

DAMAN & DIU
AND
DADRA & NAGAR HAVELI

NEW
INDUSTRIAL
POLICY
— 2017 —





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1 PREAMBLE

UT of Daman & Diu and Dadra & Nagar Haveli long felt need a new industrial policy which can trigger the growth in industrial sector. Though, the present Industrial Policy was formulated in 2015. Just 2 years ago, the industrial activity has not picked up considerably. There is a felt need among various stakeholders of economy - the Government, industries and the business community – that a new industrial policy will take UT's to a next level. There is lot of expectations from the people of UT of Daman & Diu and Dadra & Nagar Haveli and in particular, the industrialists that Govt. will sure to formulate a new policy and take all possible steps to revive the industries and bring back the lost glory of UT's.

The UT Administration of Daman & Diu and Dadra & Nagar Haveli is committed to industrial development which requires lot of participation from Private sector with the Government playing the role of facilitator and catalyst and make UT of Daman & Diu, the most preferred investment destination. The new Industrial Policy will be an instrument through which the “Prosperous UT of Daman & Diu and Dadra & Nagar Haveli” – the vision of the UT's could be achieved.

1.1 NATIONAL CONTEXT

In the post 1991 period, the Indian economy has witnessed remarkable economic growth, riding on the strength of huge private investment, infrastructure improvements and regulatory changes. Progressive liberalization over the years has been Indian economy integrating with the global economy with a marked reduction in peak custom tariffs and simplification of taxation structures. In October 2010, the government of India launched the National Manufacturing Policy to give a focused thrust to manufacturing sector, which had been stagnating at annual growth rates of 15-16%. More recently, the Union Government has given a decisive push to manufacturing through a series of policy and program initiatives such as **Make in India, Digital India and Skill India**. The underlying thrust of these initiatives is simplification of business environment and attracting greater private investment flows from both domestic and foreign investors to make India into a leading manufacturing hub. The Prime Minister in the recent Vibrant Gujarat Summit has articulated his vision of making India into an investment destination where doing business is simplest in the world. Various state governments have spelt out their respective industrial/ manufacturing policies in recent times to give a boost to manufacturing.

1.2 UT'S AT A GLANCE

The UT of Daman & Diu has an area of 112 sq.km and a population of 2,42,911 (as per the 2011 Census). It comprises of two districts namely Daman and Diu. Daman district is surrounded by Valsad district of Gujarat while Diu district is an island near Una district of Gujarat State.

The UT of Dadra & Nagar Haveli, having an area of 491 sq km. and a population of 3,43,709 (as per the 2011 Census), comprises of two enclaves: Dadra and Nagar Haveli. The territory is bounded by Valsad district of Gujarat and Thane district of Maharashtra.

These territories are well connected by rail, road and air. Daman is situated on the southern border of Gujarat state just off N.H.-8 and is about 190 kms from Mumbai and 12 kms from Vapi- the nearest railway station on the Western Railway. Diu is on the Saurashtra Coast, about 90 kms south of Veraval and 200 kms from Rajkot.

The total length of internal roads in Daman and Diu are 191 km and 78 km respectively. Diu is also connected by air from Mumbai, having an airport at Nagoa which provides Diu-Mumbai daily flights by Jet Airways. Dadra & Nagar Haveli is also situated on the southern border of Gujarat just off N.H. -8 on the eastern side and is about 190 kms from Mumbai and 19 kms from Vapi – the nearest Railway Station on the Western Railway. The total length of roads within the territory is 580 km.

DISTRICT	DAMAN	DIU	DADRA & NAGAR HAVELI
NEAREST DOMESTIC MARKETS	MUMBAI: 190 KM SURAT: 113 KM VADODARA: 252 KM	AHMEDABAD: 365 KM RAJKOT: 223 KM	MUMBAI: 190 KM SURAT: 113 KM VADODARA: 252 KM
NEAREST RAILWAY STATION	VAPI: 13 KM	DELWADA: 9 KM VERAVAL: 95 KM	VAPI: 12 KM
AIRPORT	NO	YES	NO
PORT	YES	YES	NO

The territories of Daman & Diu merged with Union of India of 11th August 1961 and were highly backward in terms of socio-economic development at that time. However, once the Government of India announced certain tax concessions for these territories in the 1980's there was rapid industrial progress followed by significant improvement in social development and health indicators. At present, both these UTs fare much higher than the national average on several socio-economic indicators.

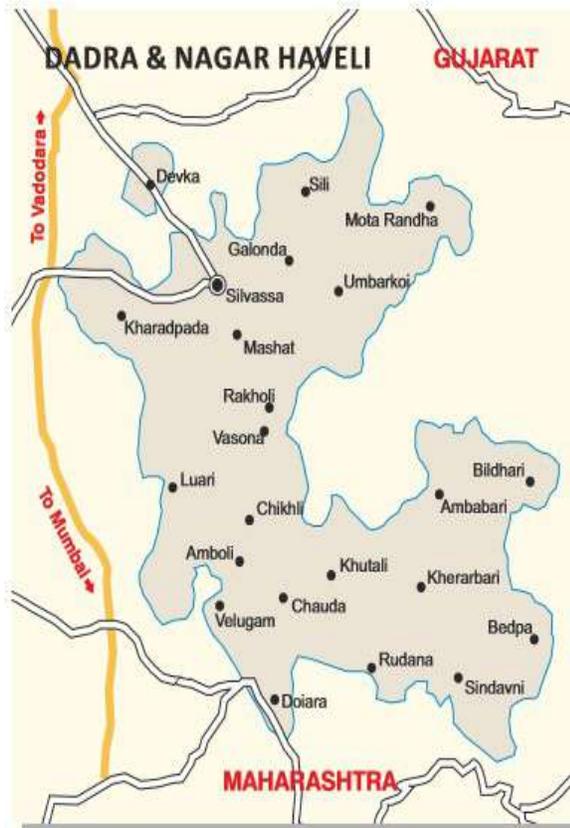
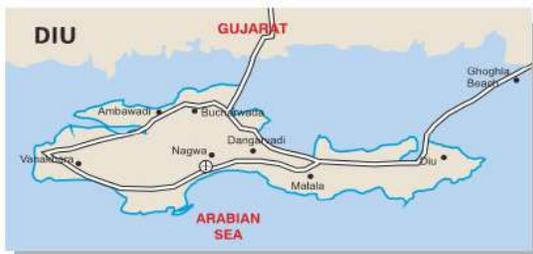


Table 1: Socio-economic Indicators

District	Daman	Diu	Dadra & Nagar Haveli
Area	72 sq. kms	40 sq. kms	491 sq. kms
No of Villages	21	4	72
No of Towns	1	1	1
Population (Census 2011)	1,90,855	52,074	3,43,709
Male	1,24,461	25,642	1,93,760
Female	66,394	26,432	1,49,949
Urban Population	59%	46.07%	46.72%
Rural Population	41%	53.93%	53.28%
Literacy	88.07%	83.46%	76.20%

Source: Daman & Diu Statistical Diary 2013-14

1.3 INVESTMENT OPPORTUNITIES

Industrial development in the two territories picked up in the mid-1960s.

In 1971, the Government of India declared the UTs as industrially backward area/district and extended cash subsidy on capital investment upto Rs. 25 lakhs, coupled with the benefit of the sales tax and income tax holiday u/s 80IB, which catalyzed industrial development in the area.

In view of the switchover to Value Added Tax regime from April 2005, there are no fresh exemptions, though the existing industrial units are entitled to sales tax exemption upto 2017.

1.3.1 PRESENT SCENERIO OF INDUSTRY IN DAMAN & DIU AND DADRA & NAGAR HAVELI

There are 39 industrial estates in Daman, 3292 Industrial Units of which 2929 are in the small scale sector, two Industrial areas have been development by OIDC at Daman and other industrial areas are located at Dabhel, Bhimpore, Kachigam and Kadaiya.

Industrial development in Dadra & Nagar Haveli started with the establishment of an industrial estate under the co-operative sector by Dan Udyog Sahakari Sangh Ltd. in 1965. There are more than 45 private industrial estates in the UT. Thereafter, three Government Industrial Estates have been developed at Silvassa, Masat and Khadoli in the territory during 1972-85. There are 3175 Industrial Units of which 2620 are in the micro/small sector and 590 in Medium/Large scale sector. On the whole it is estimated that industry alone provides employment to 1,20,000 people in the two territories.

The key sectors which have a large presence include polyester and cotton yarn (it is estimated that 80% of India's polyester yarn is made in these two UTs), plasticizers, papers, petroleum by products such as lube oils, pharmaceuticals, plastics, electrical conductors, marble tiles.

