in Third Plan by Sources*

		(Rs. crores)	
Source		Approved	Licensed
Grand Total		687·83	395·67
1.	U.S.A.	170·06	107·00
2.	West Germany	17·60	10·62
3.	U. K.	14·49	12·58
4.	Japan	40·89	19·69
5.	France	43·78	23·67
6.	Belgium	6·99	3·88
7.	Canada	5·14	1·93
8.	Austria	2·01	1·25
9.	Holland	7·46	6·01
10.	Italy	11·42	6·46
11.	Switzerland	7·21	5·39
12.	Denmark	1·20	0·67
13.	Sweden	0·55	..
Sub-total 1 to 13		328·80	199·15
14.	Poland	0·74	0·74
15.	Yugoslavia	7·64	5·95
16.	Hungary	1·27	1·27
17.	Czechoslovakia	0·54	..
Sub-total 14 to 17		10·19	7·96
18.	Rupee Payment	38·07	18·71
19.	IFC/ICICI	123·13	53·10
20.	Free resources	4·62	3·08
21.	IDA	0·94	0·80
Sub-total 18 to 21		166·76	75·69
22.	Export earnings	3·67	1·38
23.	STC link	3·60	2·77
Sub-total 22 + 23		7·27	4·15
24.	Foreign share capital	80·45	53·75
25.	Loans from principals	47·34	28·71
26.	C.D.F.C.	11·69	6·09
27.	IFC Washington	12·75	1·49
28.	Deferred payments	22·60	18·70
Sub-total 24 to 28		174·83	108·74

Sources: Economic Adviser, Ministry of Industry.

*Excluding releases by CG Textile Sub-Committee since April 1963 and *ad hoc* Committee.

TABLE 35—CGC Releases in Third Plan by Years

Year	(Rs. crores)	
	Approved	Licensed
Grand total	687.83	395.67
1961-62	158.64	134.34
1962-63	133.35	102.69
1963-64	207.68	111.87
1964-65	114.74	38.29
1965-66	73.42	8.48

TABLE 36—CGC Releases April 1961—September 1964 by Industries*

Industry	Total	Of which					
		Foreign share capital	Local Institutions & Principals.	Rupee Payment	Defer- red Pay- ment	STC Link & Exports	Free & IDA
A Total licensed	322.92	46.06	69.09	15.04	14.19	4.12	3.69
B Total approved	559.42	67.96	147.81	25.44	20.81	6.69	5.22
Of B:							
1. Automobiles	77.47	8.36	10.82	1.20	..	0.28	0.69
2. Bicycles	0.77	0.18	0.12	0.21	..	0.04	0.05
3. Electricals	27.53	5.97	11.14	1.56	0.26	0.27	0.47
4. Engineering	69.13	8.96	21.93	6.93	0.04	1.23	1.27
5. Heavy electricals	3.56	1.37	0.26	..	1.08	0.16	0.06
6. Iron & Steel	93.28	10.96	37.47	3.34	1.81	1.07	0.29
7. Other metals	28.61	2.03	12.22	0.07	..	1.16	0.21
8. Cement	21.37	0.36	5.82	2.80	..	0.05	0.40
9. Ceramics	3.56	0.29	1.81	1.30	..	..	..
10. Chemicals	90.24	13.31	19.03	0.95	3.40	0.46	0.80
11. Glass	6.69	1.77	1.87	0.18	..	..	..
12. Industrial gases	4.90	0.41	2.13	0.91	..	..	0.01
13. Paper & pulp	32.69	2.21	6.60	..	2.59	0.03	0.15
14. Refractory	2.99	..	1.01	0.20	..	..	..
15. Rubber	12.08	5.31	4.09	0.38	0.06	..	0.01
16. Cotton tex. upto March, 1963	28.97	..	..	2.25	10.30	1.05	0.26
17. Noncotton tex.	39.00	4.32	5.35	2.19	1.05	..	0.10
18. Miscellaneous	16.58	2.33	6.12	0.96	0.21	1.00	0.43

*As corrected upto January 12, 1965.

Figures include amounts on waiting list.

STATEMENT A

Select List of Birla Applications for Industrial Licences by Products

Product	Applicant	Total		
		State	Investment	Disposal
(Rs. lakhs)				
ACSR & aluminium conductors				
1962	Universal Cables	MP	18	R
	Bharat Commerce	GJ	15	R
	Surajmall Mohta (Aluminium Bharat)	WB	125	R
	N.S. Singhi (Aluminium Conductors and Ancillaries)	UP	16	A
	K. H. Gandhi	MP	10	D
Alloys, copper base rods & tubes				
1963	Indian smelting	N	N	R
Aluminium copper rods				
1961	Birla Gwalior	MP	43	D
1962	Do. (Universal Cables)	WB	N	R
	Do.	N	N	R
Aluminium foil and sheets				
1960	General Industrial	WB	200	R
	Surajmall Mohta	WB	N	R
	General Industrial	WB	100	A
1963	Do.	WB	66	D
1964	Do.	UP	N	D
	Do.	UP	N	D
	Do.	UP	81	D
1965	Do.	UP	N	R
	Do.	UP	N	R
	Do.	UP	N	D
1966	Do.	UP	N	R
Aluminium strips & sheets				
1966	Indian Smelting	MH	90	R
Asbestos				
1965	Hyderabad Asbestos	PB	77	A
Bearings, ball & roller				
1957	National Bearings	WB	N	D
	Do.	RH	N	A
1958	National Engg. (including axle boxes)	RH	N	A
1963	S. C. Nevatia	MH	N	R
1964	Do.	MH	N	D
Benzene dodecyl				
1962	Oudh Sugar	MH	70	R
1964	M. P. Chem. & Fert.	MH	N	D
Benzene hexachloride				
1960	Kesoram	WB	N	R
1961	M.P. Chemicals & Fert.	RJ	104	D
1965	Kanoria Chemical	UP	50	D
1966	Do.	UP	50	A

Product	Applicant	Total		
		State	Investment	Disposal
(Rs. lakhs)				
Boilers				
1963	Birla Gwalior	WB	N	R
Bright bars				
1961	CIMMCO	MP	N	A
	Orient Steel	WB	N	A
Broche				
1964	Indian Broches & tools	PB	35	A
Cables & Wires				
1957	Indian Smelting	Bihar	389	A
1959	Electric Construction	WB	3	A
1960	Orient Steel	WB	8	A
	Indian Smelting	MH	160	R
	Do.	MH	110	A
1962	Universal Cables (Thermoplastic)	MP	8	D
1963	Do. (VIR, PVC, PIL)	MP	N	R
	Do. (TP)	MP	15	A
1964	Do.	MP	80	A
	Do.	MP	6	A
	Do.	MP	28	A
1965	Universal Cables	MP	N	D
	Do.	MP	N	R
1966	Arun General (PI)	WB	133	R
Winding				
1964	Elec. Constrn.	WB	5	R
	Universal Cables	MP	22	R
	Do.	MP	10	R
Wire rods				
1961	Hyderabad Allwyn	AP	N	D
	Do.	AP	N(60)	R
Aluminised				
1963	Orient Wire	WB	N	R
Calcium Carbide				
1957	Birla Jute	MP	40	R
1958	Sirpur Paper	N	22	R
1966	Birla Jute	WB	50	A
Carbon black				
1960	Kesoram	AS	29	D
	Do.	AS	N	D
1961	Kanoria General Dealers	MH	140	R
	Manjushree	MH	100	R
	Kesoram	AS	100	R
1962	Kesoram	N	N	R
Carpets tufted				
1962	Birla Jute	N (reserved for handlooms)	N	R
1964	General Industrial	DLH	8	A
	Birla Jute	..	18	R
	Shree Digvijay Woollen	..	55	R
	General Fibre Dealers	UP	43	R
1966	Indian Plastics.	MH	N	R

Product	Applicant	Total		
		State	Investment	Disposal
(Rs. lakhs)				
Carpets Woollen				
1963	Birla Jute	WB	N	D
Carbon brushes & electrodes				
1962	Eastern India Services & Marketing	Bihar	70	R
Castings steel, & M. I.				
1960	CIMMCO	MP	30	A
1961	B. R. Hermamit Mohatta	MH	N	D
1962	Indian Smelting (M.I.)	MH	35	R
1964	C.I. Coal.	WB	54	R
	Mahavir Industries	MH	N	R
	North Bihar Sugar	WB	N	R
1965	Orient Wire	WB	N	R
	Indian Smelting	MH	13	A
	Orient Wire	WB	N	R
Caustic Soda				
1959	Century.	MH	141	R
1960	Do.	MH	195	A
	Purtabpore (Kanoria Chemicals)	WB	100	A
	Kanoria	OS	180	R
	Century.	MH	195	D
	Century.	MP	N	D
	Century.	MH	195	A
	Orient	MP	70	A
	Kesoram	WB	200	A
1961	Hukamchand Jute	MP	120	R
	Do.	MP	120	R
	Kanoria Chemicals	UP	60	R
	Gwalior Rayon	RJ	210	D
	Mukamchand Jute	MP	72	A
1962	Gwalior Rayon	MP	N	R
	Do.	KL	N	R
	Kesoram	WB	N	R
	Jiyajeerao	KL	N	R
1963	Kesoram	WB	N	R
1964	Jiyajeerao	Bihar	N	R
	Century.	MH	N	R
	Gwalior Rayon	KL	N	R
	Jiyajeerao	Bihar	N	R
	Kanoria Udyog	Madras	N	R
1965	Jiyajeerao	Bihar	N	D
	Do.	Bihar	533	D
	Gwalior Rayon	RJ	500	D
	Jiyajeerao	Bihar	N	D
	Gwalior Rayon	MP	500	A
	Bharat Commerce	MP	N	R
	Jiyajeerao	MP	N	D
1966	Century.	MH	N	D
	Jiyajeerao	Bihar	N	R
	Do.	Bihar	N	R
Cellulose Films				
1960	Kesoram	WB	90	R
Cement				
1960	Birla Jute	MP	N	A
1961	Birla Gwalior	RJ	125	A
	B. Kanoria (Aditya Cement)	RJ	150	R
	Kanoria General Dealers	OS	N	D
	Aryavarta	Madras	N	D
	Birla Gwalior	MP	N	D

Product	Applicant	Total		
		State	Investment	Disposal
(Rs. lakhs)				
1962	Kanoria General Dealers (Slag)	OS	N	R
	Shree Digvijay Woollen	GJ	N	R
1963	Hind. Invest. Corpn.	WB	N	R
	Do.	MH	N	A
1964	Birla Jute	MP	N	R
	Hind Constn.	UP	170	A
	Birla Jute	MP	175	A
	Do.	MP	175	A
1965	Kesoram	Bihar	400	A
	K. L. Thirani	Map	172	A
	Birla Jute	RJ	235	A
	Kesoram	Bihar	N	D
	Oudh Sugar	MP	175	A
	Upper Ganges Sugar	RJ	N	A
	Oudh Sugar	Bihar	N	R
	Do.	RJ	175	R
	Upper Ganges Sugar	MP	175	R
1966	Oudh Sugar	MP	N	A
	Bharat Commerce (slag)	MP	N	R
	Do.	MP	N	R
	New Swadesh	GJ	N	D
	Hind. Inv. Corpn.	MH	N	D
Cispolybutadiene				
1964	Birla Gwalior	GJ	N	D
Coal carbonisation				
1962	Bikaner Commercial	MP	276	D
	Bharat Commerce	MP	400	R
1963	Bikaner Commercial	MP	276	D
Coal machinery				
1962	Hindustan Development	N	N	A
Coke, soft				
1964	Bharat Commerce	MP	400	A
Cotton textiles				
1957	New Swadeshi	MH	N	A
	Gwalior Rayon	MP	N	A
	General Fibre Dealers	UP	N	A
1958	New Swadeshi	GJ	N	A
	Orient Steel	WB	5	A
	Burhanpur	WB	2	D
1959	Gwalior Rayon	MP	N	R
1960	B. Kanoria	RJ	N	D.A
	Do.	RJ	N	D.R
	M. D. Dalmia	RJ	N	D.A
	Jiyajeerao	MP	N	D
	New Swadeshi	GJ	17	A
	Century.	MH	29	A
	Burhanpur	WB	12	A
	Kesoram	WB	8	A
	Jayshree Textiles	WB	N	A
	Bharat Kala Bhandar	AS	N	A
	Bharat Commerce	WB	110	R
	Do.	MP	21	R
	Padmavati Rajee	GJ	14	R
	Kesoram	Bihar	75	R
	Bharat Kala Bhandar	WB	75	R

Product	Applicant	State	Total Investment	Disposal
(Rs. lakhs)				
1961	Bharat Commerce	PB	N	W
	Eastern General	PB	N	W
	Birla Cotton	PB	N	W
	Shree Bhawani	PB	N	W
	Kesoram Cotton	PB	N	W
	New Gujarat	G	N	A
	Jiyajeerao	MP	N	A
	Orient Steel & Wire.	PB	N	D
	Burhanpur Tapti	MP	N	A
1962	Birla Cotton	UP	N	R
	Kingsley Golaghat Tea	AS	N	D
	Sutlej Cotton	Bihar	N	D
	Birla Tech. Instt.	PB	N	D
	Aryavarta Industries	PB	N	D
	Do.	PB	N	D
	Shree Bhawani	PB	N	D
	Bikaner Commercial	PB	N	D
	Padmavati Rajee	GJ	N	D
	Birla Cotton	MP	N	R
	Bharat Commerce	MY	N	D
	Century	MH	N	D
	Birla Cotton	OS	N	R
	Aryavarta Industries	OS	N	R
	Jute & Gunny Brokers	RJ	N	R
	R.G. Ganeriwala	RJ	N	R
	General Industrial	WB	N	R
	Kesoram	WB	N	R
	Birla Cotton	UP	N	D
	Arun General	UP	N	D
	G. D. Kothari	UP	N	D
	Birla Cotton	JK	N	A
1963	Bharat Kala Bhandar	AS	N	D
1964	New Swadeshi	GJ	N	D
1965	Do.	GJ	N	D
	Padmavati Rajee	Bihar	N	R
	S. K. Kanoria	Bihar	N	D
	Manjushree	GJ	N	A
	S. K. Kanoria	Bihar	N	D
	New Swadeshi	GJ	N	D
	Do.	GJ	N	A
	Jay Shree Textiles	WB	N	A
1966	Birla Jute	WB	N	R
Cranes				
1963	Electric Constn.	WB	35	R
1965	Modern India Constn.	WB	5	A
Cranes E.O.T.				
1962	B. R. Hermann Mohatta	N	N	A
1963	Modern India Constn.	WB	N	A
	Elec. Constn.	WB	N	D
1964	Do.	WB	35	A
Cryolite				
1963	New Swadeshi Mills	GJ	N	R
	Hind Aluminium	UP	N	R
	Kanoria Bros.	RJ	N	A
	Do. (with sulphuric acid, superphosphate)	UP	N	D
	Hindi Aluminium (with flourite)	UP	N	A
1964	Jayshree Chemicals & Fert.	WB	N	A

Product	Applicant	State	Total Investment	Disposal
(Rs. lakhs)				
Detergents, synthetic				
1960	Kusum Products	WB	4	A
1962	Berar Oil	MH	10	R
	Tungabhadra	AP	10	R
1964	Berar Oil	GJ	N	R
Diaca. agr.				
1964	York India	PB	35	A
Drugs				
1960	Majushree	AS	6	D
Earth moving equipment				
1958	Texmaco	WB	N	D
	Hind Motors	WB	N	D
1961	Hind Motors	WB	N	A
1962	Do.	WB	N(500)	R
Electric generators				
1959	Electric constn.	WB	8	A
1962	Do.	WB	25	R
1965	Do.	WB	12	A
	Do.	WB	12	D
	Do.	WB	12	R
	Do.	WB	N	R
Electric lamps				
1965	Elec. Construction	PB	N	A
Electric meters				
1961	Electric Constn.	WB	N	D
Electric starters				
1959	Electric Constn.	WB	2	R
	P.K. Saboo	WB	N	D
	Electric Constn.	WB	2	D
	Do.	WB	2	A
Electronic valves				
1958	Birla Bros. (radio)	MH	60	D
	Do.	MH	73	D
Ethyl chloride				
1965	G.D. Kothari	MH	N	R
Fabrics, non-woven				
1963	New Swadeshi	UP	50	R
1965	Do.	GJ	5	A
Ferro chrome				
1962	Indian Smelting	OS	113	D
		OS	113	D

Product	Applicant	State	Total Investment	Disposal
(Rs. lakhs)				
Fertiliser				
1959	Saurashtra Chemicals (Superphosphate)	MH	5	R
	Kingsley Golaghat Tea	WB	40	D
1961	Eastern General (Indian Fertz. & Chemicals)	UP	22	W
	Kingsley Golaghat Tea (triple superphosphate)	N	N	R
1965	Kesoram (superphosphate)	OS	N	
Fibre Sheets, Vulcanose				
1965	S.R. Mandelia	WB	50	R
	Do.	WB	N	D
Files, Steel				
1965	Hindustan Gas	WB	20	
Floor tiles				
1965	Hiralall Somany	WB	52	A
Forgings				
1964	Zenith Steel	MH	63	A
	Hind Dowidat Tools	PB	N	D
	CIMMCO	MP	N	R
	Hind Dowidat Tools	PB	30	A
	Manjushree	WB	N	D
	Manjushree	UP	64	A
	Texmaco	WB	80	A
	CIMMCO	MP	180	A
Furnaces				
1958	Texmaco	WB	N	A
	Do.	MP	N	D
	Orient Steel	WB	N	D
1965	Modern India Constn.	WB	N	A
Gear cutters				
1966	V.N. Nevatia	MH	40	A
Glass fibre mats				
1962	Birla Gwalior	DLH/WB	50	P
Glass, plate				
1962	G.D. Kothari	AP	65	D
	Do.	AP	N	R
1963	Do.	DLH	N	D
	Do.	AP	N	A
Grinding wheels				
1962	Orient Steel			
	(Rajgarhias associated with Birlas not made any progress in other licences)			
Gum guar				
1961	Hindustan Gum	PB	22	A
	Do.	PB	22	D

Product	Applicant	State	Total Investment	Disposal
Hoists electric				
1963	Modern India Constn.	WB	26	A
	CIMMCO	MP	N	R
1966	Mahabir Industries	PB	21	A
Hoists, Hydraulic				
1963	Hyderabad Allwyn	AP	35	A
Industrial explosives				
1963	Bikaner Commercial	N	N	D
	Do.	Bihar	N	R
	Do.	Madras	72	D
	Do.	UP	41	D
Industrial gases				
1960	Hindustan Gas (oxygen)	WB	28	A
	Surajmall Mohta	DLH	35	D
1961	Do.	DLH	35	A
	Birla Jute (acetylene)	WB	7	A
	Do. (oxygen)	WB	3	A
	Eastern Equipment & Sales	AP	27	R
	Hindustan Gas	WB	40	R
	Do. (CO 2)	MH	26	R
	Do.	OS	36	R
1962	Eastern Equipment	Madras	27	A
1963	Hind. gas (oxygen, Nitrogen, argon)	WB	40	A
1966	Hindustan Gas	UP	N	A
	Do.	Madras	N	R
Industrial machinery				
1958	CIMMCO	MP	35	A
1964	Birla Bros.	Madras	680	A
1965	Texmaco	WB	N	D
Insecticides				
1962	M.P. Chem. & Fert.	MP	114	R
Instruments				
1960	Modern India Constn. (measuring)	WB	12	D
1964	Do. (Scientific process)	WB	30	D
1965	Do. (Industrial)	WB	N	A
1966	Birla Instt. of Tech. (research)	Bihar	27	A
Iron, Pig				
1962	Birla Gwalior (1 lakh tons)	MH/AP	650	A
1963	Hind. Inv. Corpn.	WB	N	R
1964	Birla Gwalior	Bihar	900	A
	Do.	MH	N	R
Jute textiles, spindles and looms.				
1960	Arun Textiles	AP	N	D
1962	Birla Jute	WB	N	R
	Goudalpaia	WB	N	R
	Hukamchand	WB	N	R
	Soorah	WB	N	R
	Bally	WB	N	R
	Arun General	N	N	R

Product	Applicant	State	Total Investment	Disposal
(Rs. lakhs)				
Lectic acid				
1962	Eastern Equipment	UP	13	D
Lifts				
1962	Electric Constn.	WB	17	D
1963	Do.	WB	17	A
1964	Do.	WB	N	R
1965	Do.	WB	13	A
Locomotives diesel				
1958	CIMMCO	MP	43	R
1960	TEXMACO	WB	63	D
	National Engg.	RJ	229	D
1961	Texmaco	WB	N	R
	Nat. Engg.	RJ	N	R
Machine tools				
1958	Texmaco (Lathes)	WB	10	D
	Do.	WB	73	A
	CIMMCO	MP	35	A
1959	Hyderabad Allwyn	AP	N	A
1962	Hind. Motors	N	N	R
1963	Bharat Commerce	MP	180	A
	Hind. Motors	WB	N	D
Instruments, automobiles				
1962	Modern India Constn.	WB	17	R
1964	Hind Gas	WB	16	A
	Texmaco (capstan lathe)	WB	26	A
	Western India Machine Tools	MH	27	A
	Industrial Plants (central lathes)	WB	25	A
1965	Hind. Motors	PB	76	A
	Texmaco (capstan lathes)	WB	490	D
	CIMMCO (milling)	MP	N	
Magnets, permanent				
1961	Eastern Equipment	WB	18	R
	East Coast Enterprises	WB	15	R
MAN-MADE FIBRES & YARN				
Acrylic				
1962	Manjushree	AS	710	A
1964	Do.	WB	10	A
Caprolactum				
1960	Century	MH	270	D
1961	Do.	MH	N	R
Filament yarn				
1961	Eastern Equipment	WB	12	R
1962	Aditya Textiles (acetate)	N	N	R
1964	Sirsilk (acetate)	AP	N	A
Nylon				
1959	Century	MH	200	D
	Do.	MH	200	A
	Do.	MH	N	A
	Do. (fibre)	MH	150	A

Product	Applicant	State	Total Investment	Disposal
			(Rs. lakhs)	
Polyamide				
1963	Gwalior Rayon	MP	N	R
Polyester				
1964	Kesoram	WB	N	R
	Century	MH	85	R
1965	Kesoram	WB	N	R
	Century	GJ	N	R
Polynosic Fibre				
1964	Kesoram	WB	N	R
	Gwalior Rayon	MP	N	R
	Aditya Mills	RJ	N	R
	A.K. Kanoria	MH	N	R
Polypropylene				
1964	Century	MH	N	?
	Birla Bros.	MH	N	D
	Hukamchand Jute	MH	N	D
	Century	MH	N	R
	Birla Bros.	MH	N	R
	Hukamchand Jute	MH	N	R
Polyvinyl alcohol fibre				
1964	Kesoram	WB	N	R
	Century	GJ	N	R
1965	Century	GJ	N	D
	Kesoram	WB	N	D
Rayon				
1957	Burhanpur Tapti	MP	N	A
1959	Century	MH	N	A
1965	Do.	MH	A	A
Rayon tyre cord				
1959	Century	MH	200	A
	Kesoram	WB	250	R
1960	Century	MH	300	R
1961	Century	MH	N	A
	Kesoram	WB	N(340)	R
	Century	MH	N	R
1964	Do.	MH	N	A
Staple Fibre & yarn				
1958	Gwalior Rayon	MP	N	A
1960	Century (viscose fibre)	MH	70	R
	Gwalior Rayon	MP	600	R
1962	General Industrial	N	N	R
	P.N. Handa	N	N	R
	Bharat Commerce	N	N	R
	Birla Jute	N	N	R
	S.G. Nevatia (viscose)	N	N	R
	Gwalior Rayon	MH	N	R
1964	Bharat Commerce	MH	N	R
	Do.	MH	N	R
	Birla Jute	WB	N	R
1965	Bharat Commerce	MH	15	D

