OFFICE MEMORANDUM

Subject: Procedure to be followed for grant of Industrial License under IDR Act, 1951 to SEZ/EOU units by Department of Commerce-Reg.

Department of Commerce is empowered to grant Industrial License under Industrial Development and Regulations (IDR) Act, 1951 to SEZ and EOU units. In recent past, it is noticed that while submitting the application form for Industrial license, SEZ/EOU units are facing various difficulties regarding submission of required documents, required application fee etc. Accordingly, in order to avoid difficulties being faced by such units and delay in processing of the case, the instructions in compiled form are reiterated herewith as under:

i) The unit intending to manufacture items covered under the IDR Act, 1951 in an SEZ or EOU will apply to Department of Commerce for Industrial License under clause (e) of sub-section 2 of section 9 of the SEZ Act, 2005 read with Industrial Development and Regulation Act, 1951 (IDR Act) and Chapter 6 of Foreign Trade Policy (FTP) 2015-2020, along with following documents:

   a. Industrial Application form i.e. composite form for foreign collaboration and Industrial license (copy enclosed);
   b. Details of directors of the unit in the format prescribed by Ministry of Home Affairs for grant of security clearance (copy enclosed),
   c. Deposition of application fee of Rs 2500/- through Demand Draft in favour of Under Secretary, Cash, D/o Commerce, payable at New Delhi,
   d. Project Report,
   e. Identity Proof of the directors of the unit i.e. PAN card, Aadhar Card etc.

(ii) After receiving of complete application form, Department of Commerce will seek comments/clearance on the proposal from all concerned Ministries/Departments, State Government concerned, Development Commissioner concerned etc.

(iii) Upon receipt of the comments from all concerned, the proposal shall be placed before Board of Approval for its consideration.

(iv) The decision of BOA shall be conveyed to Development Commissioner concerned for issuing letter of permission (LOP) to the unit.

2. It is also informed that units other than SEZ units and EOUs intending to obtain Industrial License under IDR Act, 1951 will apply to DPIIT online through www.services.dipp.gov.in.

3. This issues with the approval of competent authority.

Encl: As above.

(Sumit Kumar Sachan)
Under Secretary to the Government of India
Tel: 23062496
E-mail: sumit.sachan@nic.in

To,

1. All Development Commissioners of SEZs with request to give it wide publicity.
2. DPIIT/MHA/DDP/MoEF&CC/MoHFW
3. EPCES with request to give it wide publicity.
FORM-FC/IL
S/A
COMPOSITE FORM FOR FOREIGN COLLABORATION
AND INDUSTRIAL LICENCE

Please fill up the attached supplementary sheets
Part A: For only FC/Part B: For only IL / Both Part A and Part B for FC+IL

GENERAL INFORMATION

1. Type of Application (Please ✓ the Appropriate Boxes)
   a. Foreign Collaboration (FC)
      For Foreign Investment  ✓  For Foreign Technology Agreements  
   b. Industrial Licence (IL)  

2. (For Office Use Only)
   Application No. 
   Application Date

3. Payment Details (For FC Application No Fee is Payable. For Industrial Licences Rs.2500. *is Payable)
   Draft No.
   Amount (Rs.)
   Draft Date
   Drawn on
   Payable at
   (Name of the Bank)

*Demand Draft should be made in favor of Under Secretary, Cash, Department of Commerce, to be payable at New Delhi.
I. Name and Address of the Promoter / Industrial Undertaking (Indian / foreign) in full (BLOCK LETTERS) for Correspondence.

Name of the Promoter/Indl

Undertaking

Postal Address

Pin Code

Telephone

Telex

Fax

Cable

E-Mail

II. Register of Companies Registration No. (If Registered)

III. Status of the Promoter/Industrial Undertaking

III (1) Status of the Promoter/Promoter Undertaking

☐ 1. Central Government Undertaking
☐ 2. State Government Undertaking
☐ 4. Co-operative Undertaking
☐ 5. Joint Sector Undertaking
☐ 6. Private Sector Undertaking
☐ 7. Individual Promoter
☐ 8. Foreign/NRI/OCB Company
☐ 9. Foreign/NRI Individual

III (2) Indicate whether this proposal is for (Please √ the Appropriate Box)