Details of Government Industrial Estates in Daman and Dadra & Nagar Haveli

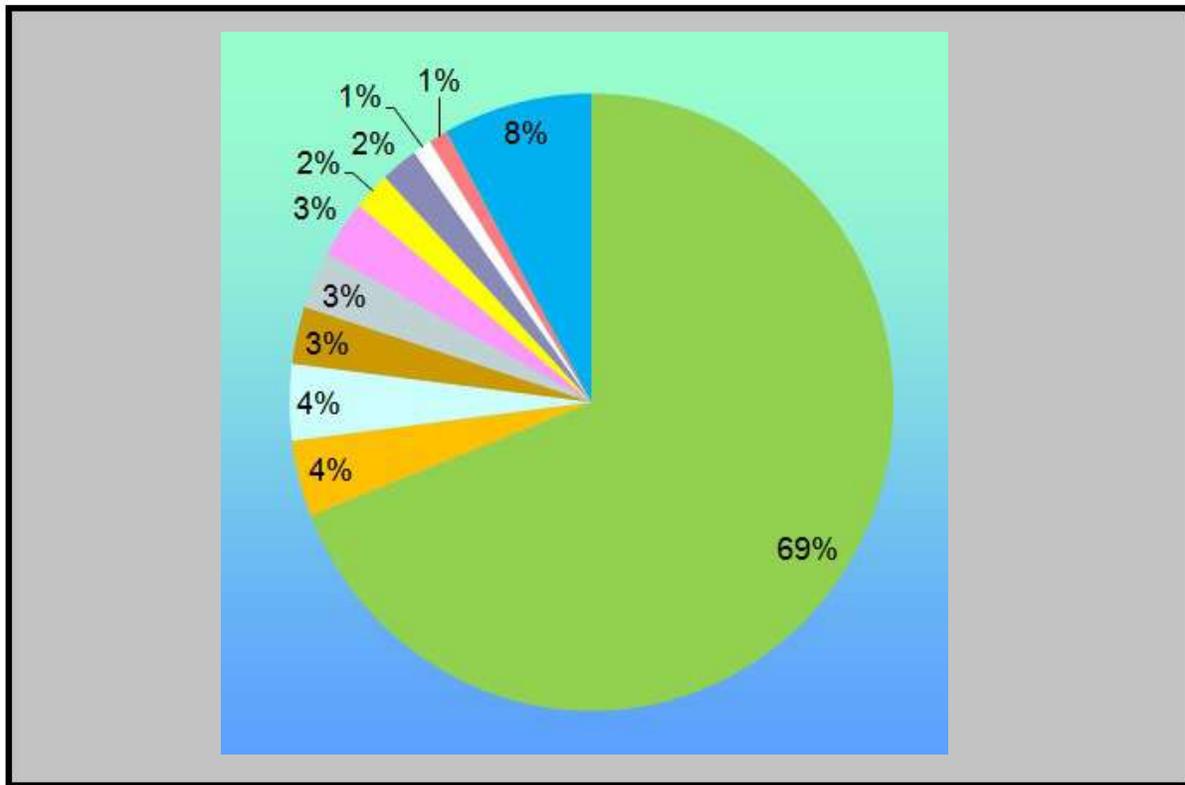
S.No	Name of Industrial Estate	Total No. of Plots	Size of Plot Sq.Mtr.	Land Area in Sq.Mtr
DAMAN				
1.	Udyognagar Industrial Estate, Ringanwada, Phase-I	62	600-2000	58,376.50
2.	Udyognagar Industrial Estate, Ringanwada, Phase-II	15	518-1050	10,594.40
3.	Mahatma Gandhi Udyog Nagar, Dabhel	30	2000-3000	77,593.00
DADRA & NAGAR HAVELI				
1.	Govt. Ind. Estate, Piparia Phase-I	8	600-4000	3.77 Hec.
2.	Govt. Ind. Estate, Piparia Phase-II	59	600-4000	10.24 Hec.
3.	Govt. Ind. Estate, Masat	141	600-4000	13.28 Hec.
4.	Govt. Ind. Estae, Khadoli	90	1000-4000	58.44 Hec.

In the textiles sector, the Industrial units are engaged in spinning (mainly cotton and micro yarn spinning) and processing (mainly texturising, twisting, weaving and knitting activities).

While, the main activity of the plastics sector is injection and blow moulded articles, includes industrial as well domestic household products, furniture etc. The paper industry is engaged in the manufacturing of corrugated paper boxes, sheets, rolls, paper tubes etc.

1.4 PRESENT INDUSTRIAL PROFILE (DAMAN & DIU)

In Daman & Diu, major industries are plastic, pharmaceuticals, texturizing units.

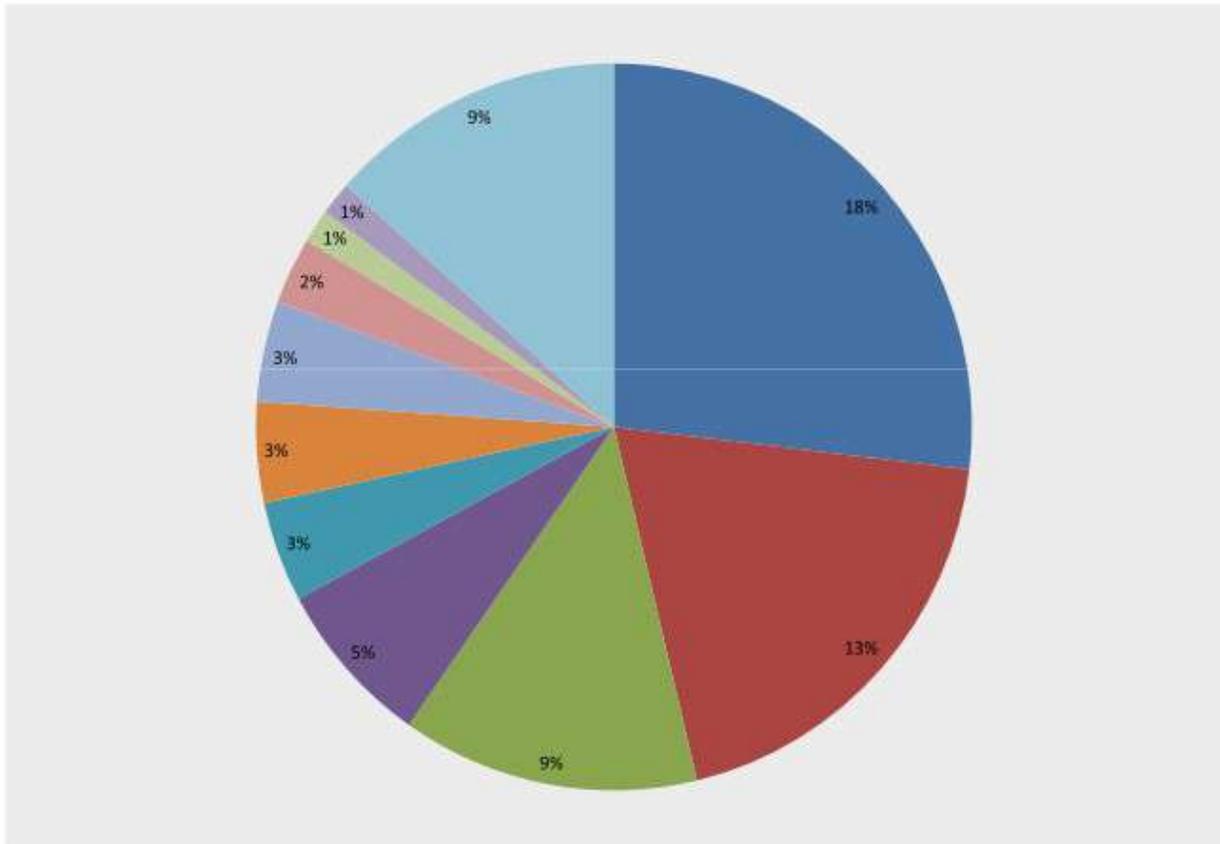


Industries in Daman & Diu



1.4 PRESENT INDUSTRIAL PROFILE (DADRA & NAGAR HAVELI)

Textile is the major sector followed by basic metals and rubber & plastics in Dadra & Nagar Haveli. Together, these three sectors account for majority of the gross value addition by industries in the UT.



Industries in Daman and Diu
Gross Value Added 2011-12

- Plastic Products
- Pharmaceuticals
- Chemicals & Chemical Products
- Wearing Apparels
- Basic Metals
- Textiles
- Paper & Paper Products
- Computers, Electronics & Optical Products
- Machinery & Equipments
- Beverages
- Other Manufacturing

1.5 ADVANTAGE OVER OTHER STATES

- There is no entry tax, octroi tax or turnover tax levy on the production of goods.
- These UT's offer close proximity to key business centers of Mumbai, Surat, Pune, Vadodara and Ahmedabad through a widespread network of rail and road as well as an excellent internal network of all-weather roads.
- Power tariffs in Daman & Diu and Dadra & Nagar Haveli are the lowest amongst all state and UT's, standing at an average (domestic and non-domestic) of INR 3 per units in Daman & Diu and INR 2.75 per unit in Dadra & Nagar Haveli.
- The labor climate is also peaceful and harmonious, with the general population having literacy rates higher than the national average.
- The UT's are also well equipped with communication network through STD, ISD to all important places, national or international, as well as broadband internet connectivity.
- Omnibus Industrial Development Corporation (OIDC) is a multipurpose organization performing diverse activities like housing, industrial estates, promoting tourism quality liquor, branded computers and providing raw material to the industrial units in the twin Union Territories of Daman & Diu and Dadra & Nagar Haveli. Unlike other states, where there is separate Govt. corporations to look after these specific activities, these union territories have a single Corporation performing all these activities, thus avoiding multiplicity of government bodies and expediting the process. Recently OIDC has been declared as Infrastructure Development Corporation and the administration has entrusted all the big infrastructure projects to OIDC.

1.6 CHALLENGES

At present, there are a few challenges faced by these UT's which have generated the need for formulation of an industrial policy for the region.

The tax concession offered to the industries in the mid-eighties have come to an end and there are no other fiscal incentives for industrial units to enhance investment in the region.

This has resulted in freeze in new project investments in manufacturing sector in this region after 2010-11/2011-12 as compiled from CMIE's projects database.

