

MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

(Survey and Utilization Division)

RESOLUTION

New Delhi, the 11th November, 2016

S.O. 3456(E).—In compliance of directions contained in the Order dated October 5th, 2015 of the Hon'ble Supreme Court of India in Writ Petition (Civil) No. 202 of 1995 in the matter of T.N. Godavarman Thirumulpad versus Union of India and others, the Ministry of Environment, Forest and Climate Change, Government of India is pleased to make the following guidelines, namely-

1. Short Title and commencement.

(i) These guidelines shall be called the Wood-Based Industries (Establishment and Regulation) Guidelines, 2016

(ii) These shall extend to whole of India.

(iii) These shall come into force from the date of their publication in the official gazette.

States/UTs shall conform their rules according to these guidelines.

2. Definition.

(i) In these guidelines, unless the context otherwise requires -

(a) 'Furniture unit' mean plants and machinery and the premises including the precincts thereof in which or in any part thereof wood based finished products are manufactured using sawn timber, cane, bamboo, reed, plywood or any other wood based product, except a round log, outsourced from licensed wood based industrial units or other legitimate sources and operating without a band saw or re-saw or circular saw of more than thirty centimeter diameter.

(b) 'Industrial Estate' means areas notified by the State Government or Union territory Administration for establishment of wood based industrial units.

(c) 'License' means a license granted under these guidelines.

(d) 'Principal Chief Conservator of Forests' means the Principal Chief Conservator of Forests (Head of Forest Force) in the State and it will also include an officer designated as Head of Department in State/UT where no post in the rank of Principal Chief Conservator of Forests exists.

(e) 'Round log' means a piece of wood in its natural form, having mid girth of thirty centimeter or more under bark and it will include such round log even after its bark has been removed or its surface has been dressed, manually or by using a band saw or any other machine or equipment to make its cross section square or near to square for the purpose of ease in its transportation and or storage.

(f) 'Saw Mill', means plants and machinery in a fixed structure or enclosure, for conversion of round logs into sawn sizes ;

(g) 'Sawn Timber' means beams, scantlings, planks, battens and such other product obtained from sawing of a round log.

(h) 'State Level Committee' means a Committee Constituted by the State Government under para 3 (2) of these guidelines.

(i) 'Net Inter-State Import of a timber for Wood Based Industries' means three years moving average of the net quantity of such timber actually imported in the State during the latest three calendar years.

(j) 'Veneer Mill or Plywood Mill' means plants and machinery and the premises in which or in any part thereof, conversion into required size, slicing, peeling, fashioning or seasoning of timber/ wood, including preservation and treatment thereof either by mechanical or chemical process with the aid of electrical or mechanical power or manually is carried out.

(k) 'Wood Based Industry' means any industry which processes wood as its raw material (Saw mills/veneer/plywood/pulp or any other form such as sandal, katha wood etc.). It includes a mill but does not include a furniture unit.

(l) 'Year' means a financial year from 1st day of April to 31st day of March of the following year.

(ii) Words and expressions used but not defined under these guidelines and defined in the Indian Forest Act, 1927 or the relevant local Forest Act as applicable in a State, and the rules framed thereunder shall have the meaning assigned to them in such Act or Rules.

(iii) In case of any dispute regarding interpretation of any word or expression, the decision of the Ministry of Environment, Forest and Climate Change shall be final.

3. Constitution of the State Level Committee:

(i) Each State shall constitute a State Level Committee to perform the functions stipulated in these guidelines.

(ii) The State Level Committee shall consist of the following:

a)	Principal Chief Conservator of Forests/Head of Forest Department	Chairperson
b)	A representative of the Regional Office of the Ministry of Environment, Forest and Climate Change	Member
c)	A representative of the State Forest Department not below the rank of a Conservator of Forests dealing with preparation of Working Plans/Working Schemes	Member
d)	Director/Additional Director of Department of Industries	Member
e)	Representative of the each Autonomous District Council constituted in accordance with the provisions of the Sixth Schedule to the Constitution, in case any such Council exists in the State	Member
f)	Representative of the Forest Development Corporation, in case any such Corporation exists in the State.	Member
g)	An officer not below the rank of Conservator of Forests working in the Forest Head Quarters	Member Secretary

(h) The State Level Committee may nominate any other officer working in territorial wing of the Forest Department not below the rank of CF.