☐ 1. Establishment of New Undertaking / Setting up a New Company
☐ 2. Effecting Substantial Expansion
☐ 3. Manufacture of New Articles
☐ 4. Amendments in existing Foreign Collaboration Approval
☐ 5. Inducting Foreign/NRI equity in existing Indian Company
IV(1) Location of the Factory/Proposed Activities

Location & Address

District

State

Pin Code

Telephone

Fax

E-Mail

IV(2) Please Indicate whether the proposed location is
(Please √ the Appropriate Box)

a. Within 25 Kms from the periphery of a city having population above one million
   according to 1991 census

   Yes □  No □

b. If Yes, then whether it is located in an Industrial area/Industrial estate
   Designated / set up prior to 25.7.91

   Yes □  No □

V(A). EXISTING ACTIVITIES OF THE COMPANY (Here also specify Item codes as per

V(B). PROPOSED ACTIVITIES OF THE COMPANY

(1) Items of manufacture (including By-product/Co-product) proposed to be
undertaken (supplementary sheets may be used if necessary).

(a) Item code (NATIONAL INDUSTRIAL CLASSIFICATION OF ALL
ECONOMIC ACTIVITY (NIC), 1987)
(b) Item Description

(c) Proposed Annual Capacity

(d) Existing Capacity

(e) Total Capacity after expansion

(f) Unit of capacity

(g) Description of Activities to be undertaken (if no manufacturing is envisaged)

(2) Whether the item is covered in schedule I (Reserved for Public Sector), Schedule II (Under Compulsory Licensing) or Schedule III (Reserved for manufacture in the Small Scale Sector) of the Notification No.477 (E) Dated 25th July, 1991

<table>
<thead>
<tr>
<th>Schedule I</th>
<th>Schedule II</th>
<th>Schedule III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

(3) Briefly indicate process involved in manufacture of the item(s)

V(C) Attach list of Industrial Licence/Registration/LOI/IFM acknowledgments already issued in favour of the applicant so far.

V(D) Whether the Indian promoter/Company has had a foreign collaboration earlier? If yes, please specify whether for the same or similar or different products/activity. Please also indicate the Approving Authority and date & No. of the Approval Letter.

V(E) Whether the foreign / NRI / OCB collaborator has collaborations with any other individual company in India for the same or similar or different products/activities? Please furnish details.
VI  CAPITAL STRUCTURE

(1) Capital Structure of Existing Indian Company (Amount in Rupees) & proposed capital structure (if revision sought)

<table>
<thead>
<tr>
<th>Equity</th>
<th>Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Authorised</td>
<td></td>
</tr>
<tr>
<td>(b) Subscribed</td>
<td></td>
</tr>
<tr>
<td>(c) Paid-up</td>
<td></td>
</tr>
</tbody>
</table>

(II) Pattern of share holding in Paid-up Capital (Amount in Rupees)

<table>
<thead>
<tr>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>Equity</td>
</tr>
<tr>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

(a) Foreign Holding

<table>
<thead>
<tr>
<th>Preference share</th>
<th>Percentage</th>
</tr>
</thead>
</table>

(b) Non-resident Indian Individual holding / OCB holding

(i) Repatriable

<table>
<thead>
<tr>
<th>Preference share</th>
<th>Percentage</th>
</tr>
</thead>
</table>

(ii) Non-Repatriable

<table>
<thead>
<tr>
<th>Preference share</th>
<th>Percentage</th>
</tr>
</thead>
</table>

(c) Resident Holding

<table>
<thead>
<tr>
<th>Preference share</th>
<th>Percentage</th>
</tr>
</thead>
</table>

(d) Total II [a+b+i+ii+c]:

<table>
<thead>
<tr>
<th>Equity</th>
<th>Preference</th>
</tr>
</thead>
</table>

.../7
VII. Proposed Borrowings (In Rupees)

(i) Public Financial Institution
(ii) Public Borrowing
(iii) Other Sources
(iv) ECB
(v) Promoter Contributions

Total Borrowings

VIII. Please Indicate in brief:

(i) The Background of the Indian Promoters/Company including Proprietors/ Promotor/Directors (attach separate sheet, if necessary)

(ii) The background of the Foreign/NRI/OCB Collaborator/Promoter (attach separate sheet, if necessary)

IX. Investment (in Rupees)

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(C) Plant &amp; Machinery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Indigenous</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Imported</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) CIF Value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Landed Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>[ (i)+(ii)+(b) ]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(D) Working Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(E) Total Investment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

.../8
Export commitments / obligation which the applicant is prepared to undertake.