Status of Manufacturing Project Investments (Rs million)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Daman & Diu										
Under Implementation	150	1520	1344	1462	1402	850	72	150	250	250
Completed	40	66	1648	440	535	58	850	72	2150	--
New Announcements	1120	1010	1845	188	3150	922	250	--	--	--
Dadra & Nagar Haveli										
Under Implementation	2,046	5,928	1,946	23,760	28,898	9,670	9,179	6,883	12,028	5,180
Completed	1,385	1,940	4,231	1,266	300	350	6,970	2,604	--	1,883
New Announcements	1,560	4,561	2,480	26,590	7,520	2,383	5,390	8,552	--	--
All India										
Under Implementation	2,124,151	2,638,283	4,329,339	6,653,686	8,662,940	10,610,377	13,623,468	14,826,959	15,072,953	13,050,338
Completed	225,662	479,930	639,083	841,443	1,369,673	1,362,465	1,170,865	1,533,634	772,031	1,080,355
New Announcements	2,085,735	3,844,978	4,945,593	4,497,596	6,055,948	4,864,766	3,732,338	2,964,141	1,988,272	2,534,629

Source: CMIE's CAPEX database

Subdued investment intentions since last 3-4 years in the region is also evident from the data on investment Intentions in terms of IEMS filed, LOIs/ DILs issued by DIPP, Ministry of Commerce & Industry.

Investment Intentions in Terms of IEMS filed, LOIs/ DILs Issued

Year	Proposed Investment (Rs. Crore)		
	Daman & Diu	Dadra & Nagar Haveli	All India
2009	858	1709	1040259
2010	598	11148	1736322
2011	665	3885	1539728
2012	26	4014	567868
2013	332	1605	530086
2014	68	683	405027
2015	203	590	311031
2016	525	1766	414086

Source: DIPP's SIA Statistic

- This calls for increasing competitiveness of the region by way of improving infrastructure like roads, railways, ports, water supply and transportation.
- Rapid industrialization brought in some degree of unplanned industrialization. As a result, a large number of industrial estates have come up in a sporadic fashion, being spread across the territory.
- PNG facility is not available for both domestic and industrial uses in both UT's though it is available in the neighboring states of Gujarat and Maharashtra.
- Road infrastructure connectivity with National Highway needs to be strengthened and also better quality roads needs be developed within the industrial estates.
- Most industries have reached saturation point in terms of employment generation abilities thereby generating the need to look at other sectors, for example tourism, in order to create adequate job opportunities for locals.

2 INDUSTRIAL POLICY

2.1 WORKING OF THE INDUSTRIAL POLICY 2015

The Industrial Policy 2015 attempted to promote sustainable and balanced industrial development by gainfully utilizing the human resources so as to improve the standard of living. It had identified Textile Industry, IT, Pharmaceutical Industry, Light Engineering, Electrical Conductors and Allied Industry, Plastic and Plastic Products, Marble Tile Industry, tourism Industry and Creative & Entertainment Industry as thrust areas. In order to promote industrial development, the policy announced Investment Promotion Scheme (A mix of incentives under investment in Industry)

2.2 NEED FOR A NEW POLICY

The industrial sector plays a vital role in the economic development and there is a need to review the existing industrial policy in view of renewed emphasis laid by the Government of India on the manufacturing sector in the economy and to secure additional employment opportunities to the youth. Manufacturing sector has to be made robust and should become the engine of growth. The present Union Government made a new approach towards growth of industries across the country and adopted several new strategies like MAKE IN INDIA, STARTUP INDIA, STANDUP INDIA, EASE OF DOING BUSINESS etc.

Accordingly, the UT Administration of Daman & Diu and Dadra & Nagar Haveli would also require to frame its new industrial policy in line with new policy initiatives of the Union Government across the country and hence need to rework with existing industrial policy.

2.3 NEW INDUSTRIAL POLICY

The new industrial policy has been framed which aims at promoting vibrant industrial growth in the context of overall economic development of the UT's with following Vision and Mission:

2.4 VISION

Making the UT's, Daman & Diu Dadra & Nagar Haveli, a key industrial hub of the western region, which is integrated with the industrial activity of the neighboring states of Maharashtra and Gujarat and promoting tourism so as to create sustainable livelihood for local population through proactive services and effective administration.

2.5 MISSION

To develop the UT's of Daman & Diu and Dadra & Nagar Haveli into highly preferred industrial investment and tourism destination for manufacturing, tourism and service sector through incentives and strategies that help promote holistic growth of the UT's and its populace.

Also, to make UT's, an international destination for investment in industries enabled by high-quality infrastructure, connectivity and responsive governance duly preserving the environment and heritage, thereby promoting "Make in India" and "Startup India" initiative dovetailing with Skill Development Mission.

3 OBJECTIVES OF THE NEW INDUSTRIAL POLICY 2017

Over the last two decades significant policy changes have been initiated in the economic realm, and there have been a series of measures undertaken by both the Central Government and several State Governments which are imbued with a liberal economic philosophy. Most recently, the Central Government has launched the “**Make in India**” initiative which accords centrality to manufacturing within the country, welcomes foreign investment and domestic private investment as a means to support infrastructure building and developing manufacturing capabilities.

Improving the **Ease of doing Business** is recognized as a key instrument for attracting greater investments and promoting industrial development. This would necessitate creation of a wholesome regulatory environment and moving to a regime of self regulation to reduce the compliance burden of industry.

Availability of right skilled manpower has been identified as a key factor for catalyzing the growth of manufacturing in the country and the Central Government has already launched **Skill India** initiative which provide an environment of Innovation and Research in Industries. The UT administration is committed to creating the right levels of skill development infrastructure which would cater to the demands of the local industry.

The Administration of Union Territories of Daman & Diu and Dadra & Nagar Haveli is committed to making the region a valued investment destination with best-in-class, infrastructure, which provides an investor friendly, efficient and transparent business climate and provides the right resource and market linkages.

This policy aims to articulate the various initiatives that would be undertaken to make these UTs a preferred and inspirational investment destination.

The main objectives of the Industrial Policy will be:

1. To catalyze economic growth in the territories and **diversifying economic activity**.
2. To emerge as a **key hub for niche manufacturing activity**, leveraging upon its comparative advantage, building upon the economic developments in the regional context, especially in the states of Gujarat and Maharashtra.
3. To provide employment to the youth through skill development and soft skill under Skill Development Mission and enhancing the employability of youth.

4. To ensure synergy between academia and industries.
5. To **promote foreign investment and export led industry** with a special focus on technology transfer, research and development.
6. To **promote manufacturing of green goods** and environment friendly technologies.
7. To give a specific **thrust to the service sector, especially tourism and entertainment industry**, the development of which holds an enormous potential for creating employment opportunities and bolstering economic growth.
8. Give a focused attention to **small and medium enterprises** and foster a climate of entrepreneurship.
9. To create an **eco system which nurtures innovation, research and development** and investments in cutting edge technology. Developing a strong manufacturing sector with focus on employment generation and value addition in products.
10. To promote **sustainable economic growth** which is in harmony with broader environmental objectives and encourage energy, water conservation.
11. To promote processes and production of goods with **high quality benchmarks**.

3.1 POLICY TARGETS

1. To achieve industrial growth rate of 12-14% p.a.
2. Creating 40,000 jobs in the next five years.
3. Facilitating Rs.5000 crore of new investment into the region in the next five year.

3.2 PROMOTING BALANCED REGIONAL DEVELOPMENT

The new industrial policy emphasizes a need to ensure balanced regional development in Daman by means of adding value, facilitating linkages and leveraging regional advantages. Some regional factors, such as those related physical features and geographical location cannot be easily altered, but there are others which can be strengthened by improving quality and access to education, by developing infrastructure and bettering power connectivity and by incorporating technology at different levels.

3.2.1 Development of Non-Polluting Industries In Under-Developed & Other Merging Industrial Areas

Over the last two decades, there has been a remarkable development in the under developed industrial areas of the UT. This development change rode on the back of advantages that came from upliftment of socio economic conditions, 24x7 electricity supply, water supply, drainage facilities and road connectivity for transportation. Moreover, the focus would be on skill development, furthering cultural aspects, sports facilities and livelihood opportunities. This could lead to a better quality of life and a transformational regeneration.

For the under developed industrial areas, specific incentives have been envisaged in the policy which will create a platform for new areas of development and mobilize economic development by promoting non-polluting industries. The policy will explore the potential of local primary resources and skills for creating opportunities through value addition and labour intensive industries.

3.2.2 Leverages Existing Strengthens & Resources

The UT Administration is suited for rapid industrial development as it has strengths of a coastline, sturdy infrastructure, strong manufacturing base, entrepreneurial economy and pro-development mindset of its people and Government. For sustainable development, it is necessary to ensure that the inherent advantages are identified and put to productive use. The new policy will bring a transformation in terms of expansion of industrial base aided by innovation and technology transfer and Value addition from available raw materials.

3.2.3 Promotion of Labour Intensive Industries

UT Administration intends to provide adequate thrust to labour intensive industries by provisioning specific packages catalytic to its industrial development. The government intends to provide incentives for the following focus sectors: Garment, Apparels & Made-Ups Industry, Agro and Food processing and Assembling enterprises etc. and others similar sectors as defined from time to time.