Product	Applicant	State	Total Investment	Disposal
			(Rs. lakhs)	
Methanol				
1961	Kingsley Golaghat Tea (formaldehyde)	GJ	N	W
	Manjushree (acetylene)	AS	1340	D
Methyl Methacrylate				
1964	M.P. Chem. & Fert.	MH	N	D
Moulding Powder				
1958	Indian Plastics	MH	N	A
1960	Surajmall Mohta	WB	90	R
	Indian Plastics	MH	N	A
1961	Surajmall Mohta (Mohta Chemicals)	WB	40	R
1965	India Plastics (formaldehyde)	MH	N	R
	Do.	MH	15	A
	Do. (formaldehyde)	GJ	N	D
1966	Do.	MH	12	A
	Do. (formaldehyde)	MH	N	R
Paper tissue				
1960	Orient	WB	90	D
	Do.	WB	90	R
	Sirpur	WB	90	A
Phenol				
1961	North Bihar Sugar	AS	80	R
Phosphoric acid				
1964	Kanoria Chemicals	WB	N	A
Phosphorous pantomide				
1962	R.L. Jajoo	WB	N	D
	Kanoria Gen. Dealers	WB	N	D
	R.L. Jajoo	WB	10	R
	Kanoria General Dealers (Phosphorous India)	WB	30	R
Photographic equipment				
1960	Birla Gwalior	MP	225	D
Photographic paper				
1961	Birla Gwalior	MP	43	D
Polyvinyl chloride				
1961	Manjushree	AS	N	R
1966	Century (foil)	MH	N	D
Pthalic acid and anhydride				
1961	Eastern General	WB	75	D
Pulp, paper				
1957	Orient	MP	100	A
1961	Birla Gwalior (newsprint also)	Madras	N	R
	Do.	Mysore	N	R
	Do.	Andhra	N	R
1965	Eastern India Services	MP	N	D

Product	Applicant	State	Total Investment	Disposal
(Rs. lakhs)				
Pulp, rayon grade				
1958	Gwalior Rayon	MP	500	A
1960	Gwalior Rayon	MP	75	A
1961	Manjushree	AS	800	A
	Kesoram	WB	60	D
	Do.	WB	60	R
	Century	MH	59	D
	Do.	MH	59	R
Nitric acid				
1966	Kingsley Golaghat Tea	UP	N	R
Paper				
1957	Sirpur	WB	350	D
	Orient	WB	280	D
1958	Orient	MP	100	R
1960	Sirpur	AP	90	D
1963	Birla Gwalior (& pulp)	MP	N	R
	Orient	N	59	A
	Sirpur	N	69	A
1964	Sirpur	N	29	A
	Eastern India Services	MP	N	D
1965	Orient	MP	40	A
Paper, cellophane				
1959	Gwalior Rayon	MP	300	A
	Century	MH	100	A
	Century	MH	N	A
Papers films				
1963	Kanoria Udyog	WB	13	A
Paper, kraft				
1963	Gwalior Rayon	KL	N	A
Paper, newsprint				
1959	Sirpur	MH	200	D
	Birla Gwalior	MH	300	D
	Sirpur	AP	200	R
1961	Birla Gwalior	MH	N	D
1963	Do.	UP	1125	A
Paper, plastic coated				
1957	Orient Paper	WB	N	R
Paper, printing and writing				
1957	Sirpur	WB	N	R
1958	Sirpur	WB	350	R
1959	Aryavarta	WB	25	D
1960	Do.	WB	20	A
	Orient	WB	150	A
	Do.	OS	150	D
	Sirpur (wrapping)	WB	400	D
1963	Gwalior Rayon	MP	N	D
1964	Do.	MP	750	R
1966	Century	UP	755	D
	Gwalior Rayon	MP	1000	D
	Kesoram	AS	1600	D

Product	Applicant	State	Total Investment	Disposal
(Rs. lakhs)				
Radio sets				
1957	Indian Plastics	MH	N	A
1965	Do.	MH	N	D
1966	Do.	MH	N	A
Railway equipment				
1957	Elec. constn. (rolling stock, locos, signal equipment)	WB	N	D
Railway wagons				
1957	National Bearing	RJ	N	R
1964	CIMMCO	RJ	N	A
	Texmaco	Madras	N	R
Rolls, cast iron, alloy & steel				
1964	Industrial Plants	WB	200	A
Rubber, vacuums				
1964	Birla Gwalior	MH	819	A
Sanitaryware				
1961	Aryavarta	WB	N	W
Scooters & auto cycles				
1958	Hind Cycles	MH	N	D
1960	Hyderabad Allwyn	AP	80	D
	Birla Cotton (auto cycles also)	RJ	45	D
Soap				
1966	Tungabhadra	AP	N	D
Soda ash				
1960	Jiyajerao	MP	N	R
	Do.	GJ	100	D
	Do.	MP	100	A
	Saurashtra Chem.	Madras	N	R
	Do.	GJ	270	A
	Bharat Commerce	MH	N	R
Sodium hydrosulphide				
1960	Bharat Kala Bhandar	WB	45	D
	Do.	WB	45	R
Sodium perborate				
1964	Kethari	WB	N	R
Steam & gas turbo units]				
1964	Birla Bros.	MH	N	R

Product	Applicant	State	Total Investment	Disposal
(Rs. lakhs)				
Steel, alloy, tool & special				
1957	Hind Motors (castings & forgings)	WB	N	A
1962	Manjushree	UP	215	} Referred to Cabinet
	CIMMCO	MP	N	
	India Smelting	MH	1000	
1964	Birla Gwalior	Bihar	1395	A
	India Smelting	MH	N	R
	Texmaco	MH	N	R
	B.R. Hermann Mohata	MH	N	R
1965	B.P. Kanoria	MB	N	R
	Manjushree	WB	N	R
	Zenith Steel	MH	120	A
Steel Sheets				
1961	Orient Steel	WB	5	A
1965	Birla Gwalior	Bihar	N	R
	Do.	OS	450	A
Steel Billets				
1960	Surajmall Mohta	WB	40	A
Stainless steel, sheets, etc.				
1963	Indian Smelting	MH	N	R
	Birla Gwalior (bars, rods, carbon also)	Bihar	N	R
1964	Indian Smelting	MH	N	R
	Texmaco	WB	N	R
Structurals				
1957	Hind Motors	WB	100	A
	CIMMCO	MP	N	A
	National Engg.	MH	9	A
1962	Texmaco	WB	25	A
1964	Modern India Constn.	WB	N	A
	Zenith Steel	MH	40	A
Sulphuric acid				
1957	Gwalior Rayon	MP	N	A
	Century	MH	N	A
1959	Gwalior Rayon	MP	12	A
	Century	MH	16	A
	Hindustan Gas	WB	6	A
1961	East India Fertilisers	OS	12	W
	Century	MH	15	R
	Barar Oil (super phosphate also)	MH	38	R
	Tungabhadra (Do)	AP	38	R
	Eastern General	OS	22	R
	Hind, Investment Corpn. (with zinc etc.)	WB	600	D
1964	Kesoram	WB	5	A
	Hind Investment Corpn.	WB	270	D
Switches, indicators				
1965	Modern India Constn.	WB	37	A
Tape, ground thread				
1965	Indian Tool	MH	70	A
Television sets				
1966	Indian Plastics	MH	N	R

Product	Applicant	State	Total Investment	Disposal
(R s.				
Tillers power				
1965	CIMMCO	MP	14	R
	Hyderabad Allwyn	AP	45	A
TIMBER PRODUCTS:				
Chipboard & hardboard				
1959	Jayshree Tea	WB	50	A
1960	Woodcraft Products	WB	6	A
	Jayshree Tea	WB	48	A
	U. P. Sugar	UP	42	A
	Purtabpore	UP	25	A
1961	Purtabpore (kanoria Chem.)	UP	25	A
1964	Jayshree Tea	AS	45	D
	Eastern Equip.	MP	N	D
1965	Do. (particulate)	MP	110	A
	Do.	WB	N	A
	Jayshree Tea	AS	N	A
	Do.	Bihar	N	A
	Arun General	UP	23	A
Plywood				
1959	Jayshree Tea	WB	50	A
	Woodcrafts Assam	AS	2	A
1960	Woodcrafts Products	WB	N	A
1961	Jayshree Tea	WB	5	A
	Do.	AS	13	R
1962	Do.	N	N	R
1963	Do.	Andaman	30	A
1964	Do.	PB	N	R
	Do.	PB	N	D
Tinplate				
1960	Aryavarta	WB	50	D
	Do.	WB	50	D
1963	National Engg.	WB	N(10)	D
Titanium dioxide				
1964	Hindi Investment Corpn.	KL	75	D
1966	Do.	KL	75	D
Tools, carbide tipped				
1963	India Tool	MH	N	D
1964	Do. (cement sintered)	MH	55	A
Tools, hand & small				
1958	CIMMCO	MP	35	D
1959	Dholpur Industrial	DLH	6	A
1964	S. S. Talaria	PB	15	A
	Zenith Steel	MH	N	A
	Chandra Kishore	UP	51	A
Towels, Terry				
1963	Birla Cotton	DLH	N	A
	New Swedeshi	GJ	N	A
	Jiyajeerao	MP	N	A
1964	Kesoram	WB	N	A

Product	Applicant	State	Total Investment	Disposal
(Rs. lakhs)				
Tractors				
1961	Hind Motors	WB	N (500)	D
	CIMMCO (diesel)	MP	60	R
Tractors, Agricultural				
1961	CIMMCO	MP	75	R
1962	Do.	N	N	R
1964	Hind Motors	WB	65	R
Transformers & switchgear				
1960	Electric Constn.	WB	N	A
1961	Do.	AP	N(15)	A
	Do.	PB	30	D
	Do.	WB	42	A
	Birla Gwalior	WB	N(394)	R
1963	Elect. Const.	PB	30	A
1964	Do. (trans.)	MP	30	R
	Do. (switch)	UP	30	R
	Birla Gwalior	WB	N	R
	Elect. Constn.	MP	N	R
	Universal Elect.	UP	2	A
	Birla Gwalior	WB	N	R
	Elect. Constn.	WB	N	R
1965	Birla Gwalior	UP	20	D
	Do.	UP	20	R
	M. L. Lakhota	UP	30	D
	Electric Constn.	AP	9	A
	Do.	WB	N	A
1966	Birla Gwalior	WB	N	A
	Elect. Construction	WB	N	R
Tubes & Pipes				
1963	Zenith Steel	MH	N	R
Aluminium alloy				
1964	Indian Smelting	MH	90	R
Aluminium welded				
1964	General Industrial	UP	N	R
c.i. Spun				
1960	Kesoram Cotton	WB	N	A
	Texmaco	WB	N	A
	New Swedeshi Mills	GJ	40	A
1962	Zenith Steel	N	N	R
Chromium steel				
1964	High alloy Steel	MP	N	R
Galvanised				
1961	Zenith Steel	MH	N(40)	R
Fittings, M.I.				
1963	Zenith Steel	MH	N	R

Product	Applicant	State	Total Investment	Disposal
(Rs. lakhs)				
P.V.C.				
1961	Eastern Equipment	WB	17	R
1963	Do.	WB	9	A
Seamless :				
1963	Zenith Steel	MH	280	D
	Do.	MH	280	A
1965	Kesoram	WB	200	R
	Zenith Steel	MH	300	A
	Do.	MH	4	R
Steel				
1960	Kesoram	WB	150	A
	Texmaco	WB	200	A
Welded :				
1960	S.G. Nevatia	MH	25	A
	Texmaco	WB	400	A
1962	National Engg.	AS	45	W
Twist Drills :				
1962	Indian Tools	MH	59	A
1965	Birla Institute of Technology	Bihar	N	R
Typewriters :				
1964	Universal General Agencies	PB	50	R
1965	Do.	PB	50	A
1965	Asian Distributors	MH	N	R
	Do.	MH	N	R
TYRES & TUBES :				
Auto :				
1960	Universal Tyres	WB	550	D
1961	Do.	UP	N(175)	D
	Do.	WB/UP/	N	D
	Surajmall Mohta	PB	N	R
1965	Universal Tyres	WB	N	A
	Do.	GJ	N	A
Bicycles :				
1962	New Swadeshi	RJ	N	D
1963	Do.	RJ	48	D
1964	Surajmall Mohta	WB	N	D
1965	Universal Tyres (tubes)	?	N	A
Vinyl Asbestos :				
1965	Indian Linoleum	WB	23	A
Viscose Transparent film :				
1957	Gwalior Rayon	MP	92	D

Product	Applicant	State	Total Investment	Disposal
Washing machines, electric:				
1959	Hyderabad Allwyn	AP	6	A
1960	Electric Constn.	WB	2	R
Welding electrodes				
1962	Govind Hada (Industrial Plants)	WB	33	..
Wire, ropes, steel :				
1960	B.R. Hermann & Mohatta	MH	27	A
	Hind Constn.	WB	10	A
	Do.	WB	60	R
1961	Do.	WB	N	D
	Hyderabad Allwyn	AP	N	D
1962	Hind Constn.	WB	N	R
1963	Hyderabad Allwyn	AP	N	R
	P. R. Bagri	N	N	R
1963	Surajmail Mohta	N	N	R
Wool tops :				
1963	Jay Shree Textiles	WB	N	N

NOTE : The above select list excludes applications and their disposal for items on the free licensing list as announced (or progressively restricted) from one half-year to another.

CODE :

N—Not available.

Figures in parentheses in this column against (N) indicate the foreign exchange component where available.

STATES :

AP . Andhra Pradesh
AS . Assam
DLH . Delhi
GJ . Gujarat
JK . Jammu and Kashmir
KR . Kerala
MP . Madhya Pradesh
MH . Maharashtra
OS . Orissa
PB . Punjab
RJ . Rajasthan
UP . Uttar Pradesh
WB . West Bengal

Disposal— A Approved
D Deferred
R Rejected
W Withdrawn

STATEMENT B

List of BIRLA Applications for Licences/Letters of Intent Approved by Licensing Committee but not before Capital Goods Committee through September, 1966.

Sl. No.	Name	Product	Type	Import component	Year of L.C. approval
1	Air Conditioning Corp.	Water coolers.	NA	1	1959
2	Do.	Compressors	NU	13	1960
3	Do.	Industrial blowers & exhaust fans.	SE	1	1957
4	Do.	Compressors	NA	13	1961
5	Arun Geneal	Particle board	NU	17	1965
6	Aryavarta	Paper, printing & writing	NU	20	1960
7	Bharat Commerce	Soft coke	NU	200	1964
8	Birla Bros.	Industrial machinery	NU	625	1964
9	Birla Gwalior	Aluminium ingots & fabrication	NU	183	1959
10	Do.	Cement	NU	N	1961
11	Do.	Newsprint	SE(?)	977	1963?
12	Do.	Paper capacitors	NU	11	1961
13	Do.	Pig iron Bihar	NU	500	1964
14	Do.	Steel sheets	NU	300	1965
15	Do.	Vacuous rubber	NU	610	1964
16	Birla Instt. of Tech.	Research Instruments	NU	25	1966
17	Birla Jute	Cement	NU	N	1964
18	Do.	Cement (RJ)	SE	80	1965
19	Do.	Steel drums	NA	2	1964
20	CIMMCO	Machine tools	SE	22	1958
21	Do.	Industrial Machinery	SE	21	1958
22	Do.	Rly. wagons.	SE	N	1964
23	Do.	Steel forgings.	NA	130	1964
24	CIMMCO	Bright bars	NA	N	1961
25	Century	Nylon staple fibre	SE	150	1964
26	Do.	Rayon tyre cord	SE	150	1959
27	Do.	Caustic soda	NU	150	1966
28	Do.	Cellophane	SE	85	1959
29	Do.	Cellophane film	NU	N	1959
30	Chandra Kishore	Small tools	NU	43	1964
31	Dholpur Industrial	Hand tools.	NU	5	1959
32	Eastern Equipment	Particle board	NU	85	1965
33	Do.	Chipboard	NU	N	1965
34	Do.	PVC pipes	NU	9	1963
35	Do.	Fittings, flangs	NU	16	1963
36	Do.	Gas	NU	15	1962
37	Electric Constn.	Cables & wires	SE	3	1959
38	Do.	EOT cranes.	NA	15	1964
39	Do.	Elec. Motors.	SE	N	1960
40	Do.	Do.	SE	2	1960
41	Do.	Generators	NA	6	1965
42	Do.	Lifts	SE	8	1965
43	Do.	Magnets starters	SE	1	1959
44	Do.	Power equipment	SE	8	1959

*1. The list excludes approved applications which had no import component as well as those for cotton textiles and coal.

2. No distinction is made between letters of intent and licences.

SOURCE : 1 Agenda papers and minutes of Licensing Committee and Capital Goods Committee.

2 Lists or project covered and not covered by foreign exchange allocation, issued by the Economic Adviser, Ministry of Industry.

Sl. No.	Name	Product	Type	Import component	Year of L.C. approval
45	Electric Constn.	Power equipment Pb.	NU	15	1963
46	Do.	Do. AP.	NA	4	1965
47	Do.	Transformers WB	NU	N	1965
48	CH Gandhi & Ors.	Steel wire	NU	15	1965
49	R.G. Ganeriwala	Sheet glass	NU	13	1960
50	Do.	Glass	NU	17	1960
51	General Industrial	Aluminium foil	NU	100	1960
52	Gwalior Rayon	Caustic soda	NA	200	1965
53	Do.	Carbon bisulphide	SE	5	1958
54	Do.	Cellophane paper	SE	250	1959
55	Hermann & Mohatta	EOT cranes	NU	N	1962
56	Do.	Steel box & baling	NU	N	1962
57	Hind. Alum.	Alum. smelter	SE	N	1965
58	Do.	Alum. flats & extrusions	SE	80	1963
59	Do.	Alum. ingots	SE	2500	1960
60	Do.	Alum. rolled products	NA	N	1960
61	Hind Constn.	Cement	NU	80	1964
62	Do.	Wire rope & ball wire	NU	8	1960
63	Hind, Dev. Co. pn.	Coal machinery	NU	N	1966
64	Hind Dowidat Tools	Forgings	NA	25	1962
65	Hind Gas	Oxygen	NU	N	1966
66	Do.	Machine tools	NA	6	1964
67	Hind Gum & Chem.	Guar gum	NU	14	1964
68	Hind Inv. Corp.	Metal items	NU	N	1966
69	Do.	Cement	NU	N	1963
70	Hind Motors	Steel structurals	NA	85	1957
71	Do.	Petrol trucks	NA	160	1957
72	Do.	Bedford trucks	SE	N	1965
73	Do.	Hydraulic & Pneumatic processes	?	N	1964
74	Do.	Spindles grinders & press	NA	140	1963
75	Hyd. Allwyn	Refrigerators	SE	N	1960
76	Do.	Machine tools	NA	N	1959
77	Do.	Washing machines	NA	1	1959
78	Hyd. Asbestos	Asbestos sheets	SE	N	1963
79	Do.	Do.	NU	N	1963
80	Do.	Do.	SE	N	1964
81	Do.	Do.	SE	N	1965
82	Do.	Asbestos textiles	NU	40	1965
83	India Linoleum	Vinyl asbestos	NU	18	1965
84	Indian Broches & Tools	Broches	NU	30	1964
85	Indian Plastics	Electronic equipment	NA	40	1960
86	Do.	Injection mouldings	SE	5	1960
87	Do.	Moulding powder	NA	N	1960
88	Do.	Do.	SE	5	1965
89	Do.	Do.	SE	2	1966
90	Do.	Radio capacitors	NA	6	1961
91	Do.	Resins	SE	6	1960
92	Do.	Synthetic resins	SE	N	1965
93	Indian Smelting	Castings	SE	8	1965
94	Do.	PVC cables	NU	353	1957
95	Do.	Cables	NU	110	1960
96	Indian Tool	Cemented sintered carbide	NA	30	1964
97	Industrial Plants	CI alloy & steel rolls	NU	150	1964
98	Jaipur Dev.	Condensed milk powder	NU	30	1964
99	M. L. Jajoo	Sand lime brick	NU	2	1962
100	Jayshree Chemicals	Cryolite	NA	N	1964
101	Jayshree Tea	Chipboard Bihar	NU	N	1965
102	Do.	Do. Assam	NU	N	1965
103	Do.	Do.	NU	N	1965

Sl. No.	Name	Product	Type	Import Compo- nent	Year of L.C. approval
104	Jayshree Tea	Plywood Andamans	NU	26	1963
105	Do.	Do.	NU	4	1961
106	Do.	Hardboard	NU	48	1960
107	Do.	Do.	SE	40	1959
108	Do.	Timber products.	NU	40	1959
109	Jayshree Textile	Rubber hoses	NA	1	1957
110	Do.	Synthetic rubber oil seals	NA	4	1960
111	Do.	Insulators	SE	15	1960
112	Jiyajceerao	Soda ash	SE	100	1960
113	Kanoria ros.	Synthetic Cryolite	NU	N	1963
114	Kanoria Chem.	BHC	NA	20	1966
115	Do.	Chipboard	SE	20	1961
116	Kanoria Udyog	Paper films.	NU	8	1963
117	Kesoram	Carbon bisulphide	SE	7	1958
118	Do.	Caustic soda	NU	150	1960
119	Do.	Cement	NU	100	1965
120	Do.	Sulphuric acid	SE	5	1965
121	G.D. Kothari	Plate glass	NA	N	1963
122	Kusum Products	Fatty acids	NA	3	1963
123	Do.	Rice bran oil	SE	5	1959
124	Manjushree	Rayon grade pulp	NU	500	1961
125	Do.	Acrylic fibre	NU	390	1962
126	Do.	Do.	NA	N	1964
127	Do.	Steel forgings	NU	54	1964
128	Modern India Construction	Furnaces	NA	N	1965
129	Do.	Conveyor belt	NA	N	1965
130	Do.	Industrial instruments	NA	N	1965
131	Do.	Switches, indicators	NA	24	1965
132	Do.	Heavy structurals	SE	N	1964
133	Do.	EOT cranes	NU	N	1965
134	Do.	Electric hoists	NA	24	1965
135	Do.	Auto parts	SE	12	1960
136	C & E Morton	Condensed milk	NA	3	1959
137	National Engg.	Structurals	SE	7	1957
138	Do.	Torque convertors	NA	N	1964
139	S.G. Nevatia	Welded pipes	NU	25	1966
140	U.N. Nevatia	Gear boxes	NU	20	1964
141	Do.	Gear cutters	NU	40	1960
142	New Swadeshi	C.I. spun pipes	NU	40	1960
143	New Swadeshi Sugar	Fruit & Veg. products	NU	5	1961
144	Orient General.	Auto horns	SE	N	1965
145	Do.	Auto dynamo	SE	3	1961
146	Do.	Auto parts	NA	1	1960
147	Do.	Auto parts	SE	3	1959
148	Do.	Carburettors	NA	9	1966
149	Do.	Elec. motors	SE	8	1960
150	Do.	Seald compressors	NA	2	1959
151	Orient Paper	Caustic soda	SE	50	1960
152	Orient Steel & Wire	Chilled c.i. sheets	SE	N	1963
153	Do.	?	NU	1	1958
154	Do.	Bright bars	NA	N	1961
155	Do.	Cables & wites	SE	6	1960
156	Do.	Prespahn	NA	15	1964
157	Do.	Steel grits	SE	1	1962
158	Do.	Steel sheets	NA	4	1961
159	Oudh Sugar	Cement	NU	N	1966
160	Do.	Do.	NU	50	1965
161	Purtapbore	Sugar	SE	N	1965
162	Do.	Chipboard	NU	25	1960
163	P.K. Saboo	Lock stitch machine	NU	18	1965
164	R.K. Saboo (Ind. Rhein)	Sewing machine needles	NU	6	1962

Sl. No.	Name	Product	Type	Import component	Year of L.C. approval
165	R.K. Saboo (Ind. Rhein)	Gear cutters	NU	15	1964
166	Saurashtra Chem.	Bromine	SE	2	1962
167	Shankar Sugar	Sugar	SE	N	1965
168	N.S. Singhi	ASCR & alum conductors	NU	12	1962
169	Sirpur Paper	Paper	SE	6	1964
170	Do.	Do.	SE	12	1963
171	Do.	Tissue paper	NU	N	1960
172	H. Somany	Floor tiles	NU	27	1965
173	Surajmall Mohta	Industrial gases	NU	30	1961
174	Do.	Steel billets	NU	40	1960
175	Do.	Glass bottles	NU	30	1960
176	S.S. Taparua	Small and hand tools	NU	9	1964
177	Texmaco	Capstan lathes	SE	10	1958
178	Do.	CI spun pipe	NU	N	1960
179	Do.	Capstan lathes	SE	18	1964
180	Do.	Pipes & tubes	SE	150	1960
181	Do.	Springs	NA	5	1965
182	Do.	Structurals	SE	15	1962
183	Do.	Sugar machinery	NA	10	1964
184	Do.	Textile machinery	SE	73	1964
185	Do.	Tooling	NU	N	1966
186	Do.	Welded pipes and tubes	NA	250	1960
187	K.L. Thirani	Cement	NU	172	1965
188	A.K. Thirani	Re-rolling mills	NU	N	1965
189	Do.	Re-rolled products	NU	10	1965
190	Tungabhadra	Cotton seed oil	NA	N	1965
191	Universal Cables	T.P. Cables	NA	10	1963
192	Universal Elec.	Motors & contractors	NA	31	1965
193	Universal Gen. Agencies	Typewriters	NU	40	1964
194	Universal Tyres	Auto tyres and tubes	SE	N	1965
195	Do.	Do.	SE	N	1965
196	Upper Ganges Sugar	Cement	NU	N	1965
197	Do.	Power alcohol	SE	1	1960
198	U.P. Sugar	Chipboard	NU	40	1960
199	W.I. Machine Tools	Machine tools	NU	16	1964
200	Woodcrafts Assam	Plywood	SE	2	1959
201	Woodcraft Products	Plywood	SE	N	1960
202	Do.	Chipboard	NA	6	1960
203	York India	Agr Disc	NA	30	1964
204	Zenith Steel	Seamless steel pipe	SE	300	1965
205	Do.	Special shears	NA	65	1965
206	Do.	Steel forgings	NA	54	1964
207	Do.	Heavy structurals	NU	20	1964
208	Do.	Small tools	NA	N	1964
209	Do.	Steel sockets	NA	4	1961

STATEMENT C

List of Birla Licences not covered by Foreign Exchange Allocation as on
January 1, 1964

Sl. No.	Name	Product	Date of I.L.	Type	F. ex. required
1	Texmaco	Alloy and Special steel 25,000 tons	August 60 & August 61	..	400
2	Birla Gwalior	Pig iron	July 1962	NU	200
3	Manjushree	Steel castings	April 1963	NU	30
4	New Swadeshi	Do.	April 1963	NU	29
5	Daga	Do.	Aug. 1963	NU	6
6	Orient Steel & Wire	Do.	Oct. 1963	NU	13
7	Kesoram	M.I. Castings	March 1962	NU	20
8	CIMMCO	C.I. spun pipes	1956	NU	40
9	New Swadeshi	Do.	Jan. 1961	NU	32
10	Texmaco	Do.	Aug. 1961	NU	40
11	Kesoram	Steel pipes & tubes	May 1960	NU	150
12	Texmaco	Do.	Jan/June 1961	NA	500
13	National Engg.	Ball & roller bearings	April 1962	SE	92
14	Elec. Construction	Elec. transformers	Oct. 1963	NU	15
15	Universal Cables	P.I. Cables	June 1963	NA	5
16	Elec. Constn.	Paper cotton covered	Oct. 1963	SE	NA
17	Kanoria Chem.	Phosphate fertilizer	Aug. 1960	NA	25
18	Century Rayon	Do.	Nov. 1960	NA	7
19	Saurashtra Chem.	Soda ash	July 1960	SE	50
20	Do.	Pot. Chloride and Sod. bicarb	May 1962	..	6
21	Continental Plant & Machinery	Detonators	May 1962	NU	35
22	Birla Gwalior	Newsprint	Sept. 1960	NU	550

Source : Economic Adviser, Ministry of Industry.

