The Resolution emphasized at the following:

1. The importance to the economy of securing a continuous increase in production.
2. Its equitable distribution.
3. State must play of progressively active role in the development of Industries.
4. It laid down that besides arms and ammunition, atomic energy and railway transport, which would be the monopoly of the Central Government, the State would be exclusively responsible for the establishment of new undertakings in six basic industries—except where, in the national interest, the State itself found it necessary to secure the cooperation of private enterprise.
5. The rest of the industrial field was left open to private enterprise though it was made clear that the State would also progressively participate in this field.
INDUSTRIAL POLICY RESOLUTION, (30th April, 1956)

1. Improving living standards and working conditions for the mass of the people.
2. To reduce disparities in income and wealth.
3. To prevent private monopolies and concentration of economic power in different fields in the hands of small numbers of individuals.
4. The State will progressively assume a predominant and direct responsibility for setting up new industrial undertakings and for developing transport facilities.

5. Undertake State trading on an increasing scale.

6. At the same time private sector will have the opportunity to develop and expand.
7. The principle of cooperation should be applied whenever possible and a steadily increasing proportion of the activities of the private sector developed along cooperative lines.

8. The adoption of the socialist pattern of society as the national objective.

9. The need for planned and rapid development.
10. All industries of basic and strategic importance, or in the nature of public utility services, should be in the public sector.

11. It is always open to the State to undertake any type of industrial production.

12. Categorization of industries;
   i) In the first category will be industries the future development of which will be the exclusive responsibility of the State.
ii) The second category will consist of industries which will be progressively state-owned and in which the State will, therefore, generally take the initiative in establishing new undertakings, but in which private enterprise will also be expected to supplement the efforts of the State.
iii) The third category will include all the remaining industries, and their future development will, in general, be left to the initiative and enterprise of the private sector.

13. The Government of India would stress the role of cottage and village and small scale industries in the development of the national economy.

14. Disparities in levels of development between different regions should be progressively reduced.
The Industrial Policy Resolution of 1956 still remained valid, but certain structural distortions had crept in the system.

The new policies were hence directed towards removing these distortions.

It provided for a closer interaction between the agricultural and industrial sectors.
4. Accorded the highest priority to the generation and transmission of power.

5. An exhaustive analysis of industrial products was made to identify products which are capable of being produced in the small scale sector.

6. The list of industries exclusively reserved for the small scale sector was expanded from 180 items to more than 500 items.
7. Within the small scale sector, a tiny sector was also defined with investment in machinery and equipment up to Rs. 1 lakh and situated in towns with a population of less than 50,000 according to 1971 census figures, and in villages.

8. Special legislation to protect cottage and household industries was also proposed to be introduced.
9. It was also decided that compulsory export obligations, merely for ensuring the foreign exchange balance of the project, would no longer be insisted upon while approving new industrial capacity.

10. In the areas of price control of agricultural and industrial products, the prices would be regulated to ensure an adequate return to the investor.
1. Industrial Policy Highlights on producing inputs needed by a large number of smaller units and making adequate marketing arrangements.

2. The nucleus plant would also work for upgrading the technology of small units.

3. The Government would promote the development of a system of linkages between nucleus large plants and the satellite ancillaries.
4. To boost the development of small scale industries, the investment limit in the case of tiny units was enhanced to Rs.2 lakh, of a small scale units to Rs.20 lakh and of ancillaries to Rs.25 lakh.

5. A scheme for building buffer stocks of essential raw materials for the Small Scale Industries was introduced for operation through the Small Industries Development Corporations in the States and the National Small Industries Corporation in the Centre.
6. Industrial processes and technologies aimed at optimum utilisation of energy or the exploitation of alternative sources of energy would be given special assistance, including finance on concessional terms.
The Industrial Policy Statement of July 1980,

It was based on the Industrial Policy Resolution of 1956
(i) Optimum utilisation of installed capacity;
(ii) Maximum production and achieving higher productivity;
(iii) Higher employment generation;
(iv) Correction of regional imbalances;
(v) Strengthening of the agricultural base through agro based industries and promotion of optimum inter-sectoral relationship;
(vi) Promotion of export-oriented industries;
(vii) Promotion of economic federalism through equitable spread of investment and dispersal of returns;
(viii) Consumer protection against high prices and bad quality.
1. Government is pledged to launching a reinvigorated struggle for social and economic justice, to end poverty and unemployment and to build a modern, democratic, socialist, prosperous and forward-looking India.

2. Such a society can be built if India grows as part of the world economy and not in isolation.
3. While Government will continue to follow the policy of self-reliance, there would be greater emphasis placed on building up our ability to pay for imports through our own foreign exchange earnings.

4. Government is also committed to development and utilisation of indigenous capabilities in technology and manufacturing as well as its upgradation to world standards.
5. Government will continue to pursue a sound policy framework encompassing encouragement of entrepreneurship, development of indigenous technology through investment in research and development, bringing in new technology, dismantling of the regulatory system, development of the capital markets and increasing competitiveness for the benefit of the common man.
6. The spread of industrialisation to backward areas of the country will be actively promoted through appropriate incentives, institutions and infrastructure investments.

7. Government will provide enhanced support to the small-scale sector so that it flourishes in an environment of economic efficiency and continuous technological upgradation.
8. Foreign investment and technology collaboration will be welcomed to obtain higher technology, to increase exports and to expand the production base.

9. Government will endeavour to abolish the monopoly of any sector or any individual enterprise in any field of manufacture, except on strategic or military considerations and open all manufacturing activity to competition.
10. The Government will ensure that the public sector plays its rightful role in the evolving socioeconomic scenario of the country. Government will ensure that the public sector is run on business lines as envisaged in the Industrial Policy Resolution of 1956 and would continue to innovate and lead in strategic areas of national importance.
11. Government will fully protect the interests of labour, enhance their welfare and equip them in all respects to deal with the inevitability of technological change.

12. Labour will be made an equal partner in progress and prosperity.

13. Workers’ participation in management will be promoted.
14. Workers cooperatives will be encouraged to participate in packages designed to turn around sick companies.

15. The major objectives of the new industrial policy package will be to build on the gains already made, correct the distortions or weaknesses that may have crept in, maintain a sustained growth in productivity and gainful employment and attain international competitiveness.
16. need to preserve the environment and ensure the efficient use of available resources.

17. Government’s policy will be continuity with change.
18. In pursuit of the above objectives, Government have decided to take a series of initiatives in respect of the policies relating to the following areas.
A. Industrial Licensing.
B. Foreign Investment.
C. Foreign Technology Agreements.
D. Public Sector Policy.
E. MRTP Act.