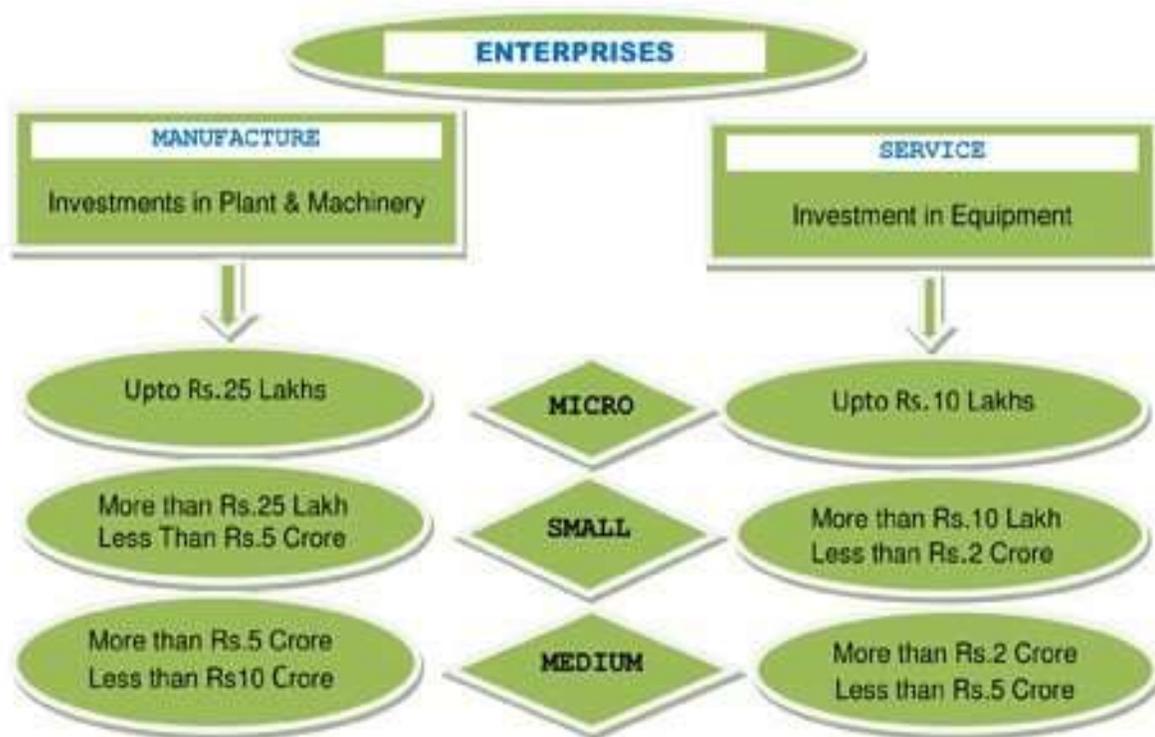
Separate & specific payroll incentives are earmarked for the development of labour intensive industries. Additional payroll incentives will be given to women employees. Investment in this sector has created vast opportunities for ancillary and downstream industries in the small, medium & large sectors. Efforts will be made to promote any missing link in the entire value addition: All the necessary steps such as increased R&D in the specific sector development, design development, adoption of new production techniques, strategic tie ups with premier design institutes, would be facilitated.

3.2.4 Promotion of Women Entrepreneurs, SC/ST & Physically Challenged Entrepreneurs

UT Administration of Daman Diu identifies new projects and incentives in new industrial policy for providing incentives to women entrepreneurs, SC/ST & Physically Challenged Entrepreneurship. Specific training courses shall also be introduced. Measures to encourage women participation would include additional Interest subsidy scheme.

3.3 CLASSIFICATION OF INDUSTRIES

The manufacturing and servicing enterprises will be classified based on their investment in plant and machinery (excluding land and building) and in terms of their investment in equipment respectively as per the notification issued from time to time by ministry of Micro, Small & Medium Enterprise. Any investment above 50 Crore shall be treated as large units.



4 PRIORITY & THRUST AREA INDUSTRIES

In order to meet the policy objectives, the UT Administration has identified priority sector and thrust areas for investment. The following 9 priority sectors in which industries can be promoted and 15 thrust area industries which could trigger the growth of the industries which will receive Govt. support, attention and care. And investment in these thrust areas will be accorded higher priority over others

Priority Sector

- Electronic, IT and knowledge based industries
- Energy efficient and eco – friendly industries
- Low water intensive industries
- Employment oriented industries
- Industries which can sustain on local resources
- Industries that generate multiplier effect
- Export oriented industries

Thrust Area Industries

- Textile industry including yarn, spinning and apparel (excluding dyeing)
- Electronic Manufacturing
- Information Technology (IT) / Information Technology enables Services (ITeS)
- Pharmaceutical industry
- Light Engineering, Electrical Conductors and Allied industry
- Plastics and Plastic Products
- Auto Components
- Marble Tile Industry
- Agro based organic food Processing industry
- Marine Products
- Tourism Industries

4.1 THRUST AREA INDUSTRIES

4.1.1 Textile Industry Including Yarn, Spinning And Apparel

Textile industry including Yarn, Spinning and Apparel form a crucial part of the Indian economy. UT of Daman & Diu and Dadra & Nagar Haveli is one of the largest contributor – 80% of India's yarn production. The availability of low cost skilled and unskilled labour in UT's gives the potential for establishment of Textile unit / Apparel industry by major Textile Establishments.



The policy aims to modernize textile manufacturing and improve productivity in order to ensure availability of quality fabric at affordable prices to cater to domestic and international market

4.1.2 Electronic Manufacturing

Globally, electronics industry is the largest and fastest growing manufacturing industry in the world. Hardware will be the engine that will drive Indian software industry towards success and accordingly intends to lay focus on strengthening the existing hardware base.

The Government intends to provide strong infrastructure support coupled with an investor friendly policy and a responsive and positive implementation authority. Electronic industries can benefit from the vast knowledge resource of Engineering graduates coming out from large number of Engineering collages.



4.1.3 IT & ITES

The rapid growth of the Indian IT software and services industry has already positioned India on the global IT map. The advent of the internet and internet-enabled services has further increased the demands of a technology-based environment for the individuals and business in India. The strategic drivers for the IT & ITES is the commitment of the Government to create long term assets through abundant human resource in the UT OF Daman & Diu and Dadra & Nagar Haveli through IT incubation Facility, Promotion of Green IT and initiatives related to Laws for Ease of Doing Business.



Leveraging our strengths in core sector, the UT now wishes to expand to the information economy and ensure action from Government, industry and academia working in partnership towards the success of the sunrise sector. UT Administration of Daman & Diu and Dadra & Nagar Haveli has proposed to develop world class infrastructure for the promotion and assistance of IT & ITES business and is combined to promote UT as best business investment destination for both established players as well as startups.

4.1.4 PHARMACEUTICAL INDUSTRY

There are 350-400 USFDA approved pharmaceutical industry in India and India is the largest manufacturer and exporter of pharmaceuticals for US market with 14% market share and ranks 12th in the world in terms of export value. There are few USFDA approved manufacturing units in these UT of Daman & Diu and Dadra & Nagar Haveli.

UT Administration of Daman & Diu and Dadra & Nagar Haveli always encourages pollution free industries and keeping the policy in mind, Pharmaceutical industries would be encouraged Research & development centre for developing new pharmaceutical formulations.



4.1.5 Light Engineering, Electrical Conductors and Allied industry

India plans to invest USD 1 trillion in the power sector by 2030 to achieve its goal of providing 24/7 electricity to all citizens. This will generate enormous demand for power conductors in India. UT of Daman & Diu and Dadra & Nagar Haveli having significant number of industries in the field of Electrical Conductors and Optical Fiber Cable.



The policy aims to thrust these industries for manufacturing and improve productivity in order to ensure innovative, creative and quality product on demand.

4.1.6 Plastic Industries

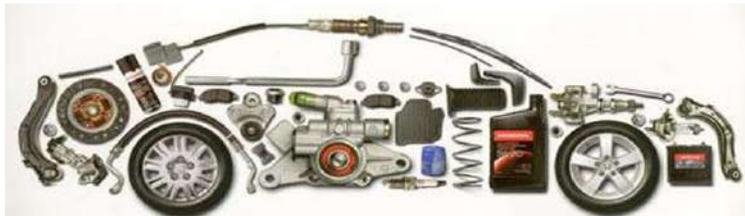
Plastic industries that has high potential for the development and manufacture of special plastic products for Household, Aero space, Medical, Green houses, Defense, Non-Conventional Energy and Import substitutes. These **UT'S Contributing 28% share of India's plastic production.**

Plastics are chemically inert substances and they do not cause either environmental or health hazards. Recycling plastic saves money and energy. Plastic recycling can offer twin benefits of solving the problem of plastic waste menace and providing wide range of business opportunities. In fact, there wide scope for industries based on re-cycling of plastics waste. The recycling industry can play role of making the sector sustainable.



4.1.7 Automobile Industry

Automobile Industry has been emerging as over growing sector considering the market potential. This sector has been especially recognized as a sector having potential for creating



employment on a large scale. Taking the advantage of nearby Gujarat (Sanand) and Maharashtra (Pune) – India’s Auto hub, UT Administration

would invite Auto ancillary manufacturers to set up their units. The UT is expected to attract investments and business orders from larger units in the said neighboring states.

4.1.8 Marble And Tile Industry

Marble, it seems, is really moving. The luxury building material that graces the Taj Mahal is being used in many more buildings in many more ways. Prices are stable, modernization is under way, and demand is booming. In UT’s, there is large number of Marble and Tile Industry which clocking a Gross Turnover of over Rs. 11,645 crore. UT’s expect huge demand booming, production rising and prices relatively stable, the marble industry reflects a bright future.



4.1.9 Agro And Food Processing Industry

The policy also aims to establish direct and stronger linkages between the agri sector and the economic development in the UTs with an intention to develop Daman & Diu into a national



agro hub. This would bring better returns to the farmers of the UT.

UT Administration seeks to attract investment in Agri-business to provide a remunerative price to farmers, generate employment, opportunities in rural areas and provide safe food products to the consumers.

4.1.10 Marine Products

To provide larger and improved livelihood opportunities to the populace in the UT's, marine products are one of the main areas of exploration. The bulk of the marine catch comprises oil sardines, followed by penaeid and non-penaeid shrimp, Indian mackerel, Bombay duck, Croakers, smaller quantities of Cephalopods, other sardines and threadfin breams.

There is a huge scope for investments in packaged products, marine processing plants, operations in preservation, processing and export of coastal fish for the private sector as it holds vast, untapped marine resources with a great export potential. Processing of fish into canned and frozen forms is carried out mostly for exports. Besides, there is an increased demand for processed and ready-to-eat marine products in the domestic and foreign market. Fish, has retained its position as the principal export item in quantity terms and the second largest export item in value terms.