P.C. 140
5000



सत्यमेव जयते

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Volume I

CONTENTS

PAGE

Introduction	(i)
Part I Statistical Outline	I
Part II Framework and Policy	13
Part III Recommendations	21
Tables 1- 20	35

INTRODUCTION

I was appointed an Honorary Consultant in the Planning Commission in July 1966 to conduct a study of licensing under the Industries (Development and Regulation) Act 1951. The study had two objectives :

- (i) To review the operation of licensing under the Industries Act broadly over the last two Plan Periods and more closely over the last six-seven years, including the orderly phasing of licensing with reference to targets of capacity.
- (ii) To consider and suggest in the light of the present stage of economic development, where and in what directions modifications may be made in the licensing policy.

The precise areas of industrial planning and licensing policy on which I was to work were left to my discretion in consultation with the Industry and Minerals Division of the Planning Commission. I was informed that the broad objectives of industrial policy which were sought to be achieved through the Industries Act were the following:

- (a) the regulation of industrial development and canalising of resources according to plan priorities and targets;
- (b) avoidance of monopoly and prevention of concentration of wealth;
- (c) protection of small scale industries against undue competition from large scale industries;
- (d) encouragement of new entrepreneurs to establish industries;
- (e) distribution of industrial development on a more widespread basis in different regions; and
- (f) fostering of technology and economic improvements in industries by ensuring units of economic sizes and adopting modern processes.

Though licensing under the Industries Act has been the principal official instrument of industrial planning, and the Act has been in force since 1952, the only appraisal of licensing carried out so far (by the Swaminathan Committee) has been confined to procedures and allied matters. There has been no attempt to appraise the role and purpose of industrial licensing in an industrial environment which has changed considerably since the enactment of the Industries Act or, to aggregate, classify or otherwise analyse the data provided in applications for licenses. . These omissions are quite apart from deficiencies in follow-up after the grant of licenses.

(ii)

The Industry and Minerals Division of the Planning Commission kindly placed at my disposal all the files available with them relating to the Licensing Committee and the Capital Goods Committee and intra-government correspondence on industrial policy. These are the only sources of statistical data analysed in this report.

In early August 1966, I submitted a preliminary draft on Industrial Planning and Licensing Policy. This was followed in mid-November 1966 by a supplementary note which presented a statistical analysis of the licensing data collected. An interim report submitted in December 1966, incorporated these two notes, as modified in the light of discussions held in the Planning Commission and Ministry of Industry. It analysed the aggregate statistical data on licensing for the calendar years 1959, 1960, 1964, 1965, and January-June 1966. The case study data on the Birla Group covered the period 1957—June 1966.

This final report covers industrial licensing from 1959 through June 1966. It has been possible now to give somewhat detailed breakdowns of data for individual states, 200 industrial products, 99 categories of 'industrial houses' (including cooperatives, state governments and government companies), 3 types of industrial licenses *i.e.*, new undertaking, substantial expansion and new article, all other types being excluded) and varying sizes of investment. Data on applications deferred for further consideration are presented separately in Volume II. The import component of estimated investment in capital equipment is shown under each heading. The frequency of foreign collaboration has been estimated for 1959, 1960 and 1964—June 1966; data on the intervening years were inadvertently omitted at the collection stage. All detailed statements have been segregated in Volume II. The statistical data suffer from a number of limitations which are specified later.

The analysis of licensing policy and framework as well as the major recommendations are substantially the same as in the Interim Report. The recommendations relating to tax and credit policy and measures to reduce concentration of economic power have been further elaborated.

This study was commissioned on the initiative of the late S. G. Barve, then Member (Industry), Planning Commission. I am grateful to the Industry and Minerals Division of the Planning Commission for providing me with the facilities required for this study. M. Satyapal and Hari Bhushan gave freely of their time and knowledge to enable me to understand the objectives and mechanism of licensing. I have also benefited from discussion with S. S. Marathe and K. J. George of the Ministry of Industry.

P. B. Medhora of I.C.I.C.I. helped with many useful suggestions.

Kapur and Khanna of the I. and M. Division, Planning Commission culled the basic data from the files of the Licensing Committee.

(i i)

I was assisted in this work at the University of Bombay by Rajendra Abhyankar, Geeta Mehta, Paulomi Bhansali, Indu Kale and Kamal Patel. V. J. Puntambekar and his staff of the Electronic Data Processing Centre were extremely helpful. K. Kuttykrishnan typed the manuscript.

I thank the University of Bombay for permission to take up and complete this assignment.

The responsibility for the analysis, conclusions and recommendations is exclusively mine.

Bombay

September 14, 1967.

R. K. Hazari

PART I

Statistical Outline

0.1. This outline analyses the data on applications, investment in capital equipment and its estimated import component collected from the agenda papers and minutes of the Licensing Committee. The outline covers the distribution of applications (net of those deferred) and approvals for licences from 1959 through June 1966, by

- (a) products
- (b) size of investment in capital equipment
- (c) type of proposal, *i.e.*, new article, substantial expansion and new undertaking
- (d) collaboration
- (e) location in various states, and
- (f) industrial houses (including cooperatives and Government).

0.2. The data suffer from severe limitations, as set out later. Briefly the data are

- (i) partial because items on the free list are excluded altogether
- (ii) incomplete because information on investment is not available in some cases, and
- (iii) not fully reliable because the information given in applications for licences is preliminary and tentative.

They should be taken as rough indicators of magnitudes, not precise amounts.

1.1. The peak of initial investment intentions, as indicated by investment applied for, was reached in 1960—62 (calendar years). It has clearly faltered since then (Table 1). Investment approved, which is the next stage of investment but far from the ultimate achievement, was highest in 1960 but has fluctuated considerably each year since then around reduced levels, which would be lower still if recast in constant prices. Investment applied for (to the extent data are available) averaged Rs. 342 crores in 1959—60, Rs. 403 crores in 1961—63, and Rs. 341 crores in 1964—June 1966. Investment approved was Rs. 250 crores, Rs. 245 crores and Rs. 284 crores, respectively; these roughly constant figures indicate a decline in real terms since they are not adjusted for price increases. The number of applications and approvals has, on the whole, tended to decline.

1.2. It must be remembered, however, that a significant part of licensing in 1959 and 1960 remained infructuous, and the exemption limit for licensing of new undertakings was raised from Rs. 5 lakhs to Rs. 10 lakhs in 1960 and further to Rs. 25 lakhs in 1964.

2.1. The import component of investment in capital equipment averaged two-thirds over the period; it was fractionally lower for approvals as compared with applications. It has declined from about three-fourths at the beginning to roughly two-thirds at the end of the period though it dipped lower in 1962-63. The data on import component here are as estimated initially by applicants before finalisation of projects and thorough scrutiny, among others, by the Directorate General of Technical Development. The addition of new capital intensive industries constantly offsets the import substitution achieved in older industries. The fact remains, nevertheless, that the import-component of capital equipment, as estimated by entrepreneurs, still exceeds 60 per cent. This level does not represent a distinct gain in import substitution.

3.1. The predominant part of approvals, both number and investment, has been for products other than consumer goods* (Table 2. For detailed product-wise classification, see Vol. II). True, some of the proposed investment in other products can also be imputed to consumer goods because it ultimately gets embodied in them, and the rough categorisation essayed in Table 2 is not altogether immune against objections. The over-all trend is, however, so predominantly away from consumer goods that it would not be substantially altered by any sophisticated adjustments.

3.2. This trend cannot, at the same time, be attributed wholly or even largely to the existence and operation of the industrial licensing mechanism. It represents, in the main, a common feature of industrialisation, and the working of the arithmetic of growth. As income increases and the needs of the economy diversify, the demand for intermediate, producer and capital goods increases much faster than for consumer goods even in a poor country. Massive growth can take place only under conditions of progressive reduction of dependence upon the processing of natural materials. Even the demand for consumer goods arises from income generation and their supply requires technological inputs from industry.

3.3. The import component of investment in consumer goods as a whole is only fractionally lower than in engineering and chemicals. Import saving can hardly, therefore, be an argument in favour of substantially larger investment in consumer goods.

3.4. It is impossible to assess whether the product pattern of approved investment has been consistent with the Plans for the simple reason that

* This picture would not differ significantly if application, instead of approvals, were taken into account.

the Plans specify capacity projections, and not the amounts of investment involved. In broad terms, nevertheless, I do not find the pattern of approved investment to be inconsistent with the strategy of development which underlies the Plans.

3.5. In spite of the progress in literacy and media of communication, manufacture of printing machinery does not seem to have made any progress.

4.1. Taking the period as a whole, investment proposals of Rs. 1 crore and above each account for about one-tenth of the total number of applications but three-fourths of total investment and import component. (Table 3).

4.2. Between 1959-60 and 1964—66, the number of proposals above Rs. 1 crore each increased considerably but their share in total investment remained practically constant at two-thirds. The size of new investments is becoming larger. This cannot be attributed wholly to higher prices for there is a substantial increase in the number of large investment proposals.

4.3. There was no significant difference in the import component between the various size groups. All of them had an import component of about two-thirds.

5.1. Roughly one-half of the applications (for which investment data are available) were for new undertakings and the rest were almost equally divided between substantial expansion and new articles. (All other kinds of licences are excluded in this study). The share in total investment and import component was skewed even more in favour of new undertakings, while substantial expansion accounted for most of the balance. (Table 4).

5.2. The ratio of approvals to applications has been more favourable to substantial expansion and new articles than to new undertakings.

5.3. As between 1959-60 and 1964—66, new articles have acquired more significance in both applications and approvals, number as well as investment. The share of new undertakings has declined in numbers but gone up in investment. Substantial expansion has become less significant in both number and investment. This trend, perhaps, indicates greater diversification, in preference to growth in established lines.

5.4. The import component of all the three types of licences approved was roughly the same at about two-thirds.

6.1. The relative frequency of proposals with foreign collaboration declined significantly between 1959-60 and 1964—66. So far as the proposals for which investment data are available, however, the share in investment and import component of those with collaboration recorded a considerable increase (Table 6).

6.2. Out of 5,774 applications for licences in the 4½ years 1959-60 and 1964—66, 1,529 proposed to have foreign collaboration. Out of 3,684 approvals granted in these years, 1,186 involved collaboration (this is not the same as approval of collaboration itself which is handled separately from licensing).

6.3. In 1959-60, the major proportion of the number of approvals for all the three types of licences did not involve foreign collaboration; the same position held for investment in new undertakings and new articles but not, strangely enough, for substantial expansion. The position was reversed in 1964—66; collaboration became less significant for substantial expansion but more significant for new undertakings and new articles (Table 7).

6.4. It is difficult to say how far this analysis would require modification to allow for the proposals whose investment data are not available. In their case, the frequency of those not involving collaboration was much greater.

7.1. The bulk of approved investment during 1959—66 has been in Maharashtra, West Bengal, Madras, U.P., Bihar, M.P., Andhra and Gujarat, in that order, with Maharashtra way up on top. Curiously enough, the share of Maharashtra, West Bengal and Gujarat in the number of approvals was much larger than in the amount of investment. (Table 8).

7.2. The year-wise trends are somewhat erratic. As compared with the initial years, the share in approvals of Maharashtra, Mysore, U.P. and West Bengal has declined (the decline in Delhi could be due to the shift of industry out of the Territory's narrow limits). About 46 per cent of the approved investment in 1959—66 was in the three top states, Maharashtra, West Bengal and Madras.

7.3. The share of Maharashtra and West Bengal in substantial expansion and new articles is, as may be expected, larger than in new undertaking; this is also true of Gujarat. The less advanced states have secured a larger share of new undertakings. (Table 9).

7.4. The approved investment for new undertakings in West Bengal during 1959—66 was Rs. 100 crores only, against Rs. 171 crores in Maharashtra, Rs. 128 crores in Madras, Rs. 117 crores in Bihar, Rs. 116 crores in Madhya Pradesh, Rs. 83 crores in U.P., Rs. 66 crores in Andhra, Rs. 64 crores in Punjab-Haryana-Himachal and Rs. 53 crores in Rajasthan. This unsatisfactory performance in West Bengal was partially relieved by fairly large investment in substantial expansion and new articles but it could hardly have provided the stimulus which comes from fresh starts.

8.1. Community-wise, the Marwaris are, by far, at the top. Their share in approved investment during 1959—66 was 24 per cent, followed by Gujaratis 15 per cent, Southern 8 per cent, Punjabis 5 per cent and

Parsis 4 per cent. The share of Marwaris and Gujaratis might be slightly larger than is indicated by the above figures for, in cases of doubt and ignorance, the relevant licencees are classified under 'other Indian'. (Table 10). This classification is subject to some degree of error but that would not invalidate the general picture.

8.2. Domiciled foreign houses accounted for only 1 per cent of approved investment but international combines were way up at 7 per cent.

8.3. Among international combines, those originating in U. K. had nearly 4 per cent of approved investment, followed by U.S.A. 2 per cent. West Germany, Switzerland and Sweden were the other countries of origin of some significance. (Table 11).

8.4. The Government sector got nearly 16 per cent, which is a severe underestimate because most of the larger investment proposals from this sector do not come before the Licensing Committee. (Table 10). Out of this, the bulk, 13 per cent, went to Government companies and the rest was thinly distributed, mainly between Andhra, Punjab, Orissa and U.P.

8.5. Cooperatives accounted for less than 1 per cent of approved investment and of this, those in the Western states accounted for one-half.

9.1. Approved Marwari investment has taken place in all states except Jammu and Kashmir. The bulk of this investment was in West Bengal, U.P., Maharashtra, M.P., and Bihar. (Table 12).

9.2. Gujarati investment was mainly in Maharashtra, Gujarat, Madras and U.P.

9.3. Southern houses were practically confined to the Southern states, Madras, Andhra and Mysore, but there was a significant investment in Maharashtra, too.

9.4. Punjabi investment was mainly in the Punjab-Delhi region but is also found in Maharashtra, West Bengal, M.P., Bihar, and Madras.

9.5. Parsi investment was mainly in Maharashtra and Bihar.

9.6. The investment of domiciled foreign houses was restricted to the old presidency areas, West Bengal, Madras, Assam, Maharashtra, and Bihar.

9.7. International combines dispersed their investment a little more widely but in their case, too, the old presidency areas were predominant.

9.8. Government investment was more widely dispersed than that of any other category. It was highest in M.P., followed by Andhra, Bihar, Madras, Mysore, Orissa, Kerala, Delhi, and West Bengal.

10.1. During the period 1959—June 1966, 28 Indian industrial houses applied for licences for investment exceeding Rs. 10 crores each, net of those applications which were deferred for reconsideration. (Table 13).

10.2. These 28 houses made 1,961 applications (21 per cent of all applications) of which investment data are available for 1,178. These 1,178 applications involved an investment in capital equipment of Rs. 1627 crores (59 per cent of total applied) with an import component of Rs. 704 crores (38 per cent). Approval was granted for 1,233 applications (21 per cent of all approvals), of which investment data are available for 832. These 832 approvals involved an investment in capital equipment of Rs. 740 crores (38 per cent of total approved) with an import component of Rs. 490 crores (38 per cent again).

10.3. The shares of the top four houses in total applications (net of deferred) and approvals during 1959—June 1966 are given below. The Birla share is strikingly high in application and approval, number and investment.

(Percentages)

House		Number date not avail- able	Number data avail- able	Invest- ment of (4) (Rs. crores)	Import component of (5) (Rs. crores)
1	2	3	4	5	6
1 Birla	Applied	7.4	7.2	14.1	13.8
	Approved	5.8	6.5	14.1	14.4
2. J. K.	Applied	1.0	0.9	2.5	2.7
	Approved	0.8	0.9	2.5	2.5
3 Tata	Applied	1.1	1.3	2.0	1.9
	Approved	1.8	1.5	2.4	2.3
4 Shri Ram	Applied	0.5	0.6	1.9	2.6
	Approved	0.6	0.6	2.4	3.5

10.4. The largest number of applications were made by Birla, Tata, J.K., and Amichand Pyarelal, in that order. The last mentioned house ranks 13th in the amount of investment approved in so far as investment data are available.

11.1. It is somewhat difficult to compare the beginning and the end of the period to assess the changes in the shares of houses for, investment behaviour (which alone is really analysed here) as distinct from asset formation is not spread continuously over time. The task can be risked nevertheless. The share of these 28 houses in total approved investment declined from 46 per cent in 1959-60 to 39 per cent in 1964-66. The share of the four top houses, Birla, J.K., Tata and Shri Ram increased, however, from 22.4 to 25.6 per cent, wholly on account of the latter three because the share of Birla actually fell. (Table 14).

11.2. The houses (out of 28) which were relatively more active in 1964-66 as compared with 1959-60 were J.K., Tata, Shri Ram, A.C.C., Sarabhai, Kamani, Mafatlal, Bajaj, Kirloskar, Mahindra and Thapar. Those which became much less active in 1964-66 were Walchand, Sahu Jain, Kalichand, V. Ramakrishna, B. Patnaik, Amichand Pyarelall, Anantharamakrishnan, Wadia-Shapoorji, Chinai and Jaipuria.

✓ 12.1. The 28 houses had larger investment, as compared with the aggregate, in substantial expansion and new articles, and smaller investment in new undertakings. (Table 15).

✓ 12.2. Among the 28, however, there were several which had the major or predominant part of approved investment in new undertakings; J.K., Shri Ram, Sahu Jain, Bangur, Somani, A.C.C., Kilachand, V. Ramakrishna, Amichand Pyarelall, Kamani, Mafatlal, Seshasayee, Bajoria-Jalan, Modi, Goenka and Jaipuria.

✓ 12.3. Substantial expansion accounted for the bulk of investment only in Walchand, Sarabhai, Kasturbhai, Mahindra, Thapar and Chinai.

✓ 12.4. New articles accounted for the major part of investment in very few houses; Patnaik, Kirloskar, and Wadia-Shapoorji. They were of considerable significance in Mafatlal, Bajaj, and Bajoria-Jalan.

✓ 12.5. Birla received approval for investment in capital equipment of Rs. 114 crores in new undertakings, Rs. 126 crores in substantial expansion and Rs. 32 crores in new articles. These related to 100, 94, and 61 applications, respectively. In addition, there were 36, 47 and 26 approved applications, respectively, for which investment data are not available.

✓ 13.1. Some houses follow the practice of putting in a number of applications for each product. Some repeat applications are unavoidable—and welcome—over a period of 7½ years and some are for different types of licences. The situation depicted in Table 16, however, justifies the presumption that multiple applications for the same product and for a wide,

very wide indeed, variety of products are meant to foreclose licensable capacity.* This appears to be particularly true of Birla applications.

13.2. It is difficult to evaluate the multitude of Birla applications in almost every product without a close and complete follow-up of developments after the consideration of applications by the Licensing Committee. The data in hand indicate abiding or at least persevering interest in a tremendous variety of products, interest which at times defies several deferments or rejections of applications to attain consummation in approval, interest which seeks to overwhelm the relevant authorities with multiple proposals the moment suitable opportunities offer themselves. This performance is unrivalled, and is not to be belittled or under-estimated. Whether and, if so, to what extent, this performance actually blocks the entry of other, existing or potential, entrepreneurs is an open question.

13.3. In my interim report, I essayed a rough comparison of Licensing Committee data with CGC data to show that a large number of Birla licences did not appear to have been followed through to the CGC. I have not further pursued this line of investigation in the hope that the better equipped Licensing Enquiry (Thacker) Committee would be looking into this matter, among other things. Here I can only draw attention to the table in para 10.8 of my interim report to indicate that the magnitude of this lack of follow-through seems to be considerable.

13.4. It is to some extent legitimate to infer, that Birla enterprise, justifiable or not in terms of ultimate performance, does tend to pre-empt licensable capacity in many industries. The sheer pressure of multiple applications for each product must be such as to yield positive results for at least two or more applications. If all the licences received do fructify or are intended to fructify, their progress, if any, before or after capital goods approval can be so adjusted or spaced as to minimise the financial and managerial burdens of the group at any time—not necessarily those of the economy as a whole. If the applications are rejected or deferred for subsequent consideration, they remain on the waiting list against future licensing, ahead of new applications from others.

13.5. The obligation on all units having fixed assets of more than Rs. 25 lakhs to take out a licence for new articles—applications which can be rejected out of hand on the ground of sufficient licensed (not necessarily actual) capacity keeps at bay existing large undertakings which might have the capacity to offer competitive products by feasible diversification. Enterprise plus imaginative understanding of licensing formalities, thus, enables

*I should emphasise that the application data in table 16 are net of deferred and therefore, eliminate multiple counting as far as possible. Some deferred applications do not return to the Licensing Committee but get approved otherwise. Such approvals are not covered in this study at all.

the Birlas to foreclose the market. Astute management turns this process into high and quick returns on investment, which earns foreclosure of economic resources generally, and helps magnify the halo round the House of Birla.

13.6. It is, perhaps, no accident that certain Birla companies which appear repeatedly among the ranks of applicants—and some of which do get approval for their proposals—have little to boast of in their balance sheets and profit and loss accounts. A rough sample check with data available in the Company Law Board reveals that Aryavarta Industries, Bikaner Commercial, Eastern Equipment and Sales, Manjushree Industries, and Orient General Industries, which put in a large number of applications for a variety of products are either, trading and/or finance companies or, have very small assets to show against the licences issued to them. Aryavarta, Bikaner Commercial and Eastern Equipment show hardly any fixed assets in their latest available balance sheets, though the last mentioned has a sizable trading turnover. Orient General had (as on 31st March 1965) fixed assets of Rs. 35 lakhs against investments worth Rs. 57 lakhs in shares, and a sales turnover of Rs. 463 lakhs; during the year ended 31st March 1963, its sales amounted to Rs. 370 lakhs against fixed assets of Rs. 9 lakhs. Manjushree, which holds licences/letters of intent, among other things, for acrylic fibre, bamboo pulp, steel castings and cotton spinning had, on 30th September 1964, a share capital of Rs. 5,000 and no liabilities or assets to speak of. Bikaner Commercial which obtained a licence for industrial explosives (probably in 1963) proposed in 1964 to transfer it to Kingsley Golaghat Assam Tea, “a company under the same management”, because it could not raise the necessary funds.