(iii) Such State where the composition of State Level Committee already constituted is different from as stipulated in these guideline, shall, within one year from the date of publication of these guidelines, re-constitute the State Level Committee. The reconstitution of the State Level Committee will be without any prejudice to the recommendations made or the decisions taken by the existing State Level Committee till its re-constitution.

(iv) The State Level Committee shall meet at least once in three months.

(v) The quorum of the State Level Committee meeting shall be at least fifty percent of permanent members.

(vi) SLC will invite one representative of the industry nominated by the saw-mill association as a special invitee to each and every meeting of the State Level Committee.

4. Powers and functions of the State Level Committee.

The State Level Committee shall:-

(i) Assess the availability of timber for wood based industrial units in the State/UT every five years.

(ii) Assess quantity of different raw material requirement for wood based industrial units which may be sustainably harvested from trees outside forest areas in the State/UT.

(iii) Assess annual requirement of timber and other forest produce in the domestic markets in the State.

(iv) Maintain a database of timber and other raw materials utilized by each wood based industrial unit permitted to establish and operate in the State/UT during each financial year.

(v) Approve appropriate locations for setting up of wood based industrial units.

(vi) Approve the name of wood based industrial units which may be considered for grant of fresh license or enhancement of the existing licensed capacity in case the committee is satisfied that timber is available legally for the said new Wood Based Industries (such as Trees outside forest, Forests etc.).

(vii) The State Level Committee will ensure that the amount lying with the respective State Forest Departments (recovered from Wood Based Industries) will be utilized for the purpose of afforestation only.

(viii) Examine and make appropriate recommendations on any other matter referred by the State Government or the Ministry of Environment, Forest and Climate Change.

5. Assessment of the availability of timber for Wood Based Industrial Units:

(i) The quantity of timber likely to be available for utilization of Wood Based Industries of different types in a State/UT shall be assessed as by commissioning study, preferably in collaboration with institutes/ universities of repute, once in five years. The study will take into account the following:- :-

- (a) The quantity of such raw material that may be sustainably harvested from the forest areas as per the working plans/working schemes/ management plans duly approved by the competent authorities.
- (b) The quantity of such raw material that is available from the trees outside forest areas, including the private plantations, agro-forestry plantations and plantations raised on non-forest government lands etc.
- (c) Net inter-state import of such timber; and
- (d) Net international import of such timber.

6. Estimated annual consumption of timber by wood based industries. (i) For the purpose of assessing the timber requirement of the Saw mills, they may be divided into (a) Saw mills upto 10 HP (b) Saw mills between 10 and 20 HP (c) Saw mills between 20 HP to 40 HP (d) Saw mills between 40 to 60 HP and (e) Saw mills above 60 HP.

The annual requirement of round log for Saw mills of different capacities may be fixed by the committee based on the technical data or as per the formula given below

- (a) Saw mills of 10 HP and below: 540 cu.mt. (base value)
- (b) Saw mills between 10 to 20 HP: 810 cu.mt. (1.5 time the base value)
- (c) Saw mills between 20 to 40 HP 1080 cu.mt. (2 times of the base value)
- (d) Saw mills between 40 to 60 HP 1620 cu.mt. (3 times of the base value)
- (e) Saw mills above 60 HP 2160 cu.mt. (4 times the base value)

(ii) The Timber requirement for various units as assessed by Indian Plywood Industries Research and Training Institute (IPRTI), Bangalore is given in Annexure I.

7. Restriction on location of wood based industries.

(i) In the North Eastern States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim the wood based industries shall be permitted to be established within the industrial estates.

(ii) In the States other than the afore-mentioned North Eastern States, wood based industries shall ordinarily be not allowed to be established within ten kilometers aerial distance from the boundary of nearest notified forests and protected areas. The State Level Committee for the reasons to be recorded in writing and after obtaining prior approval of the Central Government in the Ministry of Environment, Forest and Climate Change may permit to establish/operate a wood based industry at an aerial distance less than 10 kilometers from the boundary of a notified forest or a protected area.

8. Grant, renewal and revocation of a license to a wood based industry:

(i) No license to a wood based industrial unit shall be granted or renewed without obtaining prior approval of the State Level Committee.

(ii) No wood based industrial unit shall be established/ operate in a State except under and in accordance with the license granted by an officer authorized by the State Government in this regard (Preferably DCF/DFO or equivalent).

(iii) The State Level Committee may maintain a separate list of wood based industries working solely on the timber imported from international market. The license to such industries shall specifically contain a condition to the effect that such units shall not be allowed to use timber produced in country. If in future, the said units want to use timber produced in the country on account of abundant availability they will seek specific permission from SLC to do so.