Government will take an initiative for establishment of marine-based clusters through public private partnership. Government will also encourage investment in infrastructure for distribution and storage. The policy aims to facilitate the bringing in of large trawlers into Indian water's so that value addition of the catch can be encouraged in India. Similarly, preparation of jetties for Deep Sea fishing trawlers in PPP mode will be encouraged.

Policy Measures designed for sustainable fisheries area are as follows:

1. Improvement of quality & packaging of marine export products
2. The UT will support to develop modern processing facility for marine products across the Coastal areas.

The fisheries & Port Department may bring out a separate policy for this sector.

4.1.11 TOURISM



Tourism is a major focus in these UT's. Daman & Diu and Dadra & Nagar Haveli are endowed with both natural and man-made tourist attractions.



The major tourism drivers in Daman and Diu are of two types: heritage attractions and natural beach front attractions. In addition to these, there are religious attractions, caves and man-made attractions too like water park, green environs etc.



The current tourism trend in Daman is mainly

centered around the domestic tourists from the nearby towns and cities like Surat, Nasik, Mumbai, etc. of the states Gujarat and Maharashtra. They are either leisure tourists or business/conference tourists. In Diu, tourists are mainly from the neighboring state of Gujarat including few foreign tourists. Diu, inspite of having the right environment to grow as a tourist destination, has restricted tourist arrivals mainly due to the difficulty in accessibility to Diu and constraints in tourism infrastructure.

The Major Tourism drivers and attractions in Dadra & Nagar Haveli are the rich flora and fauna in the forest areas as well as the beautiful lake nestled at the border of Maharashtra and Gujarat around the Madhuban dam of Gujarat.



5 FOCUS AREA

5.1 SPECIAL FOCUS ON MSME

The MSME sector has the potential to spread industrial growth across the country and can be a major partner in the process of inclusive growth. UT of Daman & Diu has nearly 3000 MSMEs with an investment of Rs. 17730 crore providing employment to 85,000 persons.



UT Administration of Daman & Diu and Dadra & Nagar Haveli will assist the MSME in their efforts to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario. UT Administration will continue to encourage the MSME Sector in all the priority sectors as follows:

- Allocation of adequate number of small plots and developed sheds in all the industrial estate.
- Marketing assistance to participation in national and international trade shows.
- State level banker's committee for funding this sector
- Buyer-Seller Meet
- Incentives and concessions

5.2 LAND POOLING AND EFFICIENT LAND USE

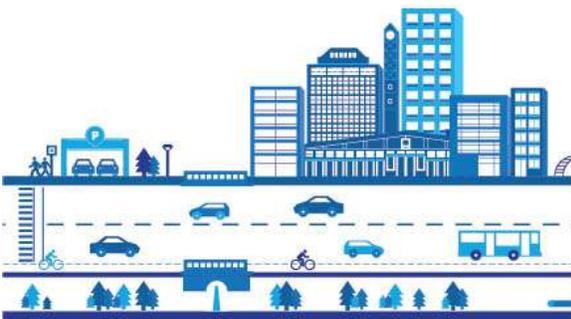
- Identify and utilize government waste lands in different parts of the region for employment generating industrial activities.
- Encourage clustering and agglomeration based approach for industrial development and avoid sporadic unplanned industrial development.
- Acquire land notified for industrial usage in the master plan in a phased manner for development of sector specific or multi sectoral industrial cluster/estates in a PPP manner. OI DC would be the lead agency to undertake the development of all industrial estates.
- Given that land availability is increasingly becoming a key impediment to industrialization, the UT administration through OI DC shall endeavor to create land banks with notified industrial usage, by purchasing land from willing sellers at reasonable market rates, with an objective to develop Greenfield industrial estates. Private investors who intend to develop Greenfield industrial estates for planned industrialization would also be provided incentives.

- Land pooling would be encouraged through private entrepreneurs who seek to develop planned industrial estates, independently or in conjunction with OI DC.
- Given the rising land prices and scarce availability of land for industrial use, vertical expansion would be encouraged. FSI of 2.0 shall be allowed for industrial usage in both Union Territories, and for textile industry and information technology an FSI of 2.5 shall be permissible.
- All procedural aspects of land usage for industrial purpose would be harmonized within the two territories and as far as practicable brought at par with the prevailing states of Gujarat, Maharashtra. This would include the fee and process to be followed for registration of sale deed, mortgage fee, conversion charges etc.
- OI DC will acquire additional land near existing industrial estates and promote new estates to make land available to new industries. OI DC will simplify its rules in the allotment of plots as well as other approvals required by existing Industrial Units in the Estates.



5.3 INFRASTRUCTURE

Daman & Diu and Dadra & Nagar Haveli had witnessed tremendous growth in industry activity after the tax concessions were announced in mid-eighties. Now, when these concessions have come to an end, most of the industrial units are finding themselves at the crossroads, and are in need of organic growth to sustain themselves. The capital investment



of around of 70,000 crores, made by these industrial units, needs to be nurtured apart from attracting new investments in the territory.

Therefore, the administration is committed to augmenting the infrastructure development which will facilitate increase in competitiveness of industries in the region.

5.4 CARGO MOVEMENT, LOGISTICS, ROAD NETWORKS

Providing Highway Connectivity to NH8

The UT administration will be developing the road connectivity with the National Highway in partnership with NHA, State Government of Gujarat and Maharashtra which would make cargo movement more efficient and seamless.

Ring Road in Silvassa Town Area

There has been a long felt need for constructing a Ring Road in Silvassa area which has witnessed tremendous growth in population in the past decade.

Land has been acquired for Phase 1 of the Ring Road project and work for construction of Ring Road will be awarded in FY15.

Delhi Mumbai Industrial Corridor

The two union territories fall well within the influence area of the Delhi Mumbai Industrial Corridor which has now rapidly moved into implementation stage. It shall be the endeavor of the UT administration to develop DNH territory as a node in the DMIC infrastructure architecture.

Silvassa has a huge potential to develop as a **multi modal logistic hub**, being at a crucial intersection of cargo movement from Ahmedabad to Mumbai and being in close proximity of the Dedicated Freight Corridor. This opportunity shall be leveraged to develop a world class infrastructure for cargo movement and logistics support at Silvassa.



Roads In Industrial Estates

The administration will work towards improvement and augmentation of roads in most of the industrial estates, both in terms of existing road network as well as construction of new roads for improving the connectivity.

5.5 POWER

The UTs do not have their own power generation. The power requirement at present is met from the allocation of power from the central sector generating stations. The region also has its own bilateral agreements with NSPCL, Bhilai for 170 MW of these UTs. However, the present arrangement is not adequate for the total requirement of the industries.

To take care of the power requirements of industrial units, work towards a multi-pronged strategy which would include; procure power through short term and mid-term Power Purchase Agreements, explore the possibility & feasibility of developing renewable power especially solar and wind power and strengthen distribution and transmission system to distribute additional load of power to the consumers with utmost efficiency.

Augmentation of substation capacities in both territories is being undertaken in a phased manner so that additional industrial power loan on demand can be sanctioned immediately.



Diu is proposed to be developed as an eco-friendly destination with 100% reliance on renewable energy source and solar power projects are being implemented in Diu for this purpose.

Power on demand for industry would be made available for both the Union Territories and 24x7 uninterrupted power supply shall be assured.

5.6 PIPED NATURAL GAS

The facilities of PNG (Piped Natural Gas) for both the UTs is under implementation and will be available for domestic and industrial uses before end of 2017. The availability of PNG in UT's encouraging entrepreneur to setup their unit in these regions which will help the growth of the industries and boosting the economy.

5.7 WATER SUPPLY & SEWAGE

A comprehensive study has also been carried out for the UT of Dadra & Nagar Haveli to address the issue of water supply in a holistic manner. This plan is expected to take care of problem of drinking water throughout the UT of Dadra & Nagar Haveli including for meeting the needs of the industry till the year 2040. The scheme implementation will commence in FY 15.

An ambitious water supply project for Daman, drawing water from Madhuban dam is under implementation which has a perspective plan of 30 years. A similar project is under implementation in Diu, which will draw water from the Sardarsarovar dam.

Sewage treatment project is under implementation in Silvassa and similar projects have been planned for Daman & Diu.



5.8 Minimizing Transaction Cost

The Administration is committed to minimizing transaction cost with regard to labour and tax related compliances.

Regulatory Compliances

LABOUR

- One comprehensive return, instead of multiple returns for compliance, standardize format for returns.
- Implement compliance mechanism with appropriate checks to minimize in-person inspections.
- E-enablement of labour systems facilitating online registrations, renewals returns filings, license applications, exemptions and tracking of applications.
- The UT Administration will undertake simplification of labour laws which strikes the right balance between the imperative of protecting labour interests while also enabling adequate flexibility to industry to undertake appropriate expansions. Progressive legislation introduced by other states will be adopted in the Union Territory.
- Self declaration of various regulatory compliances under different labour laws has been introduced in the two territories.

POLLUTION

The Union Territory Administration would authorize qualified engineers / third party agencies to carry out inspections / verifications under the Water (Preventing & Control of Pollution) Act, 1974 and the Air (Prevention of Pollution) Act, 1981.

TESTING / INSPECTIONS OF ELECTRICAL INSTALLATIONS

The Union Territory Administration would empanel and authorize independent third party agencies / qualified engineers, in terms of Rule 4 of the Indian Electricity Rules, 1956 to carry out inspections / testing of electrical installation.

THIRD PARTY CERTIFICATIONS

The UT Administration has notified third party certifications in respect of all clearances required from Chief Inspector of factories and boilers, enabling certifications by qualified Boiler engineers.