13.7. It should be possible to enlarge the scope of such checking to include many similar cases. These are without prejudice to the substantial number and investment significance of applications from companies which have proceeded to implement their licences.

Limitations of Data

14.1. The data are taken wholly from the agenda papers and minutes of the Licensing Committee set up under the Industries (Development and Regulation) Act. This is, I understand, the first time that investment and import component data from this source have been aggregated and classified. The applications also contain some information on the requirements of physical resources like power, railway wagons, water, raw materials, etc. I further understand that it has never been considered worthwhile to aggregate these data either; in any event, they have not been used for purposes of planning or administration.

14.2. Since 1962 the Ministry of Industry has maintained three lists of industries which are subject to change every six months: (i) free list, in 27P.C.—2.

which licences are given without reference to the Licensing Committee, (ii) merit list, in which licences are given on merits after scrutiny by the Licensing Committee, and (iii) rejection list, in which applications are rejected on grounds of sufficient licensed capacity without reference to the Licensing Committee.

Applications for the free list, as it stands from time to time, do not come before the Licensing Committee. *Such applications and approvals are not included in the data analysed here.* It is reasonable to suppose that the number of such applications and approvals, and the investment proposed under them, are considerable.

Applications rejected on grounds of their being on the rejection list are reported to the Licensing Committee which sometimes does consider them on merit. This reporting does not normally contain any data beyond specifying the applicant's name, product applied for and the state of location. Hence the data analysed here are incomplete to that extent.

The Licensing Committee is furnished with a fairly comprehensive summary of the data only in respect of the merit list. Even in this case, the amount of proposed investment is, in many cases, not specified or the summaries as presented omit some particulars; e.g., state of location type of proposal, etc.

14.3. There is a time lag between approval by the Licensing Committee, which is technically a recommendation to Government, and the issue of a license or, sometimes an intra-Government difference of opinion which delays confirmation of the minutes of meetings.

Since 1964, it has been the practice of the Licensing Committee to issue first a letter of intent, valid for a specified period and, after completion of various preliminaries, to give a licence. In this Report, *no distinction is made between licences and letters of intent.*

14.4. The same application with or without alterations is, at times, considered more than once by the Licensing Committee which may defer or reject it and then reconsider, again, sometimes, more than once, at the request of the applicant or the state of location or consequent upon re-opening of a whole issue. Data for deferred applications are given separately in Volume II. In the analysis, applications have been taken net of deferred, but this is open to the objection that deferred applications do not always have full data when they come up for reconsideration. Some of the deferred cases are decided "on file" at a higher level and the decision is not available in the Licensing Committee papers. Some others do not return to the Committee, presumably, because the applicants withdraw them.

14.5. The distinction between the three types of licences, new article, substantial expansion and new undertaking, is not always clear in the papers available. Errors of recording are somewhat common in this area.

14.6. Owing to these limitations, *the data on the number of applications and approvals analysed here are not expected to tally with those released periodically by the Ministry of Industry.*

14.7. Estimates of investment and import component are, in most cases, tentative and are to be taken as broad magnitudes only. For the sake of convenience, investment is identified in this analysis with capital equipment and excludes all other fixed investment. The import component is as estimated initially by the applicant.

14.8. The minimum exemption limit for licensing of new undertakings was raised from Rs. 5 lakhs to Rs. 10 lakhs in 1960 and further (with the exception of some industries) to Rs. 25 lakhs in 1964. Inter-temporal comparisons have to keep in mind the changes in exemption limits, though these would not appreciably affect the distribution of investment as distinct from the number of applications.

New articles and substantial expansion of undertakings already licensed are not covered by the exemption limit. A separate licence is required for each such proposal, even if no investment is required for the manufacture of a new article.

Substantial expansion is not defined precisely in the Industries Act but is interpreted to mean an addition of more than 10 per cent (25 per cent since end-1966) to licensed capacity. The distinction between substantial expansion and new article is not always clear.

14.9. Under the Industries Act, only the Central Government and specified Governments are exempt from licensing. State Governments and public sector bodies corporate have to apply for licences in the normal course. The procedure for considering proposals from such applicants is not uniform. Apparently, many of the larger investment proposals do not come before the Licensing Committee; the data of such proposals are not included here.

14.10. The classification of products is subject to the usual difficulties of such classifications, especially the difficulty of distinguishing complete plants from components and different varieties and grades of equipment and materials from one another.

14.11. The state of location refers generally to the location of the undertaking. Sometimes, however, it also refers to the state of location of the registered or liaison office, etc. It has not been possible to be absolutely accurate on this account.

14.12. The definition of industrial houses and their regional/communal origin conforms to that used in my book *The Structure of the Corporate Private Sector—A Study of Concentration, Ownership and Control*. The classification made on this basis is not infallible though care has been taken to see that it is consistent with the information available to me. In many cases, especially of private and new companies as also individuals and partnership firms, classification is difficult—and is subject to some degree of error. On the whole, however, my impression is that the errors so far as several major industrial houses, or categories are concerned, are more of omission than commission.

14.13. *The data have no reference to follow-up action after consideration of proposals by the Licensing Committee.*—To the extent licences do not fructify ultimately or, there is a time lag between sanction and actual investment or, a difference between estimated cost and actual cost, there would be a wide gap between investment intentions and fulfilment.

PART II

FRAMEWORK AND POLICY

15.1. I turn now to the articulation and effectiveness of industrial planning. Since the analysis is based on certain views about planning in general, I shall first set out the broad outline of my thinking on the subject.

15.2. The Indian economy is an amalgam of various elements. The public sector accounts for less than 20 per cent of national income though its share in new investment is considerably larger. In 1950-51, the contribution of the public sector to the output of (organised) industrial manufactures was less than 2 per cent; this contribution rose to about 8 per cent in 1960-61 and should have exceeded 20 per cent at the end of the Third Plan. This improvement notwithstanding, the general picture is one of an economy in which the private sector (monetized and non-monetized) accounts for the bulk of output, income and savings. In other words, aside from subsistence activity, economic operations are subject to the market mechanism, in so far as the allocation and management of economic prices, rates of returns, managerial flexibility, etc., for effective planning and of Government.

15.3. Nobody seriously suggests that the market mechanism is or can be an exclusive or perfect means for the allocation of resources and maximisation of the growth rate. Equally, there are grave doubts, particularly in view of our past experience, about the possibility of achieving a perfect administration which would successfully and efficiently override or supplant what are usually described as market criteria or market assessment of operations. Even a perfect administration in a fully centrally planned economy (which was held at one time as the planned counterpart of classical perfect competition) would need, it is now recognised, shadow prices, rates of returns, managerial flexibility, etc., for effective planning and assessment of performance.

15.4. In a mixed economy, with a relatively small but fast growing public sector in industrial production, and a large but not so fast growing private sector subject to various administrative controls, the allocation of resources is guided by a combination of market forces and administrative directions. Since the private sector generates the bulk of resources, which are a common pool upon which both public and private sectors draw and since economic activity takes place in a traditionally free environment, it is obvious that the market mechanism is in fact of greater import than administrative fiat.

16.1. A number of measures have been taken of late in the direction of making greater use of fiscal and monetary devices to regulate, among other things, the direction of private investment. At the same time, many direct controls on the prices, production and distribution of various commodities have been relaxed or lifted altogether. Tax concessions and credit policies have been more selective since 1964 while the prices and/or distribution of several industrial products have been decontrolled. Some industries have been delicensed pursuant to the recommendations of the Swaminathan Committee.* (I shall comment later on this approach to delicensing). Profitability standards have been or are proposed to be laid down and enforced for public enterprises. It is broadly accepted in principle that essential or high priority industries in the private sector, too, should make adequate profits to generate and mobilise resources.

16.2. All these, and devaluation, represent greater conscious and deliberate reliance upon the market mechanism without abandoning strategic controls (particularly on allocation of foreign exchange) and emphasis on a growing public sector. They are to be considered not as an exercise in pragmatism or an escape from tedious administrative burdens but as a move towards a more rational and effective policy.

16.3. I agree with the view that planning should make the best use of the market mechanism, at the same time as it steps up the growth of public

*Eleven industries were delicensed in May 1966: (1) iron and steel castings and forgings, (2) iron and steel structurals, (3) electric motors upto 10 h.p., (4) pulp, (5) power alcohol, (6) solvent extracted oils, (7) glue and gelatin, (8) glass, (9) firebricks and furnace linings, (10) cement, gypsum and insulating boards, (11) timber products.

The reconstituted Swaminathan Committee recommended in March 1966 that "...generally speaking, industries which do not involve the import of capital goods and of raw materials should be exempted from the licensing provisions of the Act.... It should by and large be left to the economic judgement of the entrepreneur to decide whether or not he will enter the field and make an investment and to what extent. In these fields the targets laid down by the Planning Commission should serve as indicative targets and as a factor to be considered by the prospective investor in his assessment of demand and other economic data."

In November 1966, 29 more industries were delicensed on the two grounds mentioned above, plus the need to create additional Fourth Plan capacity and to exploit export potential and increase agricultural production: (1) cast iron spun pipes, (2) steel ingots/billets by electric furnace, (3) non-vehicular internal/combustion engines below 50 h.p. (both diesel and petrol), (4) electric motors upto 50 h.p., (5) electric furnaces without import of switchgear and transformer, (6) bicycles and component, (7) tea machinery, (8) power driven pumps, (9) agricultural sprayers (except manual) (conventional and knapsack type with indigenous engines), (10) air and gas compressors upto 6 C.M.C., (11) fire fighting equipment, (12) coated abrasives, (13) sewing machines and components, (14) weighing machines, (15) mathematical, surveying and drawing instruments, (16) mixed fertilisers, (17) calcium carbonate, (18) barium carbonate, (19) barium chloride, (20) barium nitrate (21) barium sulphate, (22) blanc fixe, (23) activated bleaching earth, (24) activated carbon, (25) metallic stearates, (26) sodium aluminate, (27) paper board/straw board, (28) paper for packaging, (29) hard board including fibre board, chip board and particle boards.

sector investment and output, and that it should depend upon fiscal, monetary and foreign exchange controls for manipulation of the market mechanism in the desired directions. In the context of industrial planning, this implies, among other things, a clear advance statement of priorities, greater reliance on relative profitability, taxation (both direct and indirect), and provision of credit and foreign exchange, rather than pre-occupation with the system and procedure of industrial licensing. Since planning is essentially the projection of (entrepreneurship and) management on a national scale, there has to be a clear perception of the areas which are of overwhelming importance in relation to the principal objectives and which, therefore, require planning in depth. These have to be distinguished from other areas which are of lesser significance in quantitative terms or for attainment of the principal objectives and which, therefore, require only nominal attention in planning.

17.1. Industrial planning, in the present situation, has to aim at three main interrelated objectives:

- (a) minimising the net aggregate foreign exchange cost of the industrial programme and making the best available use of available foreign exchange,
- (b) minimising the total (including rupee) cost of the industrial programme, and
- (c) maximising the total output (especially in the priority areas) in relation to the given volume of investment and materials.

17.2. It is difficult to assess the extent to which industrial licensing (or planning in general) has so far contributed towards the fulfilment of these objectives. As emphasised earlier, the market mechanism is stronger and more pervasive than administrative fiat in channelising investment and determining output, directly, in the private sector and, indirectly, through the common pool of resources, in the public sector, too. Besides, licensing had a number of objectives which, at the time of enactment of the Industries (Development and Regulation) Act fifteen years back were, perhaps, considered as equal in importance to channelisation of investment. These objectives concerned balanced regional development, protection of small and cottage industries, and avoidance of concentration and monopoly. These, and discouragement of 'wasteful competition', have received attention in planning and administration.

18.1. The area of significance which industrial licensing occupies is progressively shirking.

18.2. From about one-fourth of total (large scale) industrial investment in the First Plan, the public sector raised its share to roughly one-half in

the following two Plans; the proportion would be about 60 per cent in the Fourth Plan. Formalities apart, industrial licensing does not apply to the public sector.

18.3. Similarly, large private projects, which account for the bulk of proposed total private investment, are subjected to a procedure somewhat different from that for 'normal' licensing.

18.4. Moreover, for some time to come, most of the expansion and diversification of output and fresh investment is expected from existing, rather than new, undertakings and, to that extent, licensing is either not required or involves considerations and problems different from those till, say, 1961.

18.5. As for balanced regional development, the more diffused availability of power and what are in effect postage stamp rates for steel, cement and coal, together with the setting up of new industrial centres, mostly around public sector projects, have been a positive beneficial influence as against the rather negative bias which industrial licensing has.

18.6. It can also be suggested that licensing (though, perhaps, to a lesser extent than the foreign exchange crisis) has been one of the successful instruments of the policy during the Second Plan period to create the urge to industrialise. This urge was reinforced, among other things, by the implicit assurance of more or less monopolistic (or non-competitive) positions which licencees expected to occupy, with the help of foreign collaborators who initiated them into new industries. Now, the urge is there (perhaps, not so much due to as in spite of the foreign exchange crisis) and there is a greater degree of familiarity with new technology. The extent to which additional output comes from existing rather than new units makes things somewhat easier. Correspondingly, the need to assure monopolistic positions is, to put it mildly, less pressing. More output, at less cost, has become more important than licensing of additional capacity *per se*.

Objectives of Licensing

19.1. The main objectives of the Industries (Development and Regulation) Act were to:

- (1) Provide for Government control over the location, expansion and setting up of private industrial undertakings with a view *inter alia* to channel investments into the desired directions, promote balanced regional development, protect small and cottage industries, and prevent concentration of ownership and control to the common detriment;
- (2) take over or transfer the management of those undertakings which are being conducted in a manner detrimental to the industry or the public investment; and

- (3) set up Development Councils, one for each major industry, to act as some kind of industrial planning and development organisations.

19.2. Leaving aside (2) and (3), which I deem to be outside my terms of reference, the major assumption implicit in the Act is that growth and allocation of resources should be looked after wholly or mainly by administrative guidance, promotion and control, and hardly at all by the market mechanism. This assumption was justified upto a point for, left to itself, the market mechanism could not deliver the goods, especially in the absence of an adequate infra-structure, direct Government participation in industry and trade and the planned manifestation of inter-dependent growth of various sectors. The scale and complexity of the effort undertaken subsequently by both public and private sectors and acute continuing shortage of foreign exchange could barely be foreseen in the early fifties.

19.3. As plan programmes for industry acquired significance, the essentially negative instrument of licensing assumed the positive role of being the principal administrative instrument and sanction for projecting the installation of capacity upto or around the targets laid down in the Plan. Licensing was not, however, concerned with the actual fulfilment of these capacity targets or the output resulting from additional capacity or the (foreign exchange and domestic) cost of additional capacity and output. It paid homage to import substitution often regardless of the rupee cost per unit of foreign exchange saved, and the "urge to industrialise".

19.4. Since 1957, licensing has also sought (more at the Capital Goods Committee than the Licensing Committee stage) to keep the volume of projected investment within the available resources of foreign exchange and/or to utilise available foreign credits.

19.5. This wide variety of objectives, between which conflict is inherent when key resources become acutely scarce, has imposed a strain on licensing, which has been relieved only marginally by recent procedural adjustments and relaxations.

20.1. It is a well established and admitted fact that, since the First Plan, shortfalls in investment and output have been large and persistent mainly in basic industries, notably, steel, cement, machinery and fertilisers. The gains in terms of balanced regional development and wider distribution of entrepreneurship are, at best, moderate. That licensing has served to channelise investment appears to me extremely doubtful.

✓20.2. Within official circles, the following are by now recognised on defects in the licensing system:

- (a) Licensing is only among the first of the many hurdles that have to be crossed by a private entrepreneur, so that a licence does not automatically provide a package sanction or clearance.

- (b) The issue of licences tends to give an exaggerated picture of industrial capacity which sometimes scares away genuine entrepreneurs who might be chronologically late, at the same time as it encourages fore-closure of licensed capacity by influential groups and sitting tight on unimplemented licences.
- (c) Licences are normally or, in most cases, issued for a capacity 10 to 25 per cent above the target for the end-Plan year and that, too, mostly around the beginning of a Plan period. An excessive—though quantitatively unverifiable—pressure is thus exerted on the available foreign exchange and possible collaborators and also on domestic suppliers. This leads to bottlenecks and delays, apart from adversely affecting the terms of negotiation with foreign and domestic suppliers and creditors.
- (d) The process of consideration and re-consideration of applications at various levels and at various times contributes to delays and higher costs, without improving the feasibility of the projects concerned.
- (e) There is very little follow-up of licensing to see that the approved projects fructify in a satisfactory phased schedule. *Even the authorities concerned are not fully aware of the total investment and foreign exchange commitments of licences issued or those under implementation at any particular period of time.*

Analysis of Deficiencies.

21.1. The above failures and deficiencies are not less important because they are obvious and admitted. These were inherent in the licensing system as it was conceived and made to function. They were bound to arise because the Planning Commission laid no guidelines and there was no official insistence or market pressure on entrepreneurs to prepare thorough feasibility studies.

21.2. Licensing has proceeded on the assumption that capacity targets for individual industries are the only constants in a changing economic situation.* No attempt has been made to synchronise or adjust the pace of licensing and revocation to the actual trends in capacity and output in relation to emerging demand. The Planning Commission has *never*, on its own, set out the criteria for fixation of priorities or listed the priority industries/projects which should receive preferential allocation of foreign exchange and other scarce inputs. Nor has it, at any time, given clear guidelines about how precisely the various conflicting objectives of licensing

*In a plan, only the targets of aggregate income, consumption and investment can be considered as relatively invariant. I am unable to uncover any sanctity or utility in treating each component target as a constant, though I readily concede that some targets should be less variable than others.

should be reconciled on an industry-wise, project-wise, or applicant-wise basis. There has also been no quantitative indication from the Planning Commission to the executive ministries (or licensing authorities) of the effect of lags in the fulfilment of various targets from time to time on the requirements of additional capacity or output in inter-linked sectors of industry. To my knowledge, no exercise has been undertaken to assess the relative costs of securing additional output from existing against fresh investment or of domestic manufacture against imports. Setting and licensing of physical targets have not been reinforced with considerations of unit costs and over-all financing.

21.3. At the entrepreneurial end, the desire to be at the head of the queue and to foreclose as much of the target as possible is not matched by adequate home-work and vetting of projects. This tendency has been encouraged by the practice of issuing licences or, more recently, letters of intent, somewhat liberally in the belief that the proposals would in any case be closely scrutinised at the CGC and/or indigenous clearance stage and subsequently, by financial institutions in many cases. Deficient entrepreneurial home-work was, perhaps, inevitable to some extent so long as there was an overwhelming dependence upon the foreign collaborator to vet projects and give specifications of equipment. With the establishment of greater know-how within the country and reliance upon existing rather than new undertakings, this deficiency is no longer wholly excusable or incurable.

21.4. I would spell out the principal shortcomings of industrial planning and licensing as follows:

- (a) There have been no overall policy guidelines to reinforce and supplement the plan targets, which indicate the capacity and output to be achieved at the end of each five year period. The Planning Commission has not indicated the precise areas in which investment plans are to be encouraged or discouraged and how this encouragement or discouragement is to be carried out with reference to available foreign exchange and other factors—without having to get involved in the scrutiny of each individual proposal or project.
- (b) In the absence of well ordered priorities and flexibility of inter-related programmes at various levels of performance, there has been a tendency to rely upon various *ad hoc* criteria. One of these has been the policy of licensing projects, the foreign exchange costs of which on capital and/or maintenance account are covered by available credits and/or foreign collaboration and/or export obligations. It can be said in defence of this policy that there has been no resulting distortion of planning or industrial development because the projects so approved

are, in nearly all cases, included in the plan. That does not, however, answer the basic argument that this is a reversal or inversion of what is implied in planning. A project must first of all be intrinsically feasible and occupy a high place in the list of priorities before it can be considered for the allotment of scarce resources, especially foreign exchange. Just because a project is, or can be made, amenable to availability of foreign exchange should not qualify it for approval.

- (c) In attempting to cover almost the whole range of large scale industrial development, licensing inevitably loses sight of the relative importance of different projects and/or products. The licensing authority and the departments which service it are loaded at any one time with hundreds or thousands of proposals, without clear and definite criteria to appraise their worth in terms of relative costs and the attainment of targets in related, particularly basic, industries/projects.
- (d) The maintenance or re-shuffling of three lists, rejection, merit and relatively free, which passes under the euphemistic title of industrial licensing policy, has nothing to do with priorities or their fulfilment or actual fructification of licences. These lists are based on the historical or contrived accident of the pace of previous licensing in relation to end-plan targets.
- (e) The basic idea of a license was, and has to be, that it represents a social sanction for drawing scarce resources from the national pool, for a project of significant size. To the extent to which licenses or letters of intent have not in fact been utilised implies that licensing has not performed this function. At the same time, those licencees who seriously intend to utilise them find that they are no more than formal passports which have to be shown to various authorities for clearances in due course. A large floating population of licences inevitably reduces the utility of a licence for placing indents upon scarce resources for priority projects.

21.5. These deficiencies are so fundamental that they cannot be overcome by procedural or administrative changes. They indicate the need for better and more effective planning by the Government and the entrepreneur, recasting of the scope and working of the licensing system, conscious use of the market mechanism, supported by appropriate modifications in tax and credit policies. The recommendations in Part III are made against this background.

PART III

Recommendations

22.1. I would say emphatically that there can be no improvement in the licensing system unless there is a basic change in the scope and drawing up of industrial programmes in the Planning Commission. The role of the Planning Commission in this context should not comprise merely laying down of end-Plan targets, representation on the Licensing and Capital Goods Committees, and *ad hoc* intervention on certain issues.

22.2. The industrial programmes of the Five Year Plan must separate the grain from the chaff. One must know which targets are compulsive and have to be fulfilled, as distinct from those which are merely indicative and have no major impact upon income generation or crucial investment. In a word, priorities have to be clearly distinguished from posteriorities.

22.3. Practical observation and the blessings of literacy have made the elite familiar with the concept and working of interdependence but only a planning body can establish the precise location and magnitude of such interdependence where it exists and/or its insignificance where it does not.

22.4. The Planning Commission has to lay down the criteria for fixing priorities, specify the major priority areas and suggest from time to time the broad policies on taxation, credit, prices and allocation of foreign exchange required to fulfil the targets set for these areas. The selection of priority areas has to be in terms not just of consumer vs. producer or capital goods but of deriving the maximum benefit of income and net foreign exchange saving per rupee of investment. While it is understandably difficult to have uniform priority lists for various purposes, there should, in principle, be a close relationship between priority lists in the Plan, and those maintained for taxes and tax concessions, import licensing* or tariffs, credit policies and, finally (though, for individual units, it is essentially an entrepreneurial responsibility), for alignment of relative profitability.

22.5. Earlier Fourth Plan projections were based on the assumption, *inter alia*, of certain growth rates and estimates of foreign aid. These would now be revised in keeping with the changed situation, and fresh estimates of aggregate, sectoral and industry-wise requirements, consistent

*I would like in this connection to point out, as an illustration, that in spite of the strong case made out by the Bhabha Committee, the import of electronic components has not been given priority status, which is enjoyed by many items with a much smaller potential for income generation, net import substitution, export and employment.

with the over-all plan and availability of resources, would be derived. It is not merely worthwhile but essential that these estimates, in so far as they relate to priority and inter-dependent areas, should be worked out for various alternative levels of realisable or expected performance.

22.6. This exercise would enable the Planning Commission to know in advance the implications of various lags and leads in different areas and thereby to suggest the corrective action that is necessary and/or to modify the individual targets. Imbalances or distortions would, with the help of these exercises, be treated within the strategy of the Plan instead of remaining external to it and creating further imbalances and distortions. The industrial aggregations which find expression in the Plan have to be periodically reconciled with developments at the level of individual firms or groups of inter-related projects. The targets computed on a macro-economic basis have to be made consistent with projections of capacity, output and returns of major individual programmes and projects.