<table>
<thead>
<tr>
<th>Item Code</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Units (Tonnes/number/meters/any other)</th>
<th>Quantity</th>
<th>%age of production</th>
<th>FOB Value in Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd</td>
<td></td>
<td></td>
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<tr>
<td>3rd</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4th</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5th etc</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total

Please indicate buy back arrangements, if any

XI. Employment

<table>
<thead>
<tr>
<th>(All Figures in Numbers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing</td>
</tr>
<tr>
<td>a. Supervisory</td>
</tr>
<tr>
<td>b. Non-Supervisory</td>
</tr>
</tbody>
</table>

XII Expected date of commencement of commercial production

<table>
<thead>
<tr>
<th>Date</th>
<th>Mth.</th>
<th>Year</th>
</tr>
</thead>
</table>

.../9
PART-A
[For Foreign Collaboration]

XIII Foreign Investment

(a) Financial Collaborator

Name ____________________________

Address ____________________________

Country ____________________________

(b) Amount of foreign equity investment

<table>
<thead>
<tr>
<th>Amount in Rupees</th>
<th>Percentage of paid-up capital</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

XIV Foreign Technology Agreement

(a) Technical Collaborator

Name ____________________________

Address ____________________________

Country ____________________________

(b) Royalty on Sales

<table>
<thead>
<tr>
<th>Sales</th>
<th>Percentage of Sales</th>
<th>Period</th>
<th>Please tick ( ) whichever is applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td></td>
<td></td>
<td>Inclusive of Taxes</td>
</tr>
<tr>
<td>Export</td>
<td></td>
<td></td>
<td>Net of Taxes</td>
</tr>
</tbody>
</table>

.../10
(c) **Nature and quantum of Lumpsum payments**

<table>
<thead>
<tr>
<th>Name of Foreign Currency</th>
<th>Amount of Foreign Exchange of required</th>
<th>No of Instalment in which Payments Will be made</th>
<th>Please tick( ) Whichever is applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Inclusive of taxes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Net of taxes</td>
</tr>
</tbody>
</table>

i) Technical Know-how fees

|                                |                                       |                                               |                                      |

ii) Payment for design/drawing

|                                |                                       |                                               |                                      |

iii) Payment for engineering services

|                                |                                       |                                               |                                      |

iv) Payment for use of patents, brand name trade marks and the like

|                                |                                       |                                               |                                      |

V) Any other payment (Please specify the purpose)

|                                |                                       |                                               |                                      |

XV (I) **Total foreign Exchange inflow during the period of proposed collaboration**

a) Equity

|                                |                                       |                                               |                                      |

b) Foreign Exchange earnings based on f.o.b. Value of export obligation/ commitment

|                                |                                       |                                               |                                      |

(II) **Total foreign Exchange outgo during the period of Collaboration.**

i) Import of machinery and equipment

|                                |                                       |                                               |                                      |

ii) Import of raw materials & Components

|                                |                                       |                                               |                                      |

iii) Import of Spare & Consumables

|                                |                                       |                                               |                                      |
iv) Dividends & Profits (net of taxes)

v) Lumpsum payments (net of taxes)

vi) Royalty payments (net of taxes)

vii) Design & Drawing Fee

ix) Payment on training of Indian Technician abroad

x) Total Commission of Export etc

xi) Amount of interest to be paid on external commercial borrowing/deferred payment credit (Specify details)

xii) Any other payments (Specify details)

TOTAL (i) TO (xii)

Net Foreign Exchange position

XVI. If this application is for extension of existing collaboration agreement or renewal of the already expired collaboration agreement:

(a) Please indicate the period for which the agreement has already run and attach the copy of previous approval

No.& date of Approval

Date of commencement of agreement

Date Mth. Year

Date Mth. Year

Date Mth. Year

(b) Justification for extension of the collaboration agreement with the information about the status of absorption, adaptation and development of the technology already achieved.
(c) (i) Whether you have set up any R & D Cell to absorb the know-how and the progress achieved in this regard

Yes ☐ No ☐

(ii) If yes, please indicate the number and date of communication under which recognised by Department of Science & Technology/Department of Science and Industrial Research.