5.9 SKILL DEVELOPMENT

The policy recognizes the need to provide trained man power to industries and therefore the administration will focus on enhancement of skills OI DC will take the lead in the skill development agenda in creating the right infrastructure with strong linkages oriented to the requirements of local industry.



- The three Industrial Training Institutes at Daman, Diu and Silvassa will be modernized on a PPP model and a new ITI is being established, also on a PPP basis within DNH territory. The Polytechnics in the two territories will also be modernized through a PPP engagement so that the skilled manpower passing out through these institutes has the appropriate skills as required by local industry. The UT Administration also process to create a world class skill development institute in DNH under the Skill India mission to serve as a hub for providing appropriate industrial skill sets not only for the two territories but also for the neighbouring states.
- OI DC will target to train a specified number of people in identified skills in coming 5 years. This nodal agency will also be responsible for developing training modules.
- Creation of a database of students passing out from polytechnic institutes and sharing with industry to facilitate employment of youth. Employment facilitation centres will be established in the two territories to find the right linkages between job opportunities both in public and private sector along with available skill set of youth.
- Setting up a Counselling Cell to counsel candidates prior to entry into professional/skill training courses to ensure sync between skill sets and interest in course being taken.
- The Administration also intends to develop industry responsive and readily employable manpower by evolving demand driven short term training courses.
- Support will also be given to Polytechnics to conduct short term (2 weeks) training programmes for spot employment.

5.10 TOURISM INFRASTRUCTURE

Given the tourist potential of this region, the Government will focus on high spending tourists with potential to significantly impact the state economy and provide employment.

Towards this, the Government welcomes investment in high-end tourism products including, but not limited to, the following:

1. Hotels
2. Iconic Tourism projects including oceanariums, theme parks, entertainment centers, film studios, handicraft centres etc.
3. Convention centers
4. High-end water sports and adventures sports
5. Marinas at designated locations and hinterland river cruise tourism
6. Heritage tourism & home stays in heritage houses.

The above projects are envisaged to be completed through private investment or through Public Private Partnership Models.

The Industrial policy would target granting permissions to hotels across categories, towards building a cumulative additional capacity of around 8000 beds in the next 5 years. In order to achieve gainful employment for the region's youth, stress will be laid on creation of infrastructure and facilities which will attract high-end visitors. The disparity in proportion of low-end to high-end hotels is proposed to be addressed by encouraging more boutique and luxury hotels.

Eco Tourism in Diu will be given a special attention, with an objective of integrating it with the possibilities of nature tourism trails in Gir wildlife sanctuary and religious tourism circuit with Somnath temple.

Adequate tourism infrastructure will be developed to project Diu as an attractive "Events Destination" targeting the niche tourist segment.

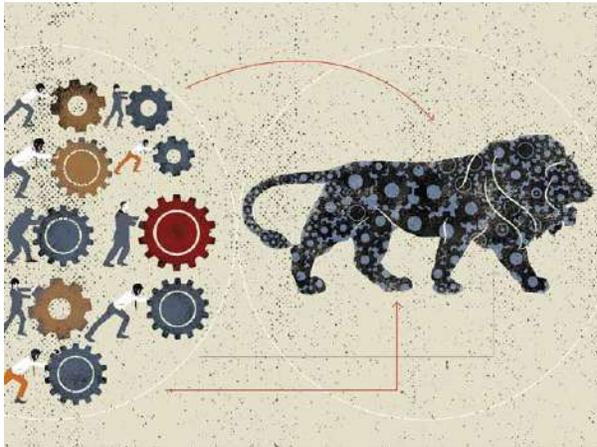
5.11 TECHNOLOGY AND INNOVATION

A special thrust will be given for technological upgradation, value addition and modernization of industry. For this purpose proposals of foreign collaboration will be treated on high priority wherever technology transfers are involved. Research and Development projects will be given a special consideration and provided greater incentives. Industrial units seeking patents for products manufactured by them would be provided support for patent filing and technology acquisition by SMEs would be given support.



5.12 MAKE IN INDIA

The 'Make in India', a major national initiative which focuses on making India a global manufacturing hub was launched on 25th September 2014.



Key thrust of the programme would be on cutting down the delays in projects, clearances, by providing an impetus to vibrant industrialization and manufacturing through development of adequate infrastructure and making it easier for companies to do business in India. The 25 key sectors identified under the programme include automobiles, auto components, bio-technology, defence manufacturing, electronic systems, food processing,

Pharmaceuticals, leather, mining, Renewable Energy, Oil & Gas, Ports, Railways and Textile. In line with the policy of the Govt. of India, 12 key sectors have been included as the thrust sector of these UT's.

The national programme aims at time-bound project clearances through a single online portal. The objective of the mega programme is to ensure that manufacturing sector which contributes around 15% of the country's Gross Domestic Products is to be increased to 25% in next few years. The administration will put up persistent efforts to increase the contribution of the manufacturing sector to 30% of the revenue

All the departments in UT's have been geared up to complete the actions advised by the Ministry of Commerce and Industry, Govt. of India, continually in respect of timeline for issue of clearances for ease of doing business and all set to complete the simplification process.

5.13 STARTUP INDIA

This initiative from the Prime Minister of India, aims at fostering entrepreneurship and to transform India to a nation of job creators instead of being a nation of job seekers.

Start-ups are defined by Department of Industrial Policy & Promotion (DIPP), as an entity, incorporated or registered in India not prior to five years, with annual turnover not exceeding Rs. 25 crores in any proceeding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.



In order to alleviate the inevitable problem of lack of past experience, the Startups (in the manufacturing sector) are exempted from the restricting criteria of past experience without compromising on quality standards. The Credit guarantee mechanism through National Credit Guarantee Trust Company / SIDBI is being extended to Startups and capital gain tax exemption for investment is all Startups. The profits of Startup initiatives are exempted from income-tax for a period of 3 years. The Startup can be registered online and mobile application. The scheme will be accessed through Startup India portal (www.startupindia.gov.in)

5.14 STAND-UP INDIA

Prime Minister launched the 'Stand up India' scheme as part of the government's effort to support entrepreneurship among women and SC & ST communities on 05.04.2016



The objective of the Stand-Up India scheme is to facilitate bank loans between Rs. 10 lakh and Rs. 1 crore at least one Scheduled Caste or Schedule Tribe borrower and at least one women borrower per bank branch.

The schemes, which cover all branches of Scheduled Commercial Banks, will be accessed in three potential ways:

- a. Directly at the branch or
- b. Through SIDBI's Stand-Up India portal (www.standupmitra.in)
- c. Through the Lead District Manager (LDM)

The registration on the portal starts the process of application for the loan at the selected bank. The loan application will be generated and tracked through the portal.

SIDBI and NABARD as Stand-Up India Connect Centers will then arrange for support for such trainee borrowers.

The loan shall be a Composite Loan. It is expected to cover 75% of project cost and the rate of interest would be lowest applicable rate of the bank for that category. It shall be repayable in upto 7 years with a moratorium of up to 18 months. A Rupay card will be issued to enable operation of the working capital component.

5.15 Ease of Doing Business

In accordance with the Business Reforms the main objective to an increase transparency and improve the efficiency and effectiveness of government functions.

‘Ease of Doing Business’ will create strong information dissemination system in terms of quick responses to queries, application clearances, zero red-tapism, availability of adequate land for facilitating industrial and infrastructure development etc.

Daman & Diu Industrial Policy focuses on ‘Doing Business’ in Daman & Diu ease that includes simplification of procedures, minimizing of waiting period and improvement of business environment.



To simplify the procedures and regulations, timelines are fixed for each department such that Licences / Clearances are issued by the concerned department strictly within the specified time period. The Investor shall facilitate to file all applications related to project at one point of single window system. Coordination with the relevant departments and required updates will be provided to the investors through this system. All departmental process / procedures / payment modules will simplify and make available on online platform.

UT Administration of Daman & Diu will co-ordinate with expert agencies recognized by Government of India and the partner state Madhya Pradesh for achieving higher rank in Ease of Doing Business.

5.16 Awards to MSMEs

In Order to identify, appreciate and motivate the Entrepreneurs / Enterprises of the Union Territory of Daman & Diu and Dadra & Nagar Haveli, schemes of awards will be instituted for the best outstanding Entrepreneurs / Enterprises. Separate awards for Micro, Small and Medium Enterprises will be given for each one of the following schemes of awards

- Outstanding Entrepreneur
- Outstanding SC/ST Entrepreneur
- Innovation in Technology (Product (or) process)
- Outstanding Exporter
- Green and eco-friendly Measures
- Outstanding Artisan of the year

5.17 QUALITY CERTIFICATION

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by Quality Council of India) and International certifications. The policy also intends to encourage use of enterprise resource planning system (ERP) for MSMEs.

- Financial assistance for Installation of Enterprise Resource Planning System
- Financial assistance for quality certification which would comprise part disbursement of the certification fees, cost of testing equipment's, calibration charges and consulting fees.

5.18 ENERGY & WATER CONSERVATION AUDIT

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by Quality Council of India) and International quality certifications for energy and water conservation initiatives.

- Financial support for Energy/Water audit conducted in an enterprise by a recognized institution/consultant.
- Group of enterprise/cluster will be given priority.
- Financial assistance for machinery/equipment would be given

5.19 PRO-ACTIVE SUPPORT FOR DEVELOPMENT OF INFRASTRUCTURE

The new Industrial policy seeks to develop and upgrade the status of Infrastructure whose robustness contributes towards the industry efficiency. As part the policy, UT Administration, OI DC, Public Works Department (PWD), Planning & Development Authority (PDA) and other organizations will develop the required infrastructure for industry development.

