

*Federation of Industries' Associations, Silvassa
UT of Dadra & Nagar Haveli*

**FEDERATION OF
INDUSTRIES** 
ASSOCIATIONS SILVASSA

Dt: 16.07.2016

To,

Shri Natubhai G Patel,
Hon'ble Member of Parliament,
UT of DNH, SILVASSA

Sanjeev Kapoor
President

Subject: Problems, concerns and suggestions of Industries for
"Make in India" and "Ease at Business" at DNH

Ajit Deshpande
Vice President

Hon'ble Sir,

At outset, this Federation thanks for your constant support and leadership for growth and development of the UT.

Industries are engine for growth and development of the area. They has played a very important role in socio-economic development of our UT. They have created employment and business opportunities to lakhs of people at their doorsteps. The quality of life after the industrialization has seen sea change.

In other words, industries are backbone of Economy of Dadra & Nagar Haveli. But, sorry to state that, in absence of any democratic system in decision making, the role of Industries has not been acknowledged by the bureaucratic set up which exists here.

Industries feel that Administration; without taking industries in confidence, is making the procedures, practices, protocols more complicated and introducing/modifying new and impractical policies, rules, procedures, norms which do not exists in any corner of the country, and such impractical and illogical decisions and policies of the Administration has caused hurdle in the growth of industries. By such negative approach of the Administration, the Development of Dadra & Nagar Haveli has become stagnant. UT has suffered irreparable loss in terms of new investment, sustainability of existing industries and creation of new job opportunities. It is felt by the Industries that, the contribution of industrial Sector has been neglected and industries are getting

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step-motherly treatment from local Administration and suffer humiliation day in and day out.

Federation feels that industries can play still better role, if their difficulties, problems, concerns and suggestions are properly addressed and attitude and approach of the system is changed. Administration has to adopt and implement the Central Govt. programs of Ease of Doing of Business, by simplification of procedure. Industries of this UT are committed to convert the dreams of Hon'ble Prime Minister into realities.

Being a public representative of this UT, only you can use your office monitor common interest, subsistence and all round development of the people of our territory.

Industries have lot many issues, where, it does need your interventions, but, Federation being focused, restricting itself to present only a few in following lines:

1. Change in VAT Refund Policy:

It is unfortunate that with the change in incumbency to the positions of Development Commissioner and VAT Commissioner, policies, practices, procedure and protocols of the VAT department keep changed. In this situation, how do industries estimate and predict resources?

Administration knows it well that getting 100% 'C' forms for interstate sales is practically not possible as all states have not been 'online'. VAT department is insisting now for 100% submissions of 'C' forms along with claim form for VAT – refund, whereas, in earlier practice there was no requirement of "C" forms submission. Only undertaking was sufficient. "C" forms were verified at the time of audit.

Had Administration announced the change in advance, Industries would not have purchased inputs from local market to avoid VAT-refund. But that would have drop in local 'making' consequently reduction in local employment opportunities.

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Sir, the frequent such change in policy discourages "make in India" and converts "ease at business' into "difficulty in business".

Therefore, claim for VAT refund, must be delinked from "C" forms. These should be verified only during the audit. Claim should be based upon form 31 and 32 only.

Federation expects Hon'ble Member of Parliament to lead us to get the justice.

2. Reversal of Policies of Construction Permission by PDA:

PDA suddenly changed the policy of granting the Construction of Permission by insisting the "consent to establish" by the PCC.

This has stopped the wheels of new construction

It is practically not possible. When building is being constructed, developer never knows as what machines, raw material and process is going to be used in the building. In the absence of such information, developer cannot get any consent from the PCC.

3. Circle Rates :

Circle rates play very important roles in the growth and development of the area.

DNH Administration has declared circle rates without considering the topography of the plot. There cannot be same rates for road side plots and far away plots. There are many other considerations, like evenness and approach to the plot.

4. Regular Consultation:

Federation suggests that there should be a monthly open house in your presence wherein industries can present their problems and suggestions.

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Administration should involve in consultation with the industries at the stage of formulation, as main stakeholder.

5. Harassments in case of accidental fire and industrial accidents

Administration and police they are always in look for opportunities to harass industries. Unfortunately, if any accident takes place or accidental fire takes place, FIRs are registered as if they made these to happen with a criminal intention. Even, the statutory provisions are not respected. The Factories Act, 1948 clearly lays down that accident happenings inside the Factories should be investigated and tries only under said Act and not under the general laws.

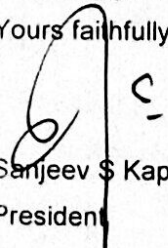
Federation encloses herewith a representation dated 10.5.16 submitted to Hon'ble Administrator, which is if implemented. Speed up the growth and development of the UT as industries are main resource here.

Sir, Federation's managing Committee wants to meet you to discuss above and many other issues. Kindly schedule the meeting as early as possible.

Federation once again reiterates its commitment to keep continue to strive for betterment of this country and people of our territory.

Thanking you.

Yours faithfully,


Sanjeev S Kapoor
President

Encl: as above