(iii) Expenditure on R & D facility set up (in Rupees) Amount of investment in fixed assets Annual recurring expenditure

XVII. Please indicate:
(a) the Regional Office of the RBI to whom a copy of the approval is to be endorsed

(b) the name of the Authorised Dealer of Foreign Exchange Concerned through whom the remittance of Technical Know-how fees and Royalty will be made.

Name

Address

DECLARATION
I/We here by certify that the above statements are true and correct to the best of my/our Knowledge and belief

(Signature of Applicant) ________________________________

(Name in the block letters) ________________________________

(Designation of the signatory) ________________________________

Place ________________________________

Date [Day] [Mth.] [Year]
PART : B
[For IL Application Only]

XVII Import Requirements

a. Captial Goods for the projects

<table>
<thead>
<tr>
<th>(in rupees)</th>
<th>(US $ Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imported</td>
<td></td>
</tr>
<tr>
<td>Indigineous</td>
<td></td>
</tr>
</tbody>
</table>

b. Raw Materials (including components, intermediates and packing materials) annum

<table>
<thead>
<tr>
<th>(in rupees)</th>
<th>(US $ Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imported</td>
<td></td>
</tr>
<tr>
<td>Indigineous</td>
<td></td>
</tr>
</tbody>
</table>

ITEM NAME | QUANTITY
--- | ---
1 | |

Unit: Value

deleted...

2 | |

Unit: Value

deleted...

3 | |

Unit: Value

deleted...

...15
c. Consumables & Spares for CG for the project *Per annum.*

<table>
<thead>
<tr>
<th>Year</th>
<th>(in rupees)</th>
<th>(US $ Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Indigenous**

<table>
<thead>
<tr>
<th>Year</th>
<th>(in rupees)</th>
<th>(US $ Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DECLARATION**

I/We hereby certify that the above statements are true and correct to the best of my/our knowledge and belief.

(Signature of Applicant)

(Name in the block letters)

(Designation of the signatory)

Place

Date
**Application Proforma for Security Clearance (Industrial Licence).**

### I. Details in respect of Company/Firm (Indian/Foreign)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Full Name of the company and its foreign collaborator, if any.</th>
<th>Date of registration of the company</th>
<th>Address of Head Office, Regional Offices and Registered Office</th>
<th>Previous name of the company if any</th>
<th>Details of earlier approvals, if any (ref. No. &amp; date)</th>
<th>Location of unit</th>
<th>Product to be manufactured</th>
</tr>
</thead>
</table>

### II. Details in respect of Directors

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Full Name of Board of Directors</th>
<th>Present position held with date (since when)</th>
<th>Date of birth</th>
<th>Parentage</th>
<th>Present &amp; Permanent Address</th>
<th>Nationality</th>
<th>Passport Nos. and issue date, If any</th>
<th>Contact Address &amp; telephone number</th>
</tr>
</thead>
</table>

### III. Details of Shareholders of applicant company (All firms/companies/entities /individuals having shareholding more than 10%)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Full Name</th>
<th>Parentage Father/Mother</th>
<th>Date of birth</th>
<th>Permanent Address</th>
<th>Present Address</th>
<th>Present position held in the company, if any</th>
<th>Nationality (if holding dual nationality, both must be clearly mentioned)</th>
<th>% of Shares held in the Company</th>
</tr>
</thead>
</table>

### IV. Details of criminal cases, if any, against the Company/Director(s) as per Annexure
Self declaration for company and Director(s) for whom security clearance is sought:

a. Name & address and registration number of the company:

b. Name and address of owners, promoters and directors of the company:
   1. ______________________
   2. ______________________
   3. ______________________
   4. ______________________

c. Is the company owners, promoters or directors listed above, the subject of any:
   1. Preventive detention proceedings (PSA / NSA etc): Yes / No
   2. Criminal proceedings: Yes / No

d. If Yes, please provide following details:
   1. Detention / Case / FIR / warrant number:
   2. Police station / District / Agency:
   3. Section of law:
   4. Name and place of the court:

e. The above mentioned details are in respect of both India and any other foreign country.

Note: The above self declaration is required to be filled and signed by the authorized signatory of the company.