22.7. Having indicated the priorities and selected a few basic industries/projects which qualify for them, Government should undertake to *pre-empt* foreign exchange and (where necessary) rupee resources, and arrange to provide key physical resources like power, transport and land for their benefit. Out of the given available foreign exchange or whatever is in sight, it should be possible to reserve block allocations in favour of these industries/projects, even if this means exhausting the entire available quantum or transitional locking up of foreign exchange at the expense of other sectors of the economy.

23.1. During the Third Plan period, total CGC approvals (excluding releases by the *ad hoc* committee and the Textile sub-committee since April 1963) amounted to Rs. 688 crores (Table 17) while licences were issued for Rs. 396 crores only (including a bare Rs. 8 crores during 1965-66). Actual payments against the licences are apparently not known to anybody. Of the total licences issued, cash licences against official credits/trade agreements amounted to Rs. 227 crores and licences against IFC/ICICI sub-loans to Rs. 53 crores, making a total of Rs. 280 crores or 70 per cent of aggregate licensing. (Table 18). This 70 per cent, together with small amounts from other sources, at least, is reasonably amenable to pre-emption, if the remaining 25 or 27 per cent which comes from direct foreign credits/investments and deferred payments is not. The brief industry-wise picture (Table 19) shows that, a few industries account for a large absorption—and most of these few in turn have only a few units each. It should not be difficult, therefore, to carry out pre-emption.

23.2. There are, it is true, significant lags between allocation, licensing and actual payment, so that in the mechanics of operation, pre-emption is not as clear-cut or easy as it sounds. Pre-emption, obviously, can apply only to allocation and licensing, not payments once the earlier stages are

gone through. I understand that no insuperable difficulties are expected with the introduction of pre-emption, in spite of the problems thrown up by these lags.

23.3. For more than five years now, the policy of Government has been to allow the private sector to import capital goods only against credits, investments or similar facilities. (A rather similar principle is applied to the public sector also but its demands are, on an average, substantially larger). As will be observed from Table 18, a nominal approval of Rs. 5 crores and licences worth Rs. 3 crores were given against free resources during the entire Third Plan period. (Most of this amount went to iron and steel companies). This policy was justified, to a considerable extent, by the extreme shortage of foreign exchange and the project bias of foreign aid and investment. While the foreign exchange shortage continues, non-project credits currently account for two-thirds or three-fourths of fresh assistance.

23.4. There is no special virtue in continuing to adhere steadfastly to this rule of allowing capital goods against credits/investments only. Increasing domestic manufacture of machinery and availability of foreign exchange for importing machinery components are helping—or should help—to improve our bargaining position in the procurement of capital goods out of country-tied credits. This process can be reinforced by some increase in the allocation of free exchange. In absolute terms, the amounts required would be small.

23.5. It would be worthwhile to allocate an additional Rs. 5 crores per year to select *priority* projects, on condition that (i) sub-allocations are in lieu of specified multiples of the equivalent in country-tied allocations and (ii) no single applicant or industrial house gets more than a specified amount.

24.1. Correspondingly, the industries or projects which are not included in the priority lists should know in unambiguous terms that (i) foreign exchange allocation to them over a period on account of both capital goods and maintenance would be either, within a specified ceiling or, on merits after the needs of the priority sectors have been fulfilled and (ii) their progress is left to the operation of market forces and they should expect little or no assistance from Government.

24.2. For consideration on merits, the principal factor should be the extent to which the proposals save foreign exchange for the priority industries/projects rather than vaguely for the country as a whole. The other factors which may be kept in mind for consideration on merits should be

- (a) does the project utilise by products or industrial wastes and thereby contributes to value added on a scale disproportionately large in relation to the initial investment? and

(b) technical institutions or laboratories may be allowed to import proto-type plants for promoting subsequent fabrication without foreign collaboration and according to Indian specifications.

25.1. Better and more effective use can be made of the technical servicing capacity of DGTD. At present, one gets the impression that this organisation is used several times over for scrutinising a large number of amorphous proposals through the various stages of their progress (or lack of it).

25.2. The DGTD should publish a regular Bulletin giving information on the indigenous availability, present and future, of engineering and chemical products, and Test House/ISI/national laboratory reports on the quality, etc., of relatively new products. The Bulletin should also publish regularly information on the prices of domestic engineering and chemical products, especially intermediates, and compare them with the landed cost or international prices of comparable products, together with the import duties levied on them.

25.3. It should also be possible for DGTD to give positive advice by publicising the areas in which it would be economical to produce components for various industrial goods, and the minimum economic capacity, investment and foreign exchange required for their production, as also the possibility of manufacturing these items with *domestic* collaboration.

26.1. I now come to the related objectives which industrial planning has to subserve. These are balanced regional development, promotion of small industries and reduction of monopoly and concentration of economic power.

27.1. The industrial programmes should specify in advance the industries in which setting up of fresh capacity or substantial expansion in output from existing capacity is amenable to regional allocation. The industries which are not so allocable on grounds of techno-economic feasibility should be developed regardless of regional considerations and the programmes must say so.

27.2 Subject to considerations of economic size and foreign exchange costs, regional allocations of capacity and output can be indicated at the beginning of each plan period for the 'allocable' industries. The allocations should be reviewed every two years or so in the light of actual developments.

27.3 One of the advantages of long term planning is that programmes of development and even major individual projects can be contemplated, their feasibility assessed and preliminaries undertaken well in advance of the actual implementation. Provided this central effort is backed up by local

initiative and preparation, it should be possible to assure each region of a fair and reasonable share in development, consistent with the over-all availability of resources and the economics of location.

28.1. The Government should also indicate in advance the industries and/or products which are to be either wholly reserved for small units or in which a specified percentage of projected output is to be reserved for small units over a specified period and/or in which large units would not as a rule be permitted to set up competitive plants. These lists can be reviewed every two years or so in the light of various, including technological, developments.

28.2. It might be worthwhile for the Centre to allocate foreign exchange quotas to state directors of industries, on an agency basis, for disbursement of import licenses to industrial units with assets of less than Rs. 7.5 lakhs. If the experiment is successful, it can be extended to units with assets of upto Rs. 25 lakhs. Such units have to obtain, at present, essentiality certificates from States and then apply for an import license to the Centre. The suggested decentralisation would reduce administrative delays and applicants' difficulties in dealing with a remote Centre. This limited foreign exchange quota would be a small fraction of the total resources annually transferred from the Centre to the States and, since it would be handled on an agency basis, the Centre would continue to have control over foreign exchange matters.

29.1. As a matter of policy, Government should declare that certain traditional industrial activities shall be closed in future to the specified ten or fifteen largest industrial houses and their associates. This would imply that the large houses already established in these activities shall not be permitted to expand in these areas, which would henceforth be reserved for small houses and independent businessmen.

29.2. In the event of a change in the coverage of industrial licensing or its practical abolition, the large houses should not receive any capital goods import clearance or assistance from financial institutions for expansion of investment within the traditional industries; facilities for modernisation should not, however, be denied. It should also be stated at the same time that the large houses would be welcome in areas of new technology and where there are economic possibilities of large exports.

29.3. I am, thus, not in favour of imposing a complete embargo on the expansion and diversification of large industrial houses, where these are techno-economically feasible and where other dependable promoters might not be available. Even between the large houses, it should be possible to give preference, other things being equal, to relatively smaller as against the larger houses. Going by conventional yardsticks, there is little or no substance in the belief that the largest houses are the most efficient or most

dependable for growth; several medium sized houses have a creditable record of achievement.*

29.4. Government should be reasonably clear in its mind at the outset regarding the industries in which competition can and should be fostered and others in which, on account of technological and economic compulsions, there is no alternative to some degree of monopoly. In the latter group of cases, it is obviously better to tolerate monopoly—though not monopolistic abuses—than to pursue *ad hoc* anti-monopoly licensing practices, which encourage uneconomically small plants.

30.1. In fiscal policy, the major tax concessions like development rebate and tax holiday should be (a) selective, matched with plan priorities, and graded accordingly with a larger differential than given at present, and (b) related directly to larger output, lower cost and higher profits, instead of conferring a bounty on the amount of investment *per se*. This principle would help to match priorities with relative profitability, and incentives with output performance rather than mere investment.

30.2. Excise duties can be used to mop up excess profitability where it is not consistent with priorities in order to prevent mis-allocation of resources. This device, together with denial of foreign exchange, would be more useful than having a “banned list” for further industrial licensing which has no relevance to priorities but rests exclusively on the accident of past licensing.

31.1. Over a period of time, import policy should be liberalised in respect of those products where the cost differential between domestic production and imports is so adverse (which involves spending, say, more than Rs. 11 to save \$ 1) as to make domestic production uneconomical. The schedule of import duties should be closely related to the programmes and priorities of industrial development, informed with the net benefit calculus of import substitution.

32.1. Credit planning is one of the main areas which has been left unexplored in the search for instruments to make planning more effective. Planned allocation of credit should, henceforth, assume the role of the principal strategic control for guidance of investment in both fixed assets and inventories, in place of the diffused variety of direct controls which have been in operation till recently. A number of measures would be required to make the flow of credit consistent with Plan priorities and the objective of reducing concentration of economic power. Some of these are indicated below.

32.2. A specified small but progressively increasing percentage of commercial bank deposits should be statutorily deposited with the Industrial

*See V. D. Lall: “Taxation and profitability”, *Economic and Political Weekly* (Special Number), August 1967.

Development Bank, at a rate of interest equivalent to the prevailing Bank Rate. Each percentage point of such deposits would, at present levels, fetch nearly Rs. 30 crores into IDB and thereby (a) reduce the draft on Government finances, and (b) make for more priority-based utilisation of public deposits with banks.

32.3. Second, a credit-deposit ratio should be laid down for commercial bank lending in the aggregate to priority sectors like agriculture, small industries, export, hire-purchase or sale on deferred payment of commercial vehicles and domestic machinery items, within this ratio, individual banks should be free to decide the particular areas in which they are specially interested.

32.4. Third, for all individual short term credits limits above Rs. 1 crore (whether with one or more banks), which account for a large proportion of total bank credit, a constant check must be maintained not just on the security against the loan but the purpose for which the credit limit is utilised. Large borrowers should be required in principle to have a higher ratio of equity to debt and, also wherever possible, to have a shorter period of repayment.

32.5. Fourth, since the bulk of bank credit is extended against inventories, appraisal of such cash outflow from the banking system should be an essential part of annual planning. Financing of priority sector inventories should be considered almost as important as financing of fixed investment, even if this means denial of credit elsewhere.

32.6. These measures would change the traditional pattern of bank credit and, perhaps, reduce the availability of credit to a few sectors, which is unavoidable, given the total available volume of resources.

33.1. For new projects, the promoter's equity is normally about 10 per cent of the total project cost. New or smaller or professional entrepreneurs often find the raising of this 10 per cent equity a difficult proposition, especially when they venture into relatively large projects and have, simultaneously, to protect their controlling interest. It should be worthwhile for public financial institutions to lend, on special terms, to such entrepreneurs, a reasonable part of the promoter's equity requirements, repayable, for instance, in monthly instalments out of the managing director's emoluments. Correspondingly, for projects undertaken by large houses, financial institutions should insist on a larger proportion of promoter's equity, as well as of total equity to debt; if public participation in share capital is consequently lower, it would reduce and not increase concentration of economic power for, the large promoter would be compelled to find more resources himself.

33.2. This principle of grading the proportion of promoter's equity can be usefully applied on an industry-wise basis also. If, say, cement has a

higher priority than cotton, the promoter's equity in cement can be tolerated at a lower level than in cotton.

33.3. At the risk of over-stepping my terms of reference, I should express my doubts about the viability of carrying through the above suggestions so long as many of the major credit institutions are under the direct control and or influence of those who might suffer under the suggested arrangements. It would be difficult to undertake credit planning unless the linked control of industry and banks in the same hands is snapped by nationalisation of banks.

Project Preparation

34.1. The licensing system does not place adequate emphasis upon entrepreneurial homework. It favours chronological precedence instead of stressing the preparation of thorough feasibility—and project—reports. Even at the CGC stage, leave aside the letter of intent stage, there is no firm basis for accepting the feasibility (including its import component) of a project to qualify it for the allocation of the most scarce input, namely, foreign exchange.

34.2. It might be argued (as it has been) that the expense and effort involved in this preparatory work is worthwhile only if a licence is assured and there is a reasonable assurance of other clearances. This argument reflects the extent to which the licensing system has discouraged the performance of intrinsically entrepreneurial functions and the length to which plan fulfilment has been made to depend upon a long drawn out scrutiny of inadequately prepared proposals.

34.3. Any project with a total fixed investment of Rs. 1 crore and above or having a capital goods import component of Rs. 25 lakhs and above should be considered for approval by Government only if it is supported by a thorough feasibility report, certified by a recognised (preferably domestic) consultant.

34.4. The feasibility reports should contain at least the following:

- (a) Promoter's background and inter-connected undertakings, if any.
- (b) Total investment, scheme of financing, import requirements on capital and maintenance accounts.
- (c) Market prospects and selling prices for each product line and expected profitability.
- (d) Phased programme of import substitution and/or exports.
- (e) Terms of foreign technical and/or financial collaboration, if any.
- (f) Capacity of each product line, number of shifts to be operated and manufacturing process.

(g) Requirements, availability and prices of major physical inputs.

(h) Location and transport.

34.5. These feasibility reports should be appraised by *ad hoc* committees, one each for a group of projects, consisting of persons from DGTD, financial institutions, ministries concerned and approved consultancy firms on technical institutions.

34.6. This requirement would ensure that every project of reasonable size, which makes a draft upon national resources is intrinsically feasible and eligible for priority rating, and not just waiting to jump the queue because it is amenable to availability of foreign credits or collaboration. Projects with an investment of Rs. 1 crore and above account for more than two-thirds of total private investment but their number of each year is less than 100 (on the basis of approvals in 1964—66). The scrutiny involved would, therefore, cover relatively few projects but the major part of investment. This would be a feasible and worthwhile exercise.

34.7. It has been suggested that this requirement would handicap the smaller industrialists wishing to take up large projects. I feel, on the contrary, that prior establishment of feasibility is even more necessary in their case in order to safeguard them against greater risks; it is better to spend a lakh or two for this purpose rather than jeopardise a crore.

Coverage of Licensing

35.1. Given action on the above lines, the policy that is adopted for modification of the scope and mechanism of licensing is a relatively secondary matter. I hold this view because most of the defects of licensing policy appear to have arisen from planning deficiencies though administrative complications, too, have made their contribution. The suggestions made below on the scope of licensing are consistent with the planning approach suggested earlier, namely, that if one puts aside the public sector as being in fact outside the scope of licensing, the problem is one of laying down priorities and selecting a few top priority areas for planning a depth, and leaving the rest of the economy to look after itself within a framework of indicative targets and drastically restricted availability of foreign exchange.

35.2. Recent changes in licensing policy fall under two broad heads. Some industries/products have been delicensed on the ground that they require little or no foreign exchange on capital and maintenance account and/or they have a large export or agricultural growth potential. Besides, in October 1966, Government revised the definition of 'substantial expansion' from 10 to 25 per cent of existing licensed capacity and gave freedom to manufacture new articles (*i.e.*, to diversify), subject to a 'no entry' small industry list of 71 products, no additional expenditure of foreign exchange,

installation if any of only minor indigenous balancing equipment and a diversification ceiling of 25 per cent on total production.

35.3. These relaxations confirm the view that licensing and its ancillary sanctions are concerned primarily with conservation and (some kind of) allocation of foreign exchange, rather than with channelisation of investment which was the original purpose of the Industries Act. / True, a channelisation purpose is implied in the relaxations and that is in the direction of indigenous procurement of machinery and materials, and away from foreign goods. At the same time, delicensing and freedom to expand and diversify imply that regulation of the level and pace of investment in specified industries, balancing of demand for and supply of individual products, location and size of plants is being left to the market mechanism, regulated by fiscal and credit policies, in so far as there is no direct foreign exchange burden.

35.4. Consistent with the statistical analysis and approach here, I do not appreciate the basis of delicensing by industries or, more correctly, products, as recommended by the Swaminathan Committee. The industries' products concerned are a mixed bag of high and low priority items, requiring widely varying amounts of investment and number of units, and having, I suspect, widely disparate *indirect* import components. Some require a degree of planning in depth, others merely indicative targets or no targets at all.

35.5. The liberalisation of policy on substantial expansion and diversification is a move in the right direction, provided the preliminary essentials of industrial planning, referred to earlier, have been firmly grasped. These would imply, in brief, the selection of a few top priority areas for planning in depth, pre-emption of foreign exchange and complementary domestic resources for them, a systematic use of fiscal and credit policies to encourage or discourage investment/production where held desirable and, continued and growing emphasis upon public sector expansion and returns on investment. Matching of priorities and relative profitability, of planning objectives and techniques with market criteria and tests, should be the main instruments of industrial planning and policy. Social channelisation of investment cannot be achieved by reliance upon one instrument alone, be it industrial licensing, taxation, market mechanism or any other. Elements of all these and other techniques have to be used in concert.

36.1. Whether or not industrial licensing is retained, it is clear that Government has, in some way or other, to look after the bulk of private investment for, it has a close bearing on national objectives and the resource position. This, it should be emphasised, is not the same as regulating the bulk of investment proposals for, most of the investment is concentrated in a relatively few projects.

36.2 In 1964-June 1966, applications for the manufacture of *new articles* with an investment in capital equipment of less than Rs. 25 lakhs accounted for 72 per cent of such applications but only 21 per cent of the proposed investment under this head. In the case of *substantial expansion*, similarly, proposals of less than Rs. 25 lakhs accounted for 57 per cent of applications but only 10 per cent of total investment. For *new undertakings* during the same period, if Rs. 1 crore is adopted as the dividing line, applications for less than that amount were 80 per cent of total applications but would have absorbed only 25 per cent of total investment. (Table 5).

36.3 I am unable to find a meaningful or purposive distinction between 'substantial expansion' and 'new article'. Licensing is a futile exercise if the latter involves little or no investment, and represents more effective utilisation of investment already undertaken. In fact, freedom to produce new articles would help to make the market competitive and give room for managerial flexibility, too. If, on the other hand, the manufacture of a new article requires substantial investment, then, it is really a case of substantial expansion and ought to be treated on that basis.

36.4 Furthermore, substantial expansion itself should be defined in terms of investment, which is a readily ascertainable and quantifiable amount, than licensed capacity for a physical volume of production which is a vague and somewhat misleading concept.

36.5 The purpose of licensing, in short, should be to regulate investment, not product-wise capacity or production.

37.1 Taking these dividing lines, namely, Rs. 25 lakhs for substantial expansion and Rs. 1 crore for new undertakings, applications above these limits would leave the industrial policy administration with less than a quarter of the present number of applications but about three-fourths of proposed investment in capital equipment, assuming that the broad distribution pattern of 1964-June 1966 continues to hold good. The number of new undertakings to be "looked after" would be less than 100 per year which is a reasonable number for worthwhile follow-up in detail.

37.2 I recommend that, if licensing is retained, the exempt limit for new undertakings should be raised from Rs. 25 lakhs to Rs. 1 crore, and that for substantial expansion should be Rs. 25 lakhs or 25 per cent of existing investment in capital equipment. The category 'new article' should be abolished. In substantial expansion, there should be no restriction on the installation of domestically produced equipment, and no percentage ceiling on diversified production within the total production.

38.1 The issue of a licence in the priority sectors must assure the entrepreneur concerned of full assistance from Government in securing such major inputs as foreign exchange, rupee resources, power, transport and land. In the non-priority sectors, such assistance, if any, should be minimal.

38.2 The entrepreneur must, in return, undertake to commission the project within an agreed period of time. A licence should be valid for a maximum period of two years and, if not implemented till then, should lapse automatically without any formalities. Implementation should mean the fulfilment of all of the following conditions:

- (a) Raising of more than 50 per cent of the share capital and/or loans required for the project;
- (b) Acquisition (whether by purchase or lease) of the necessary land and erection of more than 50 per cent of the factory building;
- (c) Completion of foreign collaboration arrangements, if any; and
- (d) Clearance by CGC of at least two-thirds of the value of imported capital goods or, alternatively, opening of letters of credit for at least two-thirds of the plant and machinery required.

38.3 Given the feasibility reports, demand estimates and decisions on the number of units to be licensed, the licensing process would be somewhat analogous to inviting tenders, from which a selection can be made (and a waiting list maintained) on the basis of the lowest foreign exchange cost, inclusive of collaboration servicing payments, if any, and maintenance imports over a specified period. While making this selection, the licensing authority must be quite clear about whether the projects covered are to be set up at any cost or, with reference to international costs and the possibility of reaching parity with them in the foreseeable future, taking, where necessary, import duties into account.

38.4 The parties which fail to make adequate progress in the implementation of licences should be penalised by transferring their feasibility reports, licences and preliminary clearances to an alternative agency for completion of the project and its subsequent management.

39.1 There appears to be some evidence that a few influential houses make a deliberate attempt to foreclose licensable capacity by putting in multiple applications and taking out several licences for the same product. I understand that quite often there is considerable delay, that is, if there is any progress, in the utilisation of such multiple licenses—even after CGC approval. The freedom to set up small and medium sized undertakings and to expand and diversify production with little or no investment, suggested earlier, would take away much of the inducement for foreclosure. For major products requiring substantial investment and foreign exchange, where these market checks might not exist, not more than one licence and/or CGC clearance for a single product should, as a rule, be issued to a

single firm or industrial house, unless there is a demonstrable cost advantage in favour of that firm or house.

40.1. Applicants should not be required to see approved of a change of location within the State specified originally or, from one State to another in case the industry falls outside the list of industries for which a regional angle has been accepted. The clearance of proposals by State Governments should be restricted to the availability of power and land only. Assuring or arranging the supply of domestic raw materials and water is and should be the concern of the entrepreneur.

40.2. I see no benefit or advantage in getting the opinion of a large number of departments, so long as the projects conform to the criteria of clearance set out in advance by these departments, etc, and the projects are cleared by DGTD after a thorough techno-economic appraisal.

41.1. As of January 1964 (for which the latest data are available), 751 applications for foreign exchange equivalent to Rs. 231 crores (pre-devaluation) were pending with CGC for more than one year. Applications received in 1961 and earlier, *i.e.*, pending for more than two years, were 182, and these indented foreign exchange of Rs. 173 crores. (Table 20).

41.2. There is no justification for allowing cases to remain before CGC for more than two years for, by then, much of the perspective changes altogether. An application to CGC should be deemed to lapse automatically if it is not approved within two years.

41.3. It would be worthwhile to revoke all licences issued before December 31, 1964, with reference to which implementation as defined earlier has not taken place. This would give industrial programmes a reasonably clear slate to begin with.

41.4. Steps should also be taken to revoke CGC approvals/licences the applicants fail to make adequate and rapid progress to utilise them. Data are not available on the extent of unutilised CGC approvals and import licences due to causes other than the normal lag in shipments but one suspects that this non-utilisation is not negligible.

42.1. Broad indicative targets should be laid down by the Planning Commission, more for information than Government involvement, for industries/projects which are not included in the priority lists or which are not covered by licensing. The fears that this so-called relaxation would lead to a distortion of the pattern of investment misallocation of resources and excessive pressure on available foreign exchange are, in my opinion, highly, exaggerated. The bulk of industrial investment and allocation of foreign exchange would be in the public sector and the priority/licensed area of the private sector, both of which would be within the ambit of planning in depth. If any misallocation of resources threatens to take place, it can

27 P. C.

be squeezed back into the desired shape by fiscal and credit measures and denial of foreign exchange. It should also be emphasised that the production of luxury goods would be effectively limited by the small size of the market for them. If the goods have a *net* export potential, both investment and production would certainly be worthwhile.

42.2. In the context of the above scheme, it would be neither necessary nor logical to retain the present distinction between the free, merit and banned lists for industrial licensing. These are based essentially on the historical or contrived accident of the pace of past licensing and have little to do with the realities of the situation at any particular time.

42.3. Once ceilings are set on foreign exchange allocations to certain industries and the issue of import licences to individual units is related to their actual production performance, the abolition of the banned list (except for small industry reservation) will not place any additional strain on available foreign exchange. Such ceilings and performance—based allocation of foreign exchange will liberate industrial and import licensing from the historical pre-occupation with installed capacity, base period quotas, number of units to be licensed and the production targets for each of those units.

42.4. If investments in certain directions are to be discouraged, there are other and more effective ways of doing so. Licensing by itself, one suspects from past experience, is not an economical or very effective instrument for discouraging what may be considered from the planning viewpoint as the wrong kind of investment.