The SLC will ensure that the interests of the units using domestic produce are protected. Fresh licenses can be granted by the Committee for units which operate solely on imported raw material irrespective of the result of wood availability assessment in the State/UT.

(iv) The license granted to a wood based industry shall remain valid for five years, from the date of such issue or renewal of License. However, notwithstanding anything contained in these guidelines, the Licensing Authority may, where there are reasons to believe that the Licensee is operating the wood based industry in contravention of the provisions of these guidelines or conditions of License or any Rules framed by the State Government or is in activities prejudicial to the interest of forest conservation or public interest, at any time after giving one month notice, revoke the license granted to such wood based industry.

(v) Application for renewal of license granted to a wood based industrial unit shall be made atleast three (3) months before the expiry of validity period.

(vi) Transfer of license on sale/succession etc shall be done only with the approval of State Level Committee.

9. Appeal against the decision of the State Level Committee.

(i) Any person aggrieved by any decision taken by the State Level Committee may file an appeal before the concerned Regional Office of the Central Government in the Ministry of Environment, Forest and Climate Change seeking appropriate relief within 60 days' time.

(ii) Head of Regional Office shall within 60 days of filing the appeal pass the appropriate Order.

(iii) If, for any reason, any person is aggrieved by the orders so passed in the appeal, he may prefer an appropriate petition/application/appeal to the DGF&SS/MoEF&CC.

10. Conditions governing operation of furniture units.

(i) The Establishment and operation of a furniture unit shall not require a Licence.

(ii) A furniture unit:

(a) shall not use any band saw, or rip saw or a circular saw having more than thirty centimeter diameter

(b) shall not convert round logs

(c) shall use only sawn timber sourced from licensed sawn mills or any other legitimate source.

(d) In case the furniture unit is located within the premises of any wood based industry, approval of the Committee and the license for operation of furniture unit is required.

(e) may use bamboos, reeds and canes.

(f) shall maintain such records as may be stipulated by the State Forest Department.

11. Records to be maintained by wood based industries.

(i) Each wood based industry shall maintain and regularly update records as given in schedule to these guidelines.

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Dr. REKHA PAI, Inspector General of Forests

Annexure I**Assessment of Timber Requirement**

The Indian Plywood Industry Research and Training Institute (IPRTI), Bangalore an autonomous body under the Ministry of Environment, Forest and Climate Change has assessed the timber requirement per unit for peeling length of 4 feet and 6 feet size in the plywood/vener units as 5 cu.mt. and 11 cu.mt. respectively per day on an average of 8 working hours per day. By assuming that the peeling units work for 8 hours per day on an average for 300 days in a year the normal timber requirement of the peeling length of 4 feet size in veneer units is 1500 cu.mt. The total timber requirement for the stand alone veneer units may be assessed by calculating the equivalent number of 4 feet length machines and by taking its normal installed capacity as 1500 cu.mt. per annum.

The timber requirement of a plywood unit may be taken as 'nil' on the ground that the round timber is used as timber in the veneer units only and that the plywood units are the secondary users which use the veneer as the raw material produced by the veneer units. The plywood units use presses of various sizes such as 8x4x6, 8x4x12, 8x4x15, 4x4x7, 4x4x10. A 8x4x10 capacity press can produce upto 10 plywood pieces of 8'x4' size per hour whereas a 8x4x15 capacity press can produce upto 15 plywood pieces of 8'x4' size per hour and so on. The normative installed capacity of the plywood units will accordingly depend upon the number and the type of presses. This number and type of presses installed in each of the plywood unit may be assessed and thereafter equivalent number or presses of 8x4x10 capacity may be calculated. The normative annual timber requirement for a integrated plywood unit having a 8 x 4 x 10 capacity press may be taken as 2000 cu.mt. per annum, and accordingly the total requirement of timber for the plywood unit should be calculated.

SCHEDULE**PROFORMA -I (RECEIPT REGISTER)**

(Prescribed under guidelines issued by Ministry of Environment & Forests in compliance of Supreme Court order dated 05.10.2015 in W.P. © No. 202/95)

Name of the Wood -Based Unit

Forest Division

Register Opened on

I(a)- RECEIPT REGISTER- TIMBER LOGS

Date	Name & Address of the seller from whom bought	Transit Pass			Serial No. of the log in the consignment (if given)	Species	Measurement (of each piece (s))			Remarks
		Issuing Authority	No.	Date			Length	Girth	Volume (in cum)	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.

