

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

FEDERATION OF
INDUSTRIES 
ASSOCIATIONS, SILVASSA

Dt: 10.05.16

To,

The Administrator,
DNH Administration,
Silvassa,

Sanjeev Kapoor
President

Subject : **Appointment for discussions "Steps required for "Ease at Manufacturing in the UT of D&NH""**

Hon'ble Sir,

Ajit Deshpande
Vice President

The Federation herewith respectfully submits its suggestions for the steps required by various departments of DNH Administration to make ease in manufacturing in the UT. These steps are being suggested after thorough discussions with all sectors of industries working in Silvassa, these are, large, medium, small and macro.

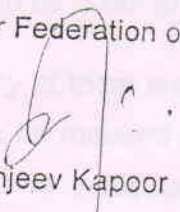
Dr. R. B. Shelke
General Secretary

We requests your Hon'ble, Sir, to go through these suggestions and accord us an appointment to have meeting to explain these suggestions in person for better and prompt actions. It is hoped that we will get soon the appointment to meet you in person on above subject.


Thanking you.