Upgrading Industrial Infrastructure

The existing Industrial Estates including OI DC estates, approved large projects/industry requires upgrading of infrastructure, so that new industries are attracted to invest. The policy aims to provide facilitation in the following areas:

- Provision of assistance for upgrading both OI DC and non-OI DC industrial estates with its infrastructure: OI DC had played an important role in creating developed land upgrading infrastructure in existing estates besides leveraging critical infrastructure development scheme.
- Financial assistance to private industrial estates. Approved large project would be assisted for providing last mile connectivity.
- Assistance would be disbursed based on Q&M provisions and would be based on outcomes judged through third party quality checks.

Review of FSI in OI DC Estates

Existing industrial units located in OI DC estates are facing a number of hardships while carrying out expansion/diversification due to existing limitations of built up area. To shift such additional activities at different location is not only difficult to administer but requires additional funds to create new assets and infrastructure. Sometimes it discourages the entrepreneur due to limitations. In view of this there is a need to allow the existing units for additional construction by revising the FSI norms. This will facilitate the industries for carrying out expansion/diversification and provide a thrust to industrial development.

Establishment of Industrial Area and Estates by Private Investors

The establishment of Industrial areas by private investors will include cost of infrastructure such as internal roads, power line, communication facilities, water distribution and water augmentation facilities, sewage and drainage lines, effluent treatment and disposal facilities and other facilities as may be required in the park. Development of industrial parks, in at least an area of 20 ha, suitable for a minimum of 10 units, will be incentivised by 25% of the total infra cost to be borne by UT/OI DC. Parks infrastructure with an area more than 100 hectares will be facilitated through provision of infrastructure services such as link road, pipelines for water substation, electricity etc. The UT will provide Stamp Duty reimbursement on the cost of the land to encourage such development.

5.20 PROMOTING HOLISTIC DEVELOPMENT

UT Administration in addition to facilitating economic and industrial growth would also ensure that all round social development takes place in association with corporate activity in the social sector. This would be done to ensure better reach, impact, visibility, sustainability and outcomes. The concept of Corporate Social Responsibility would be actively encourage and promoted in the State with due emphasis to a select list of sectors.

5.21 RESPONSIVENESS TO DOMESTIC AND GLOBAL ENVIRONMENT

The UT Administration will ensure that the implementation of the Industrial Policy 2017 meets the stipulated objectives of the industrial policy. Recognizing the increasingly dynamic nature of the world economy with constant need for frequent and appropriate response, a course correction mechanism would be put in the place. The policy envisages building in a response system wherein continuous feedback and quick response to the required policy changes are made possible.

6 INVESTOR FACILITATION

The Administration of Daman & Diu and Dadra & Nagar Haveli is committed to ensure smooth and hassle-free experience to investors by reducing administrative bottlenecks and easing the process of investment.

Therefore, the administration will establish an **Investor Facilitation Portal** called **Daman & Diu and Dadra & Nagar Niveshak Sugamta Portal** which will act as a **single window facilitation mechanism** for investors. The administration will also establish Single Window Agency which will serve as a single point of contact for setting up a business in UT.

This would be managed by District Industries officers of the two territories.

This portal would also help in reducing transactions costs besides reducing time and efforts involved in various clearances and approvals of layouts / applications for the proposed investment.

6.1 SALIENT FEATURES OF THE DAMAN & DIU AND DADRA & NAGAR NIVESHAK SUGAMTA PORTAL

The web based portal will have tracking, monitoring and feedback capabilities to assist entrepreneurs and facilitate speedy and time bound processing of applications.

- **Single point interface** for interaction between investors and Government departments for obtaining clearances.
- On registration, a personalized account of the investor will be created which will have below mentioned features:
 - Investor can make applications for new projects through their account online.
 - **Online submission of forms for** various clearances required for industry with the minimum of paperwork.
 - **Appointment of a nodal officer** on submission of application who will provide handholding support to the investor. The portal will also facilitate different stakeholder departments to process applications by investors and approve them online.

- **A single window process** has been established for all industrial proposals at the District Industries Centre in Daman and DNH, for dealing with all regulatory approvals starting from the conceptualization of project, purchase of land, Change of land use, establishment of unit and commencement of operations. It will be backed by a web enabled interface which guides potential investors on the various clearances necessary at different stages. The regulatory environment has been considerably simplified, especially in the field of pollution, Labour, Fire clearances, where redundant processes have been eliminated and only statutory clearances are mandated through simplified forms. The DIC has been designated as the single focal point for tracking all proposals for investments and weekly reports are sent to Secretary Industries and the Administrator on the status of pending clearances.
- Once application is made and Line Departments need any clarification, such clarification sought within a period of five working days of the receipt of application. A second and last clarification can be sought in rare cases, within five working days of getting the first clarification.
- Information dissemination to investors about queries with regard to infrastructure facilities, government policies and incentive schemes.
- Online tracking of application status and issues. Email alerts with application updates.
- Telephonic helpline numbers.
- **Investor feedback form** to gauge experience of the investor of his / her experience in starting with his business in the region. This will facilitate the administration in understanding the ground level difficulties faced by the investors and take possible action to address the same.
- **Simplified combined application form** has been designed for investors which subsumes all details of regulatory clearances required from the time of purchase of land, change of land use, to establishment of factory and operation of plant. The CAF captures the details of the potential investor and the DIO then tracks the clearances through a web based portal. The DIO is in effect the “single window clearance agent” and the IPC is the body which steers all investment proposals and ensures timely clearances.
- **Centralized system to check the status of applications** by authorities and investors to monitor applications.
- **Round-the-clock availability** of the portal across the globe.
- **Deemed clearances to ensure time-bound services.** Introducing time limits for approval / clearances of projects by each department and enforce deemed clearances if the timelines are exceeded.

6.2 INVESTMENT PROMOTION COUNCIL (IPC)

The Investment Promotion Council will serve as the apex body for investment clearances, monitoring, oversight.

The Council shall be constituted by the following Members;

1) Administrator	- Chairman
2) Development Commissioner	- Vice Chairman
3) Finance Secretary	- Member
4) Secretary (Industries)	- Convenor
5) Collector	- Member
6) Director (Tourism)	- Member
7) Director (IT)	- Member
8) Labour Commissioner	- Member
9) Member Secretary PCC	- Member

The Council will be duly supported by the committee of experts who will provide their inputs on the development of infrastructure, Regulatory framework, Taxation, and other related matters.

Role And Responsibilities Of The Investment Promotion Council

- The IPC would be responsible for all promotional activities including organizing business meets, seminars road shown for attracting high value investments.
- IPC would accord approval for all investment proposals and serve as the oversight body for all other investment clearances. The Council would provide and / or facilitate approvals from the UT and its entities. The Council would also provide assistance in obtaining clearances from the Central Government or its entities. The IPC would also perform the following functions:
 - A. Draft approval process, guidelines and standard operating procedures for new investments. Reviewing and modifying these processes on an ongoing basis;
 - B. Appoint and manage the satellite expert consultant;
 - C. Facilitate approvals for investors to set up their units in UT;
 - D. Promote UT as an investment destination nationally and internationally;

- E. Undertake reform of regulatory systems on an ongoing basis;
- F. Identify infrastructure gaps and prepare short. Medium and long-term rolling plans to the Government to bridge the gaps;
- G. Serve as the apex grievance redressal body for investors.
- H. The investment Promotion Council will be empowered to oversee and direct the concerned statutory government bodies towards speedy processing of investment proposals and investor facilitation. The said bodies will be responsible and accountable for realization of the allotted tasks in time-bound manner.
- I. The Investment promotion Council will frame an exit policy which will provide the framework for any industrial unit.
- J. The IPC would meet at least once a month and at such frequency as may be necessary.

Satellite Expert Consultant (SEC)

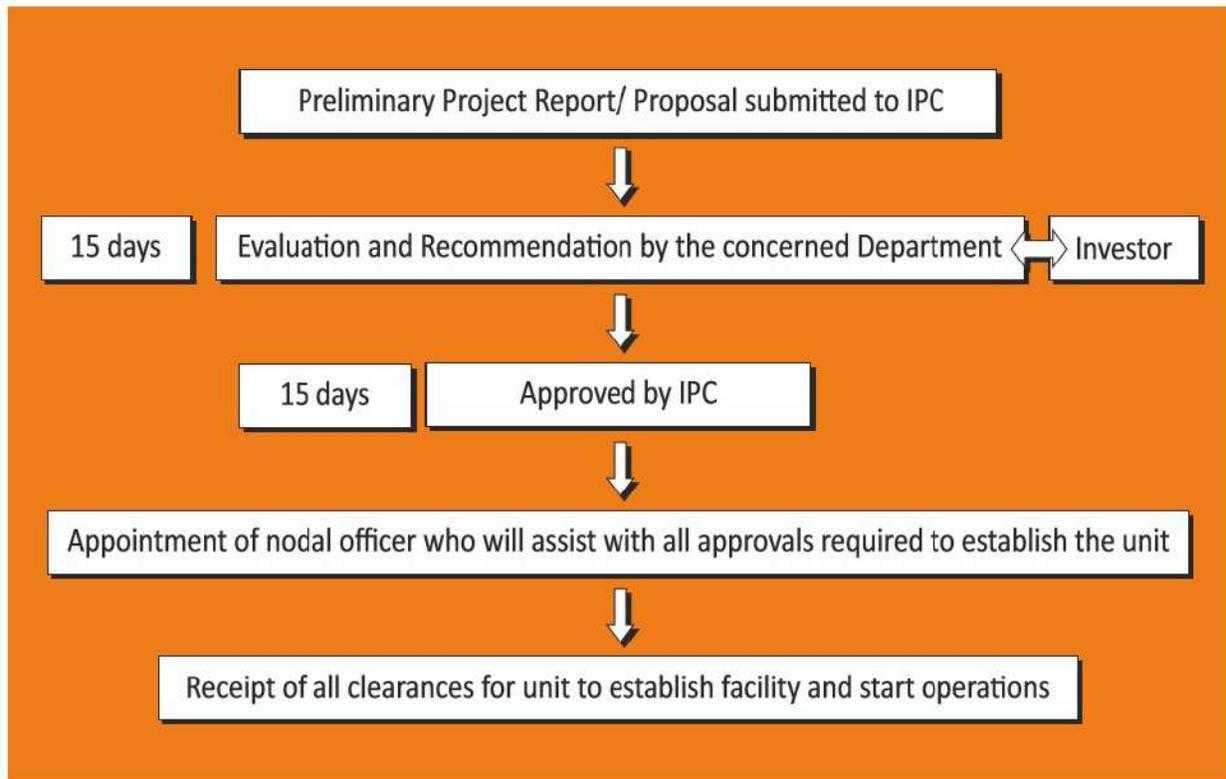
- The Investment Promotion Council would be assisted by a satellite expert consultant, which would be a reputed external agency to help evaluate investment proposals based on pre-determined evaluation criteria, including suitability for the territory, environmental norms, and impact on employment. Based on these criteria, the consultant would make recommendation on each proposal to the Investment Promotion Council, for approval or rejection.
- SEC shall also facilitate foreign Direct Investments (FDI)/Foreign Collaboration in the UTs.
- SEC would also help identify gaps in regulatory framework and help addressing those gaps, including undertaking systems study and governance reforms.