1(b)- RECEIPT REGISTER – SAWN TIMBER

Date	Name & Address of the seller from whom bought	Transit Pass			Species	Measurement [of each piece (s)]					Remarks
		Issuing Authority	No.	Date		No. of Pieces (if more than one piece is of same dimension)	Length	Width	Depth	Volume (i. cum)	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.

1(c)- RECEIPT REGISTER – VENEER

Date	Name & Address of the seller from whom bought	Transit Pass			Brought from outside NE/ within NE	Whether Excise paid or otherwise (by the seller)	Species	Whether Face/Core	Measurement				Remarks
		Issuing Authority	No.	Date					Thickness (in mm)	Quantity in Sq. m.	National area (with thick as 4 mm) in sq. m	Volume (in cum)	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.

1(d) - RECEIPT REGISTER – PLYWOOD, MDF, PARTICLE, BOARD etc

Date	Name & Address of the seller from whom bought	Transit Pass (if applicable) or carting Chailan			Brought from outside NE/ within NE	Whether Excise paid or otherwise (by the seller)	Type of plywood, MDF, Particle Board	Measurement				Remarks
		Issuing Authority	No.	Date				Thickness (in mm)	Quantity in Sq. m.	National area (with thick as 4 mm) in sq. m	Volume (in cum)	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.

PROFORMA –II (CONVERSION REGISTER)

(Prescribed under guidelines issued by Ministry of Environment & Forests in compliance of Supreme Court order dated 05.10.2015 in W.P. © No. 202/95)

Name of the Wood –Based Unit

Forest Division

Register Opened on

II (a) - CONVERSION REGISTER-SAWN TIMBER

Date	Species	Round timber used		Sawn timber produced		Remarks
		No. of logs	Volume cum	No. of Pcs.	Volume (in cum)	
1.	2.	3.	4.	5.	6.	7.

IV (b) STOCK REGISTER- ROUND TIMBER

Date	Species	Opening Stock		Received during the day (from outside the unit)		Converted from Round timber		Sold/ Returned in sawn		Used for veneer/ Plywood making (if any)		Closing stock		Remarks
		No. of Pcs	Volume cum	No. of Pcs	Volume (in cum)	No. of Pcs	Volume (in cum)	No. of Pcs	Volume (in cum)	No. of Pcs.	Volume (in cum)	No. of Pcs	Volume (in cum)	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.

IV (c) STOCK REGISTER- VENEER

Date	Species	Opening Stock			Received during the day (from outside the unit)			Converted from Round/ Sawn timber			Veneer Sold/ Returned (dispatched outside the unit)			Used for Plywood making			Closing stock			Remarks	
		Thick (in mm)	Face area (in sq. m)	Volume (in cum)	Thick (in mm)	Face area (in sq. m)	Volume (in cum)	Thick (in mm)	Face area (in sq. m)	Volume (in cum)	Thick (in mm)	Face area (in sq. m)	Volume (in cum)	Thick (in mm)	Face area (in sq. m)	Volume (in cum)	Thick (in mm)	Face area (in sq. m)	Volume (in cum)		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	

IV (d)

STOCK REGISTER- PLYWOOD

Date	Type of Ply-wood	Opening Stock			Received during the day (from outside the unit)			Converted from Veneer Round/ Sawn timber			Plywood Sold/ Returned/ dispatched outside the unit			Closing stock			Remarks	
		Thickness (in mm)	Face area (in sq. m)	Volume (in cum)	Thickness (in mm)	Face area (in sq. m)	Volume (in cum)	Thickness (in mm)	Face area (in sq. m)	Volume (in cum)	Thickness (in mm)	Face area (in sq. m)	Volume (in cum)	Thickness (in mm)	Face area (in sq. m)	Volume (in cum)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	

- Note 1: Daily, weekly & monthly species wise abstract of opening stock, receipts, timber used for sawing, veneer/ plywood making, dispatched outside the unit and closing stock of sawn timber, veneer is to be recorded.
- Note 2: Six major commercial species for timber, sawn timber and veneer are to be mentioned individually. The others may be clubbed under miscellaneous category. Exact categorization is to be decided by the Principal Chief Conservator of Forests.
- Note 3: Only the proforma application for the particular units to be filled in for example. Saw Mills unit are required to fill in only IV (a) and IV (b), IV (c) and IV (d) are not required to be filled in.