TABLES

Table 1 - Licensing : A Synoptic View
1959 - June 1966

	1959	1960	1961	1962	1963	1964	1965	1966 (upto June)	Total
<u>Applied *</u>									
1. Number/data not available	466	392	355	505	461	563	781	265	4053
2. Number/data available	916	988	758	820	713	709	530	164	5598
3. Investment of (2) Rs. Cr.	220	463	462	453	296	393	373	87	2748
4. Import component of (3) Rs. Cr.	170	368	327	274	168	245	239	60	1852
5. (4) as % of (3)	77.3	79.5	70.8	60.5	56.8	62.3	64.1	69.0	67.4
<u>Approved</u>									
1. Number data not available	336	239	258	220	228	211	287	104	1883
2. Number data available	698	685	422	471	512	534	448	142	3912
3. Investment of (2) Rs. Cr.	159	341	178	328	228	318	314	78	1945
4. Import component of (3) Rs. Cr.	119	267	122	197	130	196	199	54	1284
5. (4) as % of (3)	74.4	78.3	68.7	59.9	56.8	61.7	63.2	69.2	66.0

* Net of applications deferred for reconsideration.

Table 3 - Size Distribution ©

Size (Rs lakhs)	Period	Number	%	Invest- ment	%	Import component	%
<u>Applications *</u>							
Total	1959-66	5598	100.0	2748	100.0	1852	100.0
-10		2099	37.5	101	3.7	61	3.3
10-24		1543	27.6	232	8.4	158	9.6
25-49		895	16.0	295	10.7	202	10.9
50-99		484	8.6	322	11.7	221	11.9
100-499		491	8.8	977	35.6	660	35.7
500-999		67	1.2	431	15.7	302	16.3
1000 & above		21	0.4	390	14.2	249	13.4
Total	1959-60	1904	100.0	683	100.0	539	100.0
-10		10007	52.9	40	5.9	30	5.6
10-24		465	24.4	68	9.9	54	10.0
25-49		208	10.9	69	10.1	54	10.0
50-99		101	5.3	70	10.2	54	10.0
100-499		125	6.6	251	36.7	212	39.3
500-999		12	0.9	73	10.7	58	10.8
1000 & above		6	0.3	114	16.7	75	13.9
Total	1964-66	1403	100.0	853	100.0	544	100.0
-10		367	26.1	17	1.9	11	2.0
10-24		368	26.2	60	7.0	38	6.9
25-49		323	23.0	105	12.3	68	12.3
50-99		164	11.7	106	12.4	71	13.1
100-499		151	10.8	305	35.8	180	33.1
500-999		26	1.9	176	20.6	116	21.3
1000 & above		4	0.3	84	9.8	62	11.4
<u>Approvals</u>							
Total	1959-66	3912	100.0	1945	100.0	1284	100.0
-10		1557	39.8	67	2.4	44	3.4
10-24		1044	26.7	157	8.1	107	8.3
25-49		611	15.6	202	10.4	138	10.7
50-99		299	7.6	200	10.3	133	10.4
100-499		339	8.7	690	35.5	445	34.7
500-999		46	1.2	300	15.4	208	16.2
1000 & above		16	0.4	328	16.9	208	16.2
Total	1959-60	1383	100.0	500	100.0	386	100.0
-10		746	53.9	30	9.6	23	6.1
10-24		337	24.4	50	10.0	39	10.1
25-49		140	10.1	46	9.9	37	9.6
					8.2	32	8.3

Table 4 - Type D
(Amount

Type	Period	Number data not available	%	Number data available	%
<u>Applications</u>					
Total	1959-66	3788	100.0	5598	100
NU		1705	45.0	2953	53
SE		1081	28.5	1413	25
NA		1002	26.5	1232	22
Total	1959-60	858	100.0	1904	100
NU		349	40.7	1086	57
SE		302	35.2	628	33
NA		207	24.1	208	10
Total	1964-66	1609	100.0	1403	100
		775	48.2	633	45
SE		367	22.8	314	22
NA		467	29.0	456	32
<u>Approvals</u>					
Total	1959-66	1883	100.0	3912	100
NU		627	33.3	1827	46
SE		730	38.8	1153	29
NA		526	27.9	932	23
Total	1959-60	575	100.0	1383	100
NU		219	38.1	742	53
SE		208	36.2	509	36
NA		148	25.7	132	9
Total	1964-66	602	100.0	1124	100
NU		181	30.1	447	39
SE		219	36.4	287	25
NA		202	33.6	390	34

* Net of deferred

N.U. New Undertakings

S.E. Substantial Expansion

N.A. New Articles

For details see Volume II, Statements III (

Table 4 - Type Distribution
(Amounts in Rs. crores)

Type	Period	Number data not available	%	Number data available	%	Investment	%	Import component	%
<u>Applications *</u>									
Total	1959-66	3788	100.0	5598	100.0	2748	100.0	1852	100.0
NU		1705	45.0	2953	52.8	1752	63.7	1196	64.6
SE		1081	28.5	1413	25.2	660	24.0	439	24.1
NA		1002	26.5	1232	22.0	336	12.2	217	11.7
Total	1959-60	858	100.0	1904	100.0	683	100.0	539	100.0
NU		349	40.7	1086	57.1	406	59.4	330	61.2
SE		302	35.2	628	33.0	226	33.1	168	31.2
NA		207	24.1	208	10.9	51	7.5	41	7.6
Total	1964-66	1609	100.0	1403	100.0	853	100.0	544	100.0
NU		775	48.2	633	45.1	554	64.9	360	66.2
SE		367	22.8	314	22.4	180	21.1	110	20.2
NA		467	29.0	456	32.5	119	14.0	75	13.8
<u>Approvals</u>									
Total	1959-66	1883	100.0	3912	100.0	1945	100.0	1284	100.0
NU		627	33.3	1827	46.7	1133	58.3	755	58.8
SE		730	38.8	1153	29.5	575	29.6	374	29.1
NA		526	27.9	932	23.8	237	12.2	155	12.1
Total	1959-60	575	100.0	1383	100.0	500	100.0	386	100.0
NU		219	38.1	742	53.7	276	55.2	223	57.8
SE		208	36.2	509	36.8	186	37.2	134	34.7
NA		148	25.7	132	9.5	38	7.6	29	7.5
Total	1964-66	602	100.0	1124	100.0	710	100.0	449	100.0
NU		181	30.1	447	39.8	442	62.3	284	63.3
SE		219	36.4	287	25.5	174	24.5	107	23.8
NA		202	33.6	390	34.7	94	13.2	58	12.9

* Net of deferred

N.U. New Undertakings
S.E. Substantial Expansion
N.A. New Articles

For details see Volume II, Statements III (Summary), VIII, XI-XIV.

Table 5 - Size Distribution by Type of Applications*

1964 - June 1966

(percentages)

Type	Size (Rs. lakhs)	Number	Investments	Import
NU	- 10	9.3	0.5	0.6
	10 - 24	25.3	4.6	4.6
	25 - 49	29.7	9.7	9.8
	50 - 99	16.1	10.1	10.4
	100 - 499	15.1	31.7	29.6
	500 - 999	3.3	22.6	24.0
	1000 & above	1.2	20.8	21.0
	Total	100.0	100.0	100.0
SE	-10	30.7	2.5	2.5
	10 - 24	26.2	7.7	7.6
	25 - 49	20.2	12.4	12.7
	50 - 99	10.1	12.8	13.6
	100 - 499	11.2	40.8	37.3
	500 - 999	1.6	23.8	26.3
	1000 & above	0.0	0.0	0.0
	Total	100.0	100.0	100.0
NA	-10	46.6	7.8	7.9
	10 - 24	25.6	13.5	13.6
	25 - 49	15.2	18.4	17.0
	50 - 99	7.3	17.0	19.3
	100 - 499	4.5	27.0	29.6
	500 - 999	0.8	16.3	12.6
	1000 & above	0.0	0.0	0.0
		100.0	100.0	100.0

* Net of deferred, and excluding applications for which investment data are not available.

For details, see Volume II, Statement XI.

Table 6 - Distribution by Foreign Collaboration
(Amounts in Rs. crores)

	Period	Number data not available	%	Number data available	%	Investment of (5)	%	Import component of (7)
1	2	3	4	5	6	7	8	9
<u>Application *</u>								
	1959-60	858	100.0	1904	100.0	683	100.0	539
ollaboration		98	11.4	547	28.7	311	45.5	236
t collaboration		760	88.6	1357	71.3	373	54.5	303
	1964-66	1609	100.0	1403	100.0	853	100.0	554
ollaboration		154	9.6	730	52.1	476	55.8	321
t collaboration		1455	90.4	673	47.9	377	44.2	233
<u>Approvals</u>								
	1959-60	575	100.0	1383	100.0	500	100.0	386
ollaboration		70	12.2	413	29.9	255	51.0	188
t collaboration		505	87.8	970	70.1	246	49.0	198
	1964-66	602	100.0	1124	100.0	710	100.0	449
ollaboration		106	17.6	597	53.1	412	58.0	280
t collaboration		496	82.4	527	46.9	298	42.0	169

* Not of deferred

Note : Data for 1961-63 were not received.

For details, see Volume II, Statement IV (Summary), X, XII.

Table 7 - Collaboration by Type of Licence Approved
1959-60 and 1964-66

Type	Period	Number data not available		Number data available		Investment (Rs crores)		Import of (Rs crores)	
		C	NC	C	NC	(5)	(6)	(7)	(8)
1	2	3	4	5	6	7	8	9	10
Total	1959-60	70	505	413	970	255	246	188	198
	%	12.2	87.8	29.9	70.1	51.0	49.0	48.7	51.3
NU		19	200	211	531	130	146	104	119
	%	8.7	91.3	28.4	71.6	47.1	52.9	46.6	53.4
SE		27	181	149	360	113	73	77	57
	%	13.0	87.0	29.3	70.7	60.8	39.2	57.5	42.5
NA		24	124	53	79	11	27	7	23
	%	16.2	83.8	40.2	59.8	28.9	71.1	24.1	75.9
Total	1964-66	106	496	597	527	412	298	280	169
	%	17.6	82.4	53.1	46.9	58.0	42.0	62.4	37.6
NU		17	164	269	178	275	167	195	89
	%	9.4	90.6	60.2	39.8	62.2	37.8	68.7	31.3
SE		26	193	109	178	78	96	48	60
	%	11.9	88.1	38.0	62.0	44.8	55.2	44.9	55.1
NA		63	139	219	171	60	34	38	20
	%	31.1	68.9	56.2	43.8	63.8	36.2	65.5	34.5

Note : Percentages are in terms of total approvals

C : Collaboration NC : No collaboration

For details see Volume II, Statement XII.

	1957	1958	1959	1960	1961	1962	1963	1964	1965
No.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Investment	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
No.	2.29	3.06	3.79	2.76	2.73	3.37	4.46		
Investment	2.64	4.89	6.79	9.13	5.62	3.94	3.06		
No.	1.14	1.60	1.65	0.64	0.59	0.00	0.00		
Investment	0.47	1.76	5.66	2.20	0.23	0.00	0.00		
No.	1.86	2.77	2.84	4.03	4.10	2.62	5.13		
Investment	5.94	3.44	2.11	4.57	6.39	9.42	17.10		
No.	5.73	5.83	2.36	2.54	0.39	2.06	1.12		
Investment	2.62	8.27	0.75	0.78	0.11	0.71	0.34		
No.	0.00	0.00	0.00	0.00	0.58	1.87	0.00		
Investment	0.00	0.00	0.00	0.00	0.34	0.07	0.00		
No.	5.01	5.83	10.88	8.70	7.22	8.24	8.03		
Investment	2.65	2.55	8.24	2.96	5.23	8.54	4.72		
No.	2.15	2.04	3.55	2.55	2.15	0.94	2.23		
Investment	2.09	1.54	2.97	2.57	4.87	2.22	0.81		
No.	1.60	8.20	2.66	4.05	4.90	1.30	3.35		
Investment	10.12	1.30	1.31	13.56	18.67	8.29	5.86		
No.	7.74	8.18	7.11	8.70	7.42	8.43	9.60		
Investment	7.86	7.07	12.40	6.09	6.57	13.75	8.80		
No.	35.37	31.39	32.46	31.42	31.05	32.77	26.79		
Investment	23.57	20.36	29.97	28.88	15.77	18.42	18.57		
No.	5.01	2.63	2.84	3.82	3.71	3.56	3.57		
Investment	7.76	4.01	2.61	1.44	6.53	6.58	4.90		
No.	0.72	1.02	0.24	2.76	1.37	1.69	0.41		
Investment	1.00	0.75	0.07	6.83	1.80	3.75	1.41		
No.	5.16	5.55	6.16	7.22	8.40	7.87	10.41		
Investment	2.45	4.16	5.04	2.09	6.71	5.47	5.2		
No.	1.00	1.02	3.55	2.34	1.17	1.12	2.4		
Investment	0.33	0.74	2.51	1.52	1.10	1.27	14.0		
No.	3.87	6.42	4.27	4.25	3.91	5.81	8.4		
Investment	11.08	18.32	4.82	2.70	6.93	4.18	5.4		
No.	21.35	20.88	15.40	14.01	19.53	17.79	13.1		
Investment	19.42	20.76	14.49	14.68	11.20	13.05	9.24		

Table 10 - Distribution of Approvals by Categories of Applications

1959 - June 1966

Classification of Licensees	Industrial House code Nos.	Number data not available	Number data available	Investment of (4) (Rs. cores)	Import component of (5) (Rs. crores)
1	2	3	4	5	6
Grand Total %	01 - 99	1883 (100.0)	3912 (100.0)	1945 (100.0)	1284 (100.0)
A Marwaris %	01 - 19	320 16.5	670 17.1	477 24.4	315 24.5
B Gujarati %	30-39, 47	339 18.0	654 16.7	234 14.9	196 15.3
C Punjabi %	29,49-54	118 6.4	315 8.1	90 4.6	67 5.2
D Parsi %	20,27,48,56	46 2.5	97 2.5	68 3.5	44 3.4
E Bengali %	21,26,58	43 2.4	95 2.4	34 1.6	18 1.4
F Maharashtraian %	24,57	35 2.0	103 2.6	43 2.1	28 2.2
G Southern %	40 - 45	218 11.6	350 9.0	153 7.8	103 8.1
H Other Indian %	22,23,25,28,46, 55,59	479 25.5	1067 27.3	325 16.9	229 17.8
Sub-total A to H %		1599 84.9	3351 85.7	1474 75.8	1000 77.9
I Domiciled Foreign %	60 - 69	49 2.6	77 1.9	20 1.0	14 1.1
J International Combines %	70 - 79	148 7.9	285 7.3	133 6.9	85 6.6
Sub-total I + J %	60 - 79	195 10.4	362 9.2	153 7.9	99 7.7
Total: Private Sector A to J %	01 - 79	1794 95.3	3713 94.9	1627 83.7	1099 85.6
K Cooperative %	80 - 83	40 2.1	34 0.9	16 0.8	8 0.6
L Government %	90 - 99	50 2.6	165 4.2	302 15.5	177 13.8
Total : Public Sector K + L %	80 - 99	90 4.7	199 5.1	318 16.3	185 14.4

Derived from Volume II, Statement VI.

Table 9 - Approvals by States and Types
1959-June 1966

(Amounts in Rs. crores)

State	NU				SE				NA			
	Number data available	%	Investment	%	Number data available	%	Investment	%	Number data available	%	Investment	%
Grand Total	1827	100.00	1133	100.00	1153	100.00	575	100.00	932	100.00	237	100.00
Andhra	64	3.50	66	5.83	29	2.52	32	5.57	28	3.00	6	2.53
Assam	25	1.36	24	2.12	5	0.43	Neg	0.00	2	0.21	1	0.42
Bihar	70	3.84	117	10.33	38	3.30	20	3.48	17	1.82	9	3.80
Delhi	66	3.61	34	3.00	30	2.60	4	0.70	30	3.22	3	1.27
Jammu & Kashmir	1	0.05	neg	0.00	3	0.26	1	0.17	-	0.00	-	0.00
Gujarat	140	7.66	49	4.32	78	6.76	31	5.39	74	7.94	17	7.17
Kerala	47	2.57	32	2.82	26	2.25	11	1.91	12	1.29	2	0.84
M.P.	77	4.21	116	10.24	21	1.82	15	2.61	12	1.29	10	4.22
Madras	170	9.30	128	11.30	91	7.89	50	8.69	59	6.33	19	8.02
Maharashtra	501	27.44	171	15.10	402	34.87	171	29.74	345	37.03	74	31.22
Mysore	51	2.79	49	4.32	63	5.48	35	6.09	29	3.11	8	3.38
Orissa	32	1.75	44	3.88	8	0.69	1	0.17	6	0.64	3	1.27
Punjab, Haryana & Himachal	157	8.59	64	5.65	40	3.47	9	1.56	78	8.37	12	5.06
Rajasthan	44	2.41	53	4.67	8	0.69	5	0.87	11	1.18	5	2.11
U.P.	121	6.62	83	7.33	45	3.90	56	9.74	40	4.29	16	6.75
West Bengal	252	13.81	100	8.83	263	22.81	130	22.61	188	20.17	52	21.94
Other	9	0.49	3	0.26	3	0.26	4	0.70	1	0.11	neg	0.00

For details see Volume II, Statement XIV.

Table 11 - Distribution of Approvals to International Combines

1959 - June 1966

Country of origin 1	Industrial House Code Nos. 2	Number data not available 3	Number data available 4	Investment of (4) (Rs. crores) 5	Import component of (5) (Rs. crores) 6
International Combines (Total) %	70 - 79	148 7.9	285 7.3	133 6.9	85 6.6
U.K. %	70	77 4.1	141 3.6	71 3.7	42 3.3
U.S.A. %	71	30 1.7	56 1.4	38 2.0	28 2.1
W. Germany %	72	10 0.5	21 0.5	8 0.4	6 0.5
Switzerland %	73	6 0.3	14 0.4	6 0.3	3 0.2
Sweden %	74	2 0.1	14 0.4	5 0.3	3 0.2
Netherland %	75	6 0.3	24 0.6	2 0.1	2 0.2
Denmark %	76	6 0.3	3 0.1	Neg. 0.0	Neg. 0.0
France %	77	3 0.2	4 0.1	Neg. 0.0	Neg. 0.0
Italy %	78	2 0.1	0 0.0	0 0.0	0 0.0
Other %	79	6 0.3	8 0.2	1 0.1	1 0.1

Note: Percentages are in terms of total approvals.

Derived from Volume II, Statement VI.

Marwaris	Gujaratis	Punjabis	Parsis	Bengalis	Maharashtri.	Southern	Other India	Domiciled foreign	International combines	Total : Private Sector
477 100.00	284 100.00	90 100.00	68 100.00	34 100.00	43 100.00	153 100.00	323 100.00	20 100.00	133 100.00	1625 100.00
9 1.89	5 1.76	0 0.00	- -	5 14.70	- -	31 20.26	11 3.41	- -	2 1.50	63 3.88
16 3.35	0 0.00	0 0.00	- -	0 0.00	- -	0 0.00	1 0.31	4 20.00	1 0.75	22 1.35
45 9.43	0 0.00	3 3.33	29 42.65	8 23.59	- -	- -	22 6.81	2 10.00	1 0.75	110 6.77
1 0.21	1 0.35	7 7.77	- -	0 0.00	- -	0 0.00	12 3.72	- -	0 0.00	21 1.26
0 0.00	0 0.00	0 0.00	- -	- -	- -	- -	1 0.31	- -	- -	1 0.06
8 1.68	68 24.29	0 0.00	4 5.88	0 0.00	3 6.98	0 0.00	9 2.79	- -	0 0.00	92 5.72
6 1.26	1 0.35	0 0.00	0 0.00	0 0.00	0 0.00	12 7.84	2 0.62	0 0.00	3 2.26	24 1.47
50 10.48	5 1.76	3 3.33	1 1.47	2 5.88	0 0.00	3 1.96	14 4.33	- -	- -	78 4.80
18 3.77	30 10.56	2 2.22	0 0.00	- -	0 0.00	78 50.98	20 6.19	4 20.00	15 11.28	167 10.28
62 12.99	153 53.87	18 20.00	33 48.52	0 0.00	23 53.40	33 15.03	68 21.05	2 10.00	37 27.82	417 25.66
5 1.04	1 0.35	0 0.00	0 0.00	0 0.00	11 25.58	26 16.99	15 4.64	0 0.00	4 3.01	62 3.81
6 1.26	0 0.00	0 0.00	1 1.47	5 14.70	0 0.00	0 0.00	11 3.41	1 5.00	1 0.75	25 1.53
8 1.68	4 1.41	45 50.00	- -	- -	2 4.65	0 0.00	15 4.64	0 0.00	1 0.75	75 4.62
23 4.82	0 0.00	0 0.00	- -	- -	- -	- -	39 12.07	0 0.00	- -	62 3.81
88 18.45	15 5.28	2 2.22	1 1.47	- -	- -	0 0.00	35 10.83	0 0.00	1 0.75	142

Table 13 - 28 Houses - Applications and Approvals*
1959 - June 1966
(Amounts in Rs crores)

1	2	Number data		Investment of (4)	Import component of (5)	1	2	Number data		Investment of (4)	Import component of (5)
		not available	available					not available	available		
3	4	5	6	1	2	3	4	5	6		
Grand Total	Applied @ Approved	3788 1883	5598 3912	2748 1945	1852 1284	17. Kirloskar	Applied Approved	11 6	39 33	14 12	10 8
1. Birla	Applied Approved	279 109	404 255	383 272	255 172	18. Kasturbhai	Applied Approved	21 11	36 30	14 12	9 8
2. J.K.	Applied Approved	37 16	83 36	69 48	50 32	19. Sesharayee	Applied Approved	8 6	24 22	12 11	9 7
3. Tata	Applied Approved	41 33	71 61	55 46	36 29	20. Anatharama- krishnan	Applied Approved	7 5	26 24	11 10	8 7
4. Shri Ram	Applied Approved	20 12	31 22	52 46	49 45	21. Mahindra	Applied Approved	7 5	18 15	11 10	9 9
5. Walchand	Applied Approved	12 50	26 22	39 38	30 30	22. Wadia Shapoorji	Applied Approved	7 7	16 12	11 9	6 5
6. Sahu Jain	Applied Approved	28 10	41 27	45 26	32 19	23. Bajoria Jalan	Applied Approved	33 18	30 17	29 9	21 7
7. Bangur Somani	Applied Approved	35 20	46 29	36 22	21 17	24. Thapar	Applied Approved	16 10	20 19	7 7	4 4
8. A.C.C.	Applied Approved	18 14	14 14	19 19	8 8	25. Modi	Applied Approved	17 9	14 7	13 7	12 6
9. Kilachand	Applied Approved	8 8	12 8	19 18	10 8	26. Goenka	Applied Approved	19 5	28 21	19 6	10 3
10. V. Ramakrishnan	Applied Approved	20 16	20 15	19 17	10 9	27. Chinai	Applied Approved	11 6	11 6	12 4	9 2
11. B. Patnaik	Applied Approved	6 2	11 11	17 17	15 15	28. Jaiparia	Applied Approved	6 4	10 3	15 3	12 3
12. Sarabhai	Applied Approved	37 21	40 33	15 15	11 10	Total 1 to 28	Applied Approved	783 401	1178 832	1127 740	704 490
13. Amichand Pyarelall	Applied Approved	27 50	66 36	35 15	26 11						
14. Kamani	Applied Approved	20 7	33 21	19 14	14 10						
15. Mafatlal	Applied Approved	21 16	15 12	17 14	11 9						
16. Bajaj	Applied Approved	11 7	23 21	14 13	7 7						

* This Table lists those individual houses which applied for licences for investment exceeding Rs.10 crores during the period.

The ranking is based on the data available on investment approved. It is possible that rankings below 10th would be different if investment data were available for all approvals.

@ Net of deferred.

For details see Volume II, Statement VI.