Dedicated Investment Officer

All projects approved by the Investment Promotion Council would be assigned to a Dedicated Investment Officer. The Dedicated Investment Officer will:

- a) Assist the investor in obtaining clearances in a timely manner;
- b) Facilitate all statutory clearances required;
- c) Be responsible and accountable to the Investment Promotion Council for realization of the approved investment within a time-bound manner.

Process for investing in UT



Guiding Principles For Evaluating Investment Proposals

The investment promotion council will evaluate investment proposals based on the following guiding principles:

1. Investors in the thrust areas
2. Expansion proposals of existing investors in UT
3. Foreign investment
4. Investments proposed for environment friendly units using green technology
5. Investments which are high employment potential
6. Investment with higher ratio of employment generation to land requirement
7. Investors with good corporate governance standards
8. Investments which will generate high revenue for the UT

In vases involving special high value projects having a multiplier effect on the economy, the IPC will relax different applicable conditions where necessary to facilitate investment with sufficient justification, on merits.

7 INVESTMENT PROMOTION SCHEME

An Investment Promotion Scheme was framed by the UT Administration and notified in FY 2015-16 which has the following principles:

Technology Upgradation

For all new investments, expansion plans of existing industrial units, a provision will be made for facilitating capital investment, technology upgradation through a mix of incentives. A special focus will be given to the textile industry to promote greater value addition, development of downstream industry and sunrise industry such as technical textiles. The nature of incentives will ensure that new investors gain a competitive advantage in their respective sectors.

Generation of Local Employment And Private Skill Development Initiative

Industry would be incentivized to impart appropriate skill sets to local youth and also generate employment opportunities. Development of ITI's and Polytechnics by the private sector would be incentivized and OIDC would take the lead in developing skill development institutes in a PPP mode.

Quality Enhancement / Technology Acquisition Assistance

The Industrial units would be given special incentives to upgrade their production processes and become ISO compliant. Those industrial units which invest in research and secure patents for their products would be give a special incentive towards costs of patent filing.

Those units which seek to procure cutting edge technology through a patent driven process would also be provided assistance to offset part of the costs.

Development of Industrial Estate, Textile Parks

Private enterprises would be provided special incentives to developed planned industrial estates, either independently or through an SPV with common facilities like CETPs, warehousing, logistics, and transportation. Those industrial estates which are developed by OIDC would secure environmental re-clearances as per a clearly defined zoning plan.

Measures for Mitigation of Environmental Impacts

The UT Administration would provide specific incentives for units installing pollution control equipment, conduct of energy and water audit, rain water harvesting structures to ensure that the industrial development in the territory is undertaken in a sustainable manner.

7.1 NEW/ADDITIONAL SCHEME PROPOSED UNDER EXISTING INVESTMENT PROMOTION SCHEME

Assistance for Start Ups - Innovation

Startup India is a flagship initiative of the Government of India, intended to build a strong ecosystem for nurturing innovation and Startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower Startups to grow through innovation and design. UT of Daman & Diu will provide special assistance for any individual / group of individuals having innovative idea / concept

Assistance for Export Promotion

Industry would be incentivized for refund of cost incurred for Export Consultancy / Market intelligence Studies along with Brand Promotion through participation in international exhibition / trade fair. State will also provide refund of fees for individual entrepreneurs incurred for certification courses on Export-Import Management.

VALIDITY OF POLICY

Since requirements of industrial growth keep changing, there may be a need to review the working of the policy at regular intervals by fine tune it to the changing requirements. Hence an assessment of this policy will be made in consultation with the line development and stakeholders to make it more friendlier to the stakeholders.

CONCLUSION

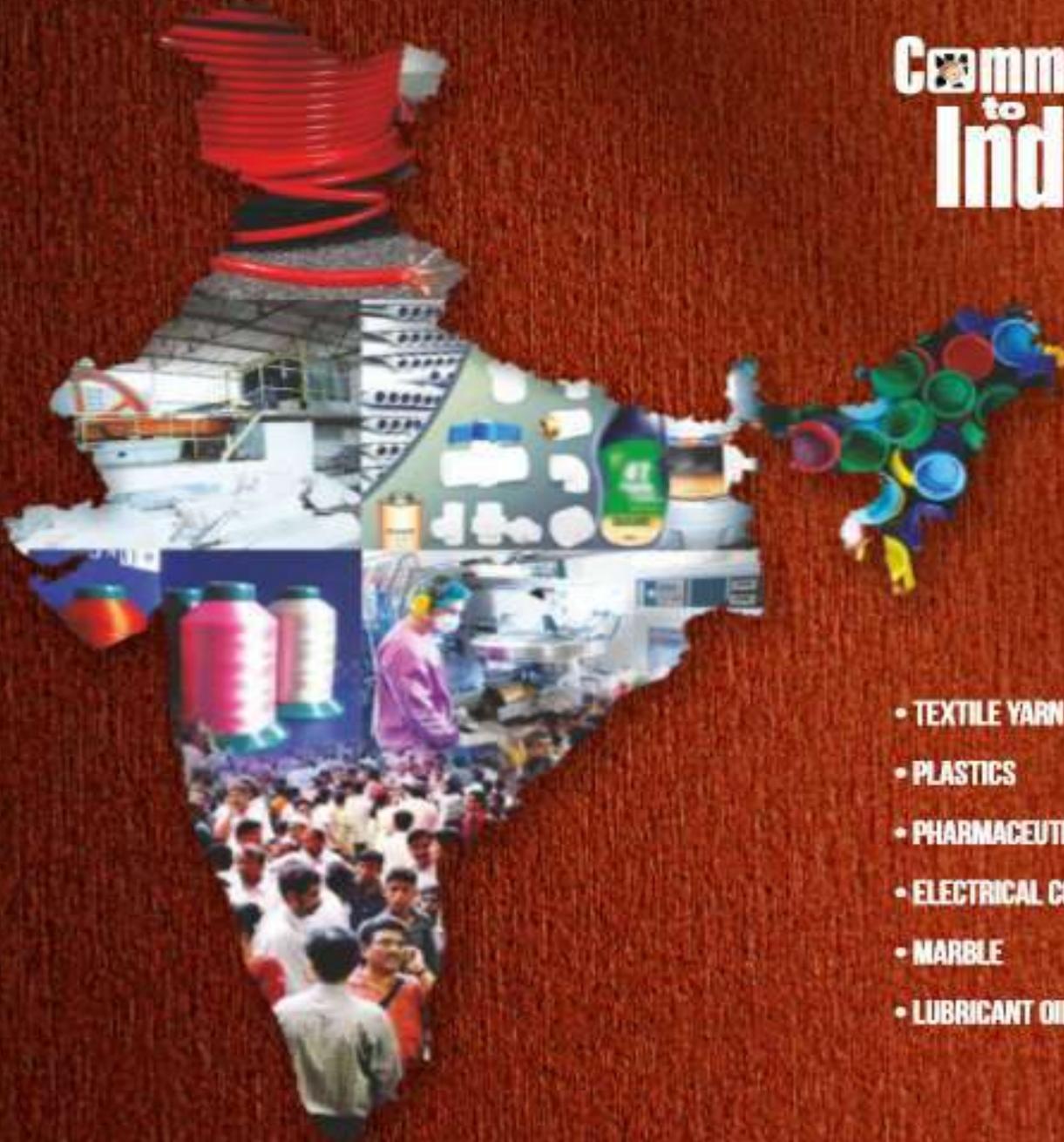
The new Industrial Policy is expected to make UT of Daman & Diu and Dadra & Nagar Haveli a preferred Industrial Investment Destination. It envisages strong and specific initiatives to ensure timely and hassle free guidance / clearances to new entrepreneurs. The policy has specific monitoring mechanism with provision for regular assessment of its performance.

The new policy will be able to meet its objectives such this has been prepared on the basis of discussion on various issues that emerged during multi-stage consultations with stakeholders and Government's interventions thereto.

The policy aims for sustainable industrialization by developing a strong manufacturing sector with focus on employment generation, product competitiveness, value addition in products and higher export oriented growth while conserving all aspects of environment.

The new Policy intends to leverage this unique strength and transform the UT into the most preferred global destination for setting up of manufacturing units.

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