Table 15 - Type Distribution of Approvals to 28 Houses
1959-June 1966

Industrial House	Number data not available						Number data available						Investment (Rs crores)					
	NU	%	SE	%	NA	%	NU	%	SE	%	NA	%	NU	%	SE	%	NA	%
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1 Birla	36	33.0	47	43.1	26	23.9	100	39.2	94	36.9	61	23.9	114	41.9	126	46.3	32	11.8
2 J.K.	4	25.0	6	37.5	6	37.5	17	47.2	14	38.9	5	13.9	31	64.6	12	25.0	5	10.4
3 Tata	4	12.1	14	42.4	15	45.5	8	13.1	24	39.3	29	47.6	23	50.0	17	37.0	6	13.0
4 Shri Ram	1	8.3	8	66.7	3	25.0	7	31.8	8	36.4	7	31.8	43	93.5	2	4.4	1	2.1
5 Walchand	1	11.2	4	44.4	4	44.4	2	9.1	13	59.1	7	31.8	neg	0.0	37	97.4	1	2.6
6 Sabu Jain	6	60.0	1	10.0	3	30.0	11	40.8	8	29.6	8	29.6	17	65.4	6	23.1	3	11.5
7 Bangur Somani	8	40.0	7	35.0	5	25.0	11	37.9	16	55.2	2	6.9	12	54.6	10	45.4	neg	-
8 A.C.C.	2	14.3	10	71.4	2	14.3	5	35.7	5	35.7	4	28.6	13	68.4	4	21.1	2	10.5
9 Kilachand	1	12.5	5	62.5	2	25.0	3	37.5	3	37.5	2	25.0	13	72.2	3	16.7	2	11.1
10 V. Ramakrishna	5	31.3	6	37.4	5	31.3	3	20.0	3	20.0	9	60.0	13	76.5	1	5.9	3	17.6
11 B. Patnaik	2	100.0	-	-	-	-	4	36.4	4	36.4	3	27.2	3	17.7	1	5.8	13	76.5
12 Sarabhai	-	-	11	52.4	10	47.6	2	6.1	22	66.6	9	27.3	1	6.7	12	80.0	2	13.3
13 Amichand Pyaralall	4	44.4	3	33.3	2	22.3	22	61.1	3	8.3	11	30.6	13	86.7	neg	-	2	13.3
14 Kamani	2	28.6	1	14.3	4	57.1	13	61.9	2	9.5	6	28.6	12	85.7	neg	-	2	14.3
15 Mafatlal	5	31.3	7	43.7	4	25.0	5	41.7	-	-	7	58.3	8	57.1	-	-	6	42.9
16 Bajaj	2	28.6	4	57.1	1	14.3	3	14.3	12	57.1	6	28.6	5	38.5	2	15.4	6	46.1
17 Kirlokar	-	-	3	50.0	3	50.0	3	9.0	15	45.5	15	45.5	2	16.7	4	33.3	6	50.0
18 Kasturbhai	1	9.0	6	54.6	4	37.4	3	10.0	19	63.3	8	26.7	1	8.3	9	75.0	2	16.7
19 Seshasayee	3	50.0	3	50.0	-	-	9	40.9	7	31.8	6	27.3	6	54.5	4	36.4	1	9.1
20 Anantharamakrishnan	2	40.0	-	-	3	60.0	9	37.5	10	41.7	5	20.8	4	40.0	4	40.0	2	20.0
21 Mahindra	-	-	1	20.0	4	80.0	6	40.0	5	33.3	4	26.7	1	10.0	8	80.0	1	10.0
22 Wadia Shapoorji	2	28.6	4	57.1	1	14.3	4	33.3	5	41.7	3	35.0	3	33.3	1	11.1	5	55.6
23 Bajori Jalan	1	5.6	13	72.2	4	22.2	6	35.3	7	41.2	1	23.5	6	66.7	1	11.1	2	22.2
24 Thapar	1	10.0	3	30.0	6	60.0	3	15.8	12	63.1	4	21.1	2	28.6	5	71.4	neg	-
25 Modi	-	-	5	55.6	4	44.4	4	57.1	1	14.3	2	28.6	7	100.0	neg	-	neg	-
26 Goenka	-	-	3	60.0	2	40.0	12	57.1	3	14.3	6	28.6	5	83.3	neg	-	1	16.7
27 Chinai	4	66.7	2	33.3	-	-	1	16.7	4	66.6	1	16.7	neg	-	4	100.0	-	-
28 Jaipuria	1	25.0	2	50.0	1	25.0	1	33.3	2	66.7	-	-	3	100.0	neg	-	-	-
Total 1 to 28	98	24.4	179	44.7	124	30.9	277	33.3	321	38.6	234	28.1	361	48.8	273	36.9	106	14.3
Grand Total (all houses)	627	33.3	730	38.8	526	37.9	1827	46.7	1153	29.5	932	23.8	1133	58.2	575	29.6	237	12.2

Table 16 - Select Products : Applications and Approvals to Certain Houses
1959 - June 1966

(Numbers only, applications net of deferred, but including those for which investment data are not available)

Product Code No.	Product	Birla		Other Houses Applied and Approved
		Applied	Approved	
005	Coal	6	4	Thapar 4 and 4
008	'Other processed minerals'	7	0	Bangur 2 and 2
010	Sugar	5	3	V. Ramakrishna 4 and 4, Bajoria Jalan 4 and 4.
012	Processed Food	6	4	
013	Vanaspati	11	6	Shri Ram 4 and 4
018	Cosmetics	4	1	Tata 2 and 2
020	Cotton Yarn	16	5	Tata 3 and 3, Bangur 3 and 1, Mafatlal 5 and 4, Kasturbhai 8 and 2, Bajoria Jalan 4 and 2, Jaipuria 3 and 3
021	Cotton Fabrics	15	13	J.K. 2 and 2, Tata 3 and 3, Kasturbhai 4 and 4, Madia Shapoorji 3 and 3, Bajoria - Jalan 3 and 3, Modi 2 and 2, Jaipuria 2 and 1
022	Cotton yarn & fabrics	6	3	
023	Cotton other	5	4	
025	Synthetic fabrics	3	3	
026	Jute Carpet & backing	5	1	
028	Textiles n.e.c.	7	2	
029	Non-Woven fabrics	-	-	Tata 3 and 1
030	Rayon fibre & yarn	13	4	J.K. 5 and 2, Chinai 2 and 1
032	Polyester fibre	3	0	J.K. 2 and 0, Chinai 2 and 0
033	Polypropylene	3	0	
034	Acrylic fibre	2	1	J.K. 3 and 3,
035	Tyre cord	7	3	J.K. 4 and 2, Tata 2 and 1, Shri Ram 2 and 2, Chinai 2 and 1
036	Nylon	3	3	J.K. 5 and 4, Modi 2 and 1, Jaipuria 2 and 1
037	P V A fibre	2	0	
038	Other petroleum fibres	6	0	
040	Chip & other boards	14	14	J.K. 2 and 2, Bangur 3 and 3, Mafatlal 2 and 2
041	Plywood	6	4	Sahu Jain 4 and 3
050	Paper	7	2	J.K. 3 and 1, Shri Ram 2 and 2, Sahu Jain 4 and 2, Bangur 2 and 2, Amichand 2 and 1, Bajaj 2 and 2, Seshasayee 2 and 2, Bajoria-Jalan 2 and 2
051	Paper, special finish	2	1	Kamani 2 and 0,
052	Paper film (incl. Cellophane)	6	5	
053	Paper, industrial (incl. printing)	3	3	Sahu Jain 2 and 2, Bangur 5 and 5, Seshasayee 2 and 2, Bajoria Jalan 2 and 2
057	Rayon Pulp.	4	1	Chinai 2 and 1
063	Rubber tyres & tubes	4	3	
064	Rubber, industrial	4	2	Kamani 3 and 3
068	Alcohol Chemicals	3	0	Kilachand 2 and 2, Sarabhai 2 and 0
070	Caustic Soda	21	7	J.K. 4 and 2, Shree Ram 4 and 3, Sahu Jain 4 and 1, Bangur 4 and 3, Sarabhai 3 and 2, Mafatlal 3 and 3, Kasturbhai 2 and 2, Thapar 2 and 1, Modi 4 and 1, Chinai 4 and 2.
071	Soda ash	5	2	Sahu Jain 2 and 1
072	Sulphuric acid	11	5	Shri Ram 2 and 2, Kasturbhai 4 and 3
075	Petro-chemicals n.e.c.	5	1	Mafatlal 6 and 6, Goenka 3 and 0,
076	Acids, n.e.c.	4	2	Kasturbhai 3 and 3
077	Carbon black	4	0	Bajoria Jalan 2 and 0, Goenka 4 and 4
079	Glycerine	2	2	

Table 16 - Select Products : Applications and Approvals to Certain Houses
1959 - June 1966 (cont'd)

(Numbers only, applications net of deferred, but including those
for which investment data are not available)

Product Code No.	Product	Birla		Other Houses Applied and Approved
		Applied	Approved	
081	Fertilisers	6	0	J.K. 3 and 2, Kasturbhai 3 and 3
082	Insecticides	4	1	Tata 5 and 5
083	Resins & Plastics	17	6	Shri Ram 2 and 1, Walchand 4 and 3, Sahu Jain 2 and 1, Bangur 2 and 0, Kilachand 3 and 1, Sarabhai 10 and 4, Anantharamakrishnan 3 and 3.
088	Gases	17	6	Bajoria - Jalan 4 and 2, Modi 5 and 3
092	Coke & carbonisation	2	1	
093	Ceramics	3	2	
094	Glass	11	7	Shri Ram 4 and 0, Amichand 2 and 0, Goenka 3 and 1
095	Refractories	2	2	
096	Cement	32	17	Sahu Jain 15 and 10, Bangur 6 and 6, A.C.C. 19 and 17, Amichand 3 and 2, Bajaj 4 and 4
097	Cement, slag	2	0	Sahu Jain 5 and 1
098	Cement, asbestos	7	7	Sahu Jain 3 and 0, Bangur 2 and 2, Ramakrishna 3 and 2, Seshasayee 2 and 2.
099	Grinding Wheels	2	1	
101	Sanitary ware	3	0	Walchand 2 and 1, Kasturbhai 2 and 1, Chinai 2 and 2
108	Cold rolls	6	3	Tata 4 and 3, Amichand 2 and 1
110	Pig Iron	5	3	J.K. 2 and 0, Ramakrishna 3 and 3, Amichand 2 and 0, Kamani 3 and 1, Goenka 2 and 0
112	Structurals	4	3	Amichand 12 and 5, Kamani 3 and 3
113	Rolled Products	4	3	Amichand 3 and 2, Kamani 2 and 0
114	Sheet & flats	4	2	Tata 2 and 2, Amichand 4 and 1
116	Tinplate	2	0	Amichand 6 and 2
117	Stainless & alloy steel	9	2	Tata 3 and 2, Amichand 2 and 1
118	Containers	11	5	Tata 3 and 2, Shri Ram 5 and 3, Bajoria Jalan 2 and 2
120	Castings	8	4	Tata 4 and 4, Sahu Jain 3 and 1, Bangur 3 and 2, Ramakrishnan 4 and 2, Amichand 5 and 2, Kirloskar 3 and 2, Bajoria Jalan 2 and 1
121	Electric cables	6	5	Sahu Jain 2 and 1, Amichand 2 and 2,
122	Fans & sewing machines	2	2	Shri Ram 2 and 2,
123	Bars & rods	3	3	Amichand 2 and 2, Wadia Shapoorji 2 and 2
124	C.I. Spun pipes	5	3	Amichand 2 and 2
125	Steel pipes	7	3	Tata 2 and 2, Patnaik 3 and 2,
126	Pipes n.e.c.	3	1	
127	Steel files	2	2	
128	Pipes, industrial	7	3	Patnaik 3 and 1, Amichand 6 and 1
129	Steel wire & rope	7	3	Sahu Jain 2 and 0, Bangur 4 and 2, Seshasayee 3 and 3, Bajoria Jalan 2 and 1, Goenka 2 and 1
131	Hand & small tools	6	5	Sahu Jain 2 and 1, Bangur 2 and 0, Amichand 2 and 2, Anantharamakrishnan 2 and 2.
133	Bearings	4	3	
135	Aluminium, basic	5	5	J.K. 5 and 3
136	Aluminium products (excl. cables)	10	3	J.K. 2 and 1, Amichand 3 and 1, Kamani 3 and 1
137	Wires	4	0	Bangur 7 and 3, Kamani 6 and 1, Modi 2 and 1
138	Cables	13	10	J.K. 3 and 1, Bangur 5 and 3, Kamani 4 and 4, Seshasayee 8 and 7
141	Machinery conveying	12	8	Tata 3 and 3, A. C.C. 6 and 4, Amichand 3 and 2

Grand total	<u>687.83</u>	<u>395.67</u>
1961-62	158.64	134.34
1962-63	133.35	102.69
1963-64	207.68	111.87
1964-65	114.74	38.29
1965-66	73.42	8.48

Table 18 - CGC Releases in Third Plan by Sources *
(Rs. crores)

<u>Source</u>	<u>Approved</u>	<u>Licensed</u>
Grand Total	<u>687.83</u>	<u>395.67</u>
1. U.S.A.	170.06	107.00
2. West Germany	17.60	10.62
3. U.K.	14.89	12.58
4. Japan	40.49	19.69
5. France	43.78	23.67
6. Belgium	6.99	3.88
7. Canada	5.14	1.93
8. Austria	2.01	1.25
9. Holland	7.46	6.01
10. Italy	11.42	6.46
11. Switzerland	7.21	5.39
12. Denmark	1.20	0.67
13. Sweden	0.55	- -
Sub-total 1 to 13	<u>328.80</u>	<u>199.15</u>
14. Poland	0.74	0.74
15. Yugoslavia	7.64	5.95
16. Hungary	1.27	1.27
17. Czechoslovakia	0.54	- -
Sub-total 14 to 17	<u>10.19</u>	<u>7.96</u>
18. Rupee Payment	38.07	18.71
19. IFC/ICICI	123.13	53.10
20. Free resources	4.62	3.08
21. IDA	0.94	0.80
Sub-total 18 to 21	<u>166.76</u>	<u>75.69</u>
22. Export earnings	3.67	1.38
23. STC link	3.60	2.77
Sub-total 22 + 23	<u>7.27</u>	<u>4.15</u>
24. Foreign share capital	80.45	53.75
25. Loans from principals	47.34	28.71
26. C.D.F.C.	11.69	6.09
27. IFC Washington	12.75	1.49
28. Deferred payments	22.60	18.70

Table 19 - CGC Releases April 1961-September 1964, by Industries*
(Rs. crores)

Industry	Total	Of which					
		Foreign share capital	Local Institutions & Principals	Rupee Payment	Deferred Payment	STC Link & Exports	Free & IDA
Total licensed	322.92	46.06	69.09	15.04	14.19	4.12	3.69
Total approved	559.42	67.96	147.81	25.44	20.81	6.69	5.22
Of B :							
1. Automobiles	77.47	8.36	10.82	1.20	- -	0.28	0.69
2. Bicycles	0.77	0.18	0.12	0.21	- -	0.04	0.05
3. Electricals	27.53	5.97	11.14	1.56	0.26	0.27	0.47
4. Engineering	69.13	8.96	21.93	6.93	0.04	1.23	1.27
5. Heavy electricals	3.56	1.37	0.26	- -	1.08	0.16	0.06
6. Iron & Steel	93.28	10.96	37.47	3.34	1.81	1.07	0.29
7. Other metals	28.61	2.03	12.22	0.07	- -	1.16	0.21
8. Cement	21.37	0.36	5.82	2.80	- -	0.05	0.40
9. Ceramics	3.56	0.29	1.81	1.30	- -	- -	- -
10. Chemicals	90.24	13.31	19.03	0.95	3.40	0.46	0.80
11. Glass	6.69	1.77	1.87	0.18	- -	- -	- -
12. Industrial gases	4.90	0.41	2.13	0.91	- -	- -	0.01
13. Paper & pulp	32.69	2.21	6.60	- -	2.59	0.03	0.15
14. Refractory	2.99	- -	1.01	0.20	- -	- -	- -
15. Rubber	12.08	5.31	4.09	0.38	0.06	- -	0.01
16. Cotton tex. upto March '63	28.97	- -	- -	2.25	10.30	1.05	0.26
17. Non-cotton textiles	39.00	4.32	5.35	2.19	1.05	- -	0.10
18. Miscellaneous	16.58	2.33	6.12	0.96	0.21	1.0	0.43

* As corrected upto January 12, 1965.
Figures include amounts on waiting list.

Table 20

Industrial Licenses not covered by Foreign Exchange Clearance as on January 1, 1964* (cont'd)

(Foreign exchange amounts in Rs. lakhs)

Sr. No.	Product	Item	Year of issue of industrial license					Total
			1962	1961	1960	1959	Before 1959	
14	Ball & roller bearings	No.	2	2	2	-	-	6
		Lakh nos.	5	21	22	-	-	48
		F. ex.	98	99	231	-	-	428
15	Aluminium	No.	-	-	1	-	-	1
		Th. tonnes	-	-	20	-	-	20
		F. ex.	-	-	900	-	-	900
16	Clocks, watches, time pieces	No.	2	2	2	-	-	6
		Th. nos.	270	400	155	-	-	825
		F. ex.	9	38	6	-	-	53
17	Cables, VIR, PVC,	No.	-	-	3	1	-	4
		Mn. yds.	-	-	36 [⊙]	na	-	36 [⊙]
		F. ex.	-	-	n.a.	na	-	na
18	Winding wires, B.& C.	No.	5	-	2	-	-	7
		Tonnes	1680	-	500 ^{⊙⊙}	-	-	2180
		F. ex.	9 ^{**}	-	19	-	-	28
19	Electric fans	No.	-	-	-	-	2 ⁺	2
		Th. nos.	-	-	-	-	52	52
		F. ex.	-	-	-	-	14	14
20	House service meters	No.	-	3	3	-	1	7
		Th. nos.	-	147	138	-	15	300
		F. ex.	-	31	14	-	3	48
21	Fertilisers, nitrogen	No.	4	3	-	-	-	7
		Th. tonnes	262	224	-	-	-	486
		F. ex.	4279	3180	-	-	-	7459
22	Fertilisers, phosphate	No.	2	3	2	-	-	7
		Th. tonnes	66	107	9	-	-	182
		F. ex.	L	4 ^{***}	32	-	-	36
23	Sulphuric acid	No.	1	3	3	2	-	9
		Th. tonnes	165	326	59	17	-	567
		F. ex.	L	15	10	6	-	31
24	Caustic soda	No.	-	3	-	-	1	4
		Th. tonnes	-	32	-	-	33	65
		F. ex.	-	265	-	-	L	265
25	Soda	No.	-	-	1	-	1	2
		Th. tonnes	-	-	33	-	132	165
		F. ex.	-	-	50	-	460	510
26	Paper & paper board	No.	-	5	6	-	-	11
		Th. tonnes	-	133	66	-	-	199
		F. ex.	-	1485	1147	-	-	2632
27	Newsprint	No.	-	2	1	-	-	3
		Th. tonnes	-	120	30	-	-	150
		F. ex.	-	1150	550	-	-	1700

⊙ For one licence only; capacity of other two not available

⊙⊙ For one licence only.

⊙⊙ Two licences only.

+ Both 1955

*** Linked with other products.

(Foreign exchange amounts in Rs. lakhs)

Sr. No.	Product	Item	Year of issue of industrial license					Total
			1962	1961	1960	1959	Before 1959	
1	Alloy tool & special steel	No.	1	5	-	-	-	6
		Th. tonnes	15	90	-	-	-	105
		F. ex.	17	64.8	-	-	-	66.5
2	Pig iron	No.	1	-	-	-	-	1
		Th. tonnes	100	-	-	-	-	100
		F. ex.	200	-	-	-	-	200
3	Ferro manganese	No.	-	-	-	-	1	1
		Th. tonnes	-	-	-	-	44	44
		F. ex.	-	-	-	-	150	150
4	Steel wire	No.	1	-	1	-	-	2
		Tonnes	1050	-	700	-	-	1750
		F. ex.	5	-	1	-	-	6
5	Tinplate	No.	-	-	1	-	-	1
		Th. tonnes	-	-	90	-	-	90
		F. ex.	-	-	675	-	-	675
6	Steel forgings	No.	1	1	4	-	-	6
		Th. tonnes	3	3	14	-	-	20
		F. ex.	7	1	41	-	-	48
7	Steel forgings	No.	3	4	3	-	1	11
		Th. tonnes	8	12	10	-	5	35
		F. ex.	35	181	17	-	22	255
8	Grey iron castings	No.	3	6	3	-	-	12
		Th. tonnes	27	18	22	-	-	67
		F. ex.	20	25	25	-	-	70
9	M I Castings	No.	6	7	3	1	-	17
		Th. tonnes	12	16	8	1	-	37
		F. ex.	57	49	59	neg	-	165
10	C I spun pipes	No.	-	8	2	-	3	13
		Th. tonnes	-	230	85	-	56	371
		F. ex.	-	281	52	-	101	434
11	Steel pipes & tubes	No.	-	7	4	-	-	11
		Th. tonnes	-	408	83	-	-	491
		F. ex.	-	1240	207	-	-	1447
12	Steel wire ropes	No.	4	-	1	-	-	5
		Th. tonnes	12	-	3	-	-	15
		F. ex.	131	-	45	-	-	176
13	Paper mill machinery	No.	-	2	-	-	-	2
		Rs. lakhs	-	840	-	-	-	840
		F. ex.	-	93	-	-	-	93

* Licences issued in 1963 are excluded.

Table 20

59

Industrial Licenses not covered by Foreign Exchange Clearance as on January 1, 1964 (cont'd)

(Foreign exchange amounts in Rs. lakhs)

Sr. No.	Product	Item	Year of issue of industrial license					Total
			1962	1961	1960	1959	Before 1959	
28	Cement	No.	4	2	-	-	2	8
		Lakh tonnes	7.7	2.7	-	-	4.5	14.9
		F. ex.	180	90	-	-	90	360
29	Refractories	No.	6	-	5	-	1	12
		Th. tonnes	68	-	157	-	102	327
		F. ex.	51	-	200	-	n.a.	251
30	Insulators, LT. & H.T.	No.	4	3	1	-	-	8
		Th. tonnes	4.7	4.2	1.4	-	-	10.3
		F. ex.	60	84	16	-	-	160
31	Pulp, rayon grade	No.	-	2	1	-	-	3
		Th. tonnes	-	52	60	-	-	112
		F. ex.	-	1034	650	-	-	1684
32	Other products	No.	19	5	17	-	4	56
		F. ex.	629	60	795	-	19	2131
				14				
Grand Total		No.	69	89	72	4	17	251
		F. ex.	5787	10680	5742	6	859	23079

(Foreign exchange amounts in Rs. lakhs)

Sr. No.	Product	Item	Year of issue of industrial license					Total
			1962	1961	1960	1959	Before 1959	
4	Ball & roller bearings	No.	2	2	2	-	-	6
		Lakh nos.	5	21	22	-	-	48
		F. ex.	98	99	231	-	-	428
15	Aluminium	No.	-	-	1	-	-	1
		Th. tonnes	-	-	20	-	-	20
		F. ex.	-	-	900	-	-	900
16	Clocks, watches, time pieces	No.	2	2	2	-	-	6
		Th. nos.	270	400	155	-	-	825
		F. ex.	9	38	6	-	-	53
17	Cables, VIR, PVC,	No.	-	-	3	1	-	4
		Mn. yds.	-	-	360	na	-	360
		F. ex.	-	-	n.a.	na	-	na
18	Winding wires, B.& C.	No.	5	-	2	-	-	7
		Tonnes	1680	-	50000	-	-	2180
		F. ex.	9**	-	19	-	-	28
19	Electric fans	No.	-	-	-	-	2+	2
		Th. nos.	-	-	-	-	52	52
		F. ex.	-	-	-	-	14	14
20	House service meters	No.	-	3	3	-	1	7
		Th. nos.	-	147	138	-	15	300
		F. ex.	-	31	14	-	3	48
21	Fertilisers, nitrogen	No.	4	3	-	-	-	7
		Th. tonnes	262	224	-	-	-	486
		F. ex.	4279	3180	-	-	-	7459
22	Fertilisers, phosphate	No.	2	3	2	-	-	7
		Th. tonnes	66	107	9	-	-	182
		F. ex.	L	4***	32	-	-	36
23	Sulphuric acid	No.	1	3	3	2	-	9
		Th. tonnes	165	326	59	17	-	567
		F. ex.	L	15	10	6	-	31
24	Caustic soda	No.	-	3	-	-	1	4
		Th. tonnes	-	32	-	-	33	65
		F. ex.	-	265	-	-	L	265
25	Soda ash	No.	-	-	1	-	1	2
		Th. tonnes	-	-	33	-	132	165
		F. ex.	-	-	50	-	460	510
26	Paper & paper board	No.	-	5	6	-	-	11
		Th. tonnes	-	133	66	-	-	199
		F. ex.	-	1485	1147	-	-	2632
27	Newsprint	No.	-	2	1	-	-	3
		Th. tonnes	-	120	30	-	-	150
		F. ex.	-	1150	550	-	-	1700

* From 1959 onwards only; capacity of other two not available

INDUSTRIAL HOUSE CODE

01 Birla	58 Bengali n.e.c.
02 Sahu Jain	59 Other n.e.c.
03 Dalmia	
04 Bangur Somani	60 Bird Heilger
05 Goenka	61 Andrew Yule
06 J.K.	62 Inchcape Mackay
07 Bajoria Jalan	63 Larsen & Toubro
08 Kamani	64 E I D Parry
09 Khaitan	65 Balmer Lawrie
10 Morarka	66 Harvey
11 Bajaj	67 Hallis
12 Modi	68 Gillanders
13 Khandelwal	69 Other domiciled foreign
14 Poddar	
15 Jaipuria	70 International combines UK
16 Ruita	71 USA
17 Mundhra	72 West Germany
18	73 Switzerland
19 Other Marwari	74 Sweden
	75 Netherlands
20 Tata	76 Denmark
21 Martin Burn	77 France
22 A C C	78 Italy
23 Shri Ram	79 Other
24 Kirloskar	
25 Srivastava	80 Co-operatives: Northern States
26 Sen	81 Eastern States
27 Godrej	82 Western States
28 Devidayal	83 Southern States
29 Jolly	
30 Mafatlal	
31 Walchand	
32 Kasturbhai	
33 Kilachand	
34 Sarabhai	
35 Thackersay	
36 Amin	
37 Dharemsi Morarji	
38 Chinai	
39 Other Gujarati	
40 Anantaramakrishnan	90 State Govts, SIDC's ; Andhra
41 Seshasayee	91 Assam
42 Ramakrishna	92 Gujarat
43 T V S	93 Kerala
4	94 Orissa
5	95 Punjab
6	96 U P
7	97 Other
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44	
45 Other Southern	
46 B. Patnaik	
47 Bombay Burmah & Visanji	
48 Wadio Shapoorji	
49 Escorts	
50 Thapar	
51 Mahindra	
52 Amichand Pyarelall	
53 Harbans Lal Malhotra	
54 Other Punjabi	
55 Sindhi	
56 Parsi, n.e.c.	
57 Maharashtra n.e.c.	
	99 Government companies

Table 20

59

Industrial Licenses not covered by Foreign Exchange Clearance as on January 1, 1964 (cont'd)

(Foreign exchange amounts in Rs. lakhs)

Sr. No.	Product	Item	Year of issue of industrial license					Total
			1962	1961	1960	1959	Before 1959	
28	Cement	No.	4	2	-	-	2	8
		Lakh tonnes	7.7	2.7	-	-	4.5	14.9
		F. ex.	180	90	-	-	90	360
29	Refractories	No.	6	-	5	-	1	12
		Th. tonnes	68	-	157	-	102	327
		F. ex.	51	-	200	-	n.a.	251
30	Insulators, LT. & H.T.	No.	4	3	1	-	-	8
		Th. tonnes	4.7	4.2	1.4	-	-	10.3
		F. ex.	60	84	16	-	-	160
31	Pulp, rayon grade	No.	-	2	1	-	-	3
		Th. tonnes	-	52	60	-	-	112
		F. ex.	-	1034	650	-	-	1684
32	Other products	No.	19	16	17	-	4	56
		F. ex.	629	688	795	-	19	2131
Grand Total		No.	69	89	72	4	17	251
		F. ex.	5787	10680	5742	6	859	23079

PRODUCT CODE

- 001 Gum and Natural resin
- 002 Glue and gelatine
- 003 Animal feed
- 005 Coal and lignite
- 006 Other mining
- 007 Coal washery
- 008 Other processed minerals
- 009 Salt
- 010 Sugar
- 011 Flour and confectionery
- 012 Processed food
- 013 Vanaspati and edible oil
- 014 Alcohol industrial
- 015 Alcohol potable
- 016 Soap
- 018 Cosmetics
- 019 Tobacco
- 020 Cotton yarn
- 021 Cotton fabrics
- 022 Cotton composite
- 023 Cotton other
- 024 Woollen (incl. carpets)
- 025 Synthetic fabrics
- 026 Jute carpet & backing (incl. tufted)
- 027 Jute other
- 028 Textiles n.e.c.
- 029 Non-woven fabrics
- 030 Rayon fibre and yarn
- 031 Intermediate: petrochemical fibres
- 032 Polyester
- 033 Polypropylene
- 034 Acrylic
- 035 Tyre cord rayon/nylon
- 036 Nylon
- 037 Poly Vinyl Alcohol
- 038 Petro-chem other fibre
- 039 Cellulose n.e.c.
- 040 Chipboard
- 041 Plywood
- 042 Cork
- 043 Wood n.e.c.
- 045 Matches
- 050 Paper

INDUSTRIAL HOUSE CODE

01 Birla	58 Bengali n.e.c.
02 Sahu Jain	59 Other n.e.c.
03 Dalmia	
04 Bangur Somani	60 Bird Heilger
05 Goenka	61 Andrew Yule
06 J.K.	62 Inchcape Mackay
07 Bajoria Jalan	63 Larsen & Toubro
08 Kamani	64 E I D Parry
09 Khaitan	65 Balmer Lawrie
10 Morarka	66 Harvey
11 Bajaj	67 Pallis
12 Modi	68 Gillanders
13 Khandelwal	69 Other domiciled foreign
14 Poddar	
15 Jaipuria	70 International combines
16 Ruita	71 UK
17 Mundhra	72 USA
18	73 West Germany
19 Other Marwari	74 Switzerland
	75 Sweden
20 Tata	76 Netherlands
21 Martin Burn	77 Denmark
22 A C C	78 France
23 Shri Ram	79 Italy
24 Kirloskar	Other
25 Srivastava	
26 Sen	80 Co-operatives: Northern States
27 Godrej	81 Eastern States
28 Devidayal	82 Western States
29 Jolly	83 Southern States
30 Mafatlal	
31 Walchand	
32 Kasturbhai	
33 Kilachand	
34 Sarabhai	
35 Thackersay	
36 Amin	
37 Dharamsi Morarji	
38 Chinai	
39 Other Gujarati	
40 Anantaramakrishnan	90 State Govts, SIDC's ; Andhra
41 Seshasayee	91 Assam
42 Ramakrishna	92 Gujarat
43 T V S	93 Kerala
44	94 Orissa
45 Other Southern	95 Punjab
46 B. Patnaik	96 U P
47 Bombay Burmah & Visanji	97 Other
48 Wadio Shapoorji	
49 Escorts	
50 Thapar	
51 Mahindra	
52 Amichand Pyarelall	
53 Hartans Lal Malhotra	
54 Other Punjabi	
55 Sindhi	
56 Parsi, n.e.c.	
57 Maharashtra n.e.c.	99 Government companies

- 051 Paper Spl. finish
- 052 Paper film
- 053 Paper industrial (incl. printing)
- 054 Paper board
- 055 Newsprint
- 056 Pulp paper
- 057 Pulp rayon
- 060 Leather
- 061 Synthetic leather
- 062 Synthetic tanning agents
- 063 Rubber tyres and tubes
- 064 Rubber industrial
- 065 Rubber synthetic
- 066 Rubber other
- 067 Contraceptives
- 068 Alcohol chemicals
- 069 Bleaching agents
- 070 Caustic soda
- 071 Soda ash
- 072 Sulphuric acid
- 073 Calcium carbide
- 074 Chlorine
- 075 Petrochemicals n.e.c.
- 076 Acids n.e.c.
- 077 Carbon black
- 078 F V C products
- 079 Glycerine
- 080 Dyes
- 081 Fertilisers
- 082 Insecticides
- 083 Resins, plastics, laminates
- 084 Drugs
- 085 Detergents
- 086 Paints
- 087 Solvents & extractions
- 088 Gases
- 089 Chemicals n.e.c.
- 090 Batteries
- 091 Electrodes
- 092 Coke and carbonisation
- 093 Ceramics
- 094 Glass
- 095 Refractories
- 096 Cemer.

001 Gum and Natural resin
002 Glue and gelatine
003 Animal feed
005 Coal and lignite
006 Other mining
007 Coal washery
008 Other processed minerals
009 Salt
010 Sugar
011 Flour and confectionery
012 Processed food
013 Vanaspati and edible oil
014 Alcohol industrial
015 Alcohol potable
016 Soap
018 Cosmetics
019 Tobacco
020 Cotton yarn
021 Cotton fabrics
022 Cotton composite
023 Cotton other
024 Woollen (incl. carpets)
025 Synthetic fabrics
026 Jute carpet & backing (incl. tufted)
027 Jute other
028 Textiles n.e.c.
029 Non-woven fabrics
030 Rayon fibre and yarn
031 Intermediate: petrochemical fibres
032 Polyester
033 Polypropylene
034 Acrylic
035 Tyre cord rayon/nylon
036 Nylon
037 Poly Vinyl Alcohol
038 Petro-chem other fibre
039 Cellulose n.e.c.
040 Chipboard
041 Plywood
042 Cork
043 Wood n.e.c.

- 097 Cement slag
- 098 Cement asbestos
- 099 Grinding wheels
- 100 Explosives
- 101 Sanitary ware
- 102 Vulcanised fibre
- 103 Fibre pipes
- 105 Stainless steel sheets
- 106 Safety razor blades
- 107 Utensils
- 108 Cold C.I. rolls
- 109 Iron sponge
- 110 Iron pig
- 111 Steel basic
- 112 structurals
- 113 rolling
- 114 sheet and flats
- 115 aluminised
- 116 tinplate
- 117 alloy and stainless
- 118 containers
- 119 Ferro alloys
- 120 Castings
- 121 Forgings
- 122 Light engg. (fans, sewing machines etc.)
- 123 Bars & rods
- 124 C I Spun pipes
- 125 Steel pipes
- 126 Pipes n.e.c.
- 127 Steel files
- 128 Pipes, industrial
- 129 Steel wire, rod, rope
- 130 Nuts, bolts, screws
- 131 Hand tools
- 132 Magnets
- 133 Bearings
- 134 Metals, non-ferrous non-aluminium n.e.c.
- 135 Aluminium basic
- 136 Aluminium products (excl. cables)
- 137 Wires
- 138 Cables
- 139 Metal products n.e.c.
- 140 Machinery & components : agricultural
- 141 conveying
- 142 construction
- 143 mining
- 144 industrial n.e.c.
- 145 industrial components n.e.c.
- 146 machine tools
- 147 drilling & cutting tools
- 148 Broches
- 149 Printing

- 153 turbines and turbo units
- 154 boilers
- 155 air compressors
- 156 furnaces
- 157 stampings
- 158 Welding & cutting equipment
- 159 Valves, industrial etc. (excl. radio)

- 160 Transport equipment : railways wagons
- 161 railway other
- 164 engines
- 165 trucks, buses, jeeps
- 166 motor cars
- 167 motor cycles & scooters
- 168 bicycles & components
- 169 electrical components
- 170 mechanical components
- 171 aviation
- 172 ropeways
- 173 vessels and barges
- 174 trailers
- 175 tractors & power tillers

- 177 Heavy & special castings
- 179 Heavy engg. components n.e.c.

- 180 Electric lamps, starters
- 181 Household appliances
- 182 Office & commercial appliances
- 183 Tele-Comm. equip. & components

- 184 Photo equipment & materials (incl X-ray)

- 185 Meters

- 186 Petroleum refining

- 187 Petroleum lubricants

- 188 Surgical equipment

- 190 Weighing machinery
- 191 Electronics & advanced communications equip.
- 192 Electronic computers

- 193 Titanium dioxide

- 194 Instruments, mechanical

- 195 Instruments electrical and industrial

- 196 Refrigeration equipment

- 200 Manufacturing n.e.c.

Table 16 - Select Products : Applications and Approvals to Certain Houses 1959 - June 1966 (cont'd)

(Numbers only, applications net of deferred, but including those for which investment data are not available)

Product Code No.	Product	Birla		Other Houses Applied and Approved
		Applied	Approved	
142	Machinery construction	-	-	Tata 4 and 4, Bajoria Jalan 5 and 4
146	Machine tools	13	11	Walchand 3 and 3, Kirloskar 4 and 3, Anantharamakrishnan 2 and 2, Mahindra 2 and 2
147	Drilling & cutting tools	8	5	Tata 5 and 2,
150	Motors & generators	12	8	Shri Ram 3 and 1, Bajaj 3 and 3, Kirloskar 5 and 4
151	Switchgears & transformers	15	5	Bajaj 2 and 2, Kirloskar 3 and 3, Anantharamakrishnan 2 and 2
152	Other electrical machinery & components	8	6	Shri Ram 2 and 1, Kamani 2 and 1, Bajaj 3 and 2, Kirloskar 8 and 6, Thapar 4 and 3
169	Transport : electric components	8	5	
170	Transport : mechanical components	8	7	Tata 2 and 2, Walchand 2 and 2, Ramakrishna 2 and 1, Anantharamakrishnan 9 and 8, Mahindra 2 and 2.
175	Tractors & power tillers	8	3	Amichand 2 and 0, Kirloskar 3 and 0, Anantharamakrishnan 2 and 2, Mahindra 2 and 2, Bajoria 4 and 1
180	Electric lamps, starters	-	-	Bajaj 5 and 4, Goenka 4 and 4
181	Household appliances	9	5	
182	Office appliances	4	1	J.K. 4 and 2, Bajoria Jalan 2 and 0
183	Radio & components	3	2	Tata 4 and 2.

153	turbines and turbo units
154	boilers
155	air compressors
156	furnaces
157	stampings
158	Welding & cutting equipment
159	Valves, industrial etc. (excl. radio)
160	Transport equipment : railways wagons
161	railway other
164	engines
165	trucks, buses, jeeps
166	motor cars
167	motor cycles & scooters
168	bicycles & components
169	electrical components
170	mechanical components
171	aviation
172	ropeways
173	vessels and barges
174	trailers
175	tractors & power tillers
177	Heavy & special castings
179	Heavy engg. components n.e.c.
180	Electric lamps, starters
181	Household appliances
182	Office & commercial appliances
183	Tele-Comm. equip. & components
184	Photo equipment & materials (incl X-ray)
185	Meters
186	Petroleum refining
187	Petroleum lubricants
188	Surgical equipment
190	Weighing machinery
191	Electronics & advanced communications equip.
192	Electronic computers
193	Titanium dioxide
194	Instruments, mechanical
195	Instruments electrical and industrial
196	Refrigeration equipment
200	Manufacturing n.e.c.

Table 17 - CGC Releases in Third Plan by Years
(Rs. crores)

<u>Year</u>	<u>Approved</u>	<u>Licensed</u>
Grand total	<u>687.83</u>	<u>395.67</u>
1961-62	158.64	134.34
1962-63	133.35	102.69
1963-64	207.68	111.87
1964-65	114.74	38.29
1965-66	73.42	8.48

Table 18 - CGC Releases in Third Plan by Sources *
(Rs. crores)

<u>Source</u>	<u>Approved</u>	<u>Licensed</u>
Grand Total	<u>687.83</u>	<u>395.67</u>
1. U.S.A.	170.06	107.00

Table 17 - CGC Releases in Third Plan by Years
(Rs. crores)

<u>Year</u>	<u>Approved</u>	<u>Licensed</u>
Grand total	687.83	395.67
1961-62	158.64	134.34
1962-63	133.35	102.69
1963-64	207.68	111.87
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1965-66	73.42	8.48

Table 18 - CGC Releases in Third Plan by Sources*
(Rs. crores)

<u>Source</u>	<u>Approved</u>	<u>Licensed</u>
Grand Total	687.83	395.67
1. U.S.A.	170.06	107.00
2. West Germany	17.60	10.62
3. U.K.	14.89	12.58
4. Japan	40.49	19.69
5. France	43.78	23.67
6. Belgium	6.99	3.88
7. Canada	5.14	1.93
8. Austria	2.01	1.25
9. Holland	7.46	6.01
10. Italy	11.42	6.46
11. Switzerland	7.21	5.39
12. Denmark	1.20	0.67
13. Sweden	0.55	- -
Sub-total 1 to 13	328.80	159.15
14. Poland	0.74	0.74
15. Yugoslavia	7.64	5.95
16. Hungary	1.27	1.27
17. Czechoslovakia	0.54	- -
Sub-total 14 to 17	10.19	7.96
18. Rupee Payment	38.07	18.71
19. IFC/ICICI	123.13	53.10
20. Free resources	4.62	3.08
21. IDA	0.94	0.80
Sub-total 18 to 21	166.76	75.69
22. Export earnings	3.67	1.38
23. STC link	3.60	2.77
Sub-total 22 + 23	7.27	4.15
24. Foreign share capital	80.45	53.75
25. Loans from principals	47.34	28.71
26. C.D.F.C.	11.69	6.09
27. IFC Washington	12.75	1.49
28. Deferred payments	22.60	18.70
Sub-total 24 to 28	174.83	108.74

Source for Tables 17 to 20: Economic Adviser, Ministry of Industry.

*Excluding releases by CG Textile Sub-Committee since April 1963 and Ad Hoc Committee.

Table 19 - CGC Releases April 1961-September 1964 by Industries*
(Rs. crores)

Industry	Total	Of which					
		Foreign share capital	Local Institutions & Principals	Rupee Payment	Deferred Payment	STC Link & Exports	Free & IDA
A Total licensed	322.92	46.06	69.09	15.04	14.19	4.12	3.69
B Total approved	559.42	67.96	147.81	25.44	20.81	6.69	5.22
Of B :							
1. Automobiles	77.47	8.36	10.82	1.20	- -	0.28	0.69
2. Bicycles	0.77	0.18	0.12	0.21	- -	0.04	0.05
3. Electricals	27.53	5.97	11.14	1.56	0.26	0.27	0.47
4. Engineering	69.13	8.96	21.93	6.93	0.04	1.23	1.27
5. Heavy electricals	3.56	1.37	0.26	- -	1.08	0.16	0.06
6. Iron & Steel	93.28	10.96	37.47	3.34	1.81	1.07	0.29
7. Other metals	28.61	2.03	12.22	0.07	- -	1.16	0.21
8. Cement	21.37	0.36	5.82	2.80	- -	0.05	0.40
9. Ceramics	3.56	0.29	1.81	1.30	- -	- -	- -
10. Chemicals	90.24	13.31	19.03	0.95	3.40	0.46	0.80
11. Glass	6.69	1.77	1.87	0.18	- -	- -	- -
12. Industrial gases	4.90	0.41	2.13	0.91	- -	- -	0.01
13. Paper & pulp	32.69	2.21	6.60	- -	2.59	0.03	0.15
14. Refractory	2.99	- -	1.01	0.20	- -	- -	- -
15. Rubber	12.08	5.31	4.09	0.38	0.06	- -	0.01
16. Cotton tex. upto March '63	28.97	- -	- -	2.25	10.30	1.05	0.26
17. Non-cotton textiles	39.00	4.32	5.35	2.19	1.05	- -	0.10
18. Miscellaneous	16.58	2.33	6.12	0.96	0.21	1.0	0.43

* As corrected upto January 12, 1965.
Figures include amounts on waiting list.

Table 19 - CGC Releases April 1961-September 1964 by Industries*
(Rs. crores)

Industry	Total	Of which					
		Foreign share capital	Local Institutions & Principals	Rupee Payment	Deferred Payment	STC Link & Exports	Free & IDA
A Total licensed	322.92	46.06	69.09	15.04	14.19	4.12	3.69
B Total approved	559.42	67.96	147.81	25.44	20.81	6.69	5.22
Of B :							
1. Automobiles	77.47	8.36	10.82	1.20	- -	0.28	0.69
2. Bicycles	0.77	0.18	0.12	0.21	- -	0.04	0.05
3. Electricals	27.53	5.97	11.14	1.56	0.26	0.27	0.47
4. Engineering	69.13	8.96	21.93	6.93	0.04	1.23	1.27
5. Heavy electricals	3.56	1.37	0.26	- -	1.08	0.16	0.06
6. Iron & Steel	93.28	10.96	37.47	3.34	1.81	1.07	0.29
7. Other metals	28.61	2.03	12.22	0.07	- -	1.16	0.21
8. Cement	21.37	0.36	5.82	2.80	- -	0.05	0.40
9. Ceramics	3.56	0.29	1.81	1.30	- -	- -	- -
10. Chemicals	90.24	13.31	19.03	0.95	3.40	0.46	0.80
11. Glass	6.69	1.77	1.87	0.18	- -	- -	- -
12. Industrial gases	4.90	0.41	2.13	0.91	- -	- -	0.01
13. Paper & pulp	32.69	2.21	6.60	- -	2.59	0.03	0.15
14. Refractory	2.99	- -	1.01	0.20	- -	- -	- -
15. Rubber	12.08	5.31	4.09	0.38	0.06	- -	0.01
16. Cotton tex. upto March '63	28.97	- -	- -	2.25	10.30	1.05	0.26
17. Non-cotton textiles	39.00	4.32	5.35	2.19	1.05	- -	0.10
18. Miscellaneous	16.58	2.33	6.12	0.96	0.21	1.0	0.43

* As corrected upto January 12, 1965.
Figures include amounts on waiting list.

Table 20 - Industrial Licenses not covered by Foreign Exchange
Clearance as on January 1, 1964*

(Foreign exchange amounts in Rs. lakhs)

Sr. No.	Product	Item	Year of issue of industrial license					Total
			1962	1961	1960	1959	Before 1959	
1	Alloy tool & special steel	No.	1	5	-	-	-	6
		Th. tonnes	15	90	-	-	-	105
		F. ex.	17	648	-	-	-	665
2	Pig iron	No.	1	-	-	-	-	1
		Th. tonnes	100	-	-	-	-	100
		F. ex.	200	-	-	-	-	200
3	Ferro manganese	No.	-	-	-	-	1	1
		Th. tonnes	-	-	-	-	44	44
		F. ex.	-	-	-	-	150	150
4	Steel wire	No.	1	-	1	-	-	2
		Tonnes	1050	-	700	-	-	1750
		F. ex.	5	-	1	-	-	6
5	Tinsplate	No.	-	-	1	-	-	1
		Th. tonnes	-	-	90	-	-	90
		F. ex.	-	-	675	-	-	675
6	Steel forgings	No.	1	1	4	-	-	6
		Th. tonnes	3	3	14	-	-	20
		F. ex.	7	L	41	-	-	48
7.	Steel forgings	No.	3	4	3	-	1	11
		Th. tonnes	8	12	10	-	5	35
		F. ex.	35	181	17	-	22	255
8.	Grey iron castings	No.	3	6	3	-	-	12
		Th. tonnes	27	18	22	-	-	67
		F. ex.	20	25	25	-	-	70
9	M I Castings	No.	6	7	3	1	-	17
		Th. tonnes	12	16	8	1	-	37
		F. ex.	57	49	59	neg	-	165
10	C I spun pipes	No.	-	8	2	-	3	13
		Th. tonnes	-	230	85	-	56	371
		F. ex.	-	281	52	-	101	434
11	Steel pipes & tubes	No.	-	7	4	-	-	11
		Th. tonnes	-	408	83	-	-	491
		F. ex.	-	1240	207	-	-	1447
12	Steel wire ropes	No.	4	-	1	-	-	5
		Th. tonnes	12	-	3	-	-	15
		F. ex.	131	-	45	-	-	176
13	Paper mill machinery	No.	-	2	-	-	-	2
		Rs. lakhs	-	840	-	-	-	840
		F. ex.	-	93	-	-	-	93

* Licences issued in 1963 are excluded.

L Linked with other products.

Source: Economic Adviser, Ministry of Industry.

TOTAL	NA	228	110	7	122	67	43	14	102	52	3	42	29	18	3
	SE	267	144	9	114	134	94	7	149	92	5	52	93	62	2
1957- June 1966	NU	443	218	12	213	287	176	22	124	89	2	33	119	77	3
TOTAL		938	472	28	438	496	313	43	375	240	10	125	246	159	9

NA—New Article SE—Substantial expansion—NU—New Undertaking

SOURCE: Summary of Applications placed before Licensing Committee.

NOTE.—(1) Total Investment and import component refer to investment in capital equipment only

(2) Number of approvals would differ from Ministry to Industry data owing to non-availability of data for approvals on the "free licensing" list, applications for which do not come before the Licensing Committee.

*Number of applications and amount of investment etc. are gross of multiple counting of applications considered more than once by the Licensing Committee.

@Licenses or letters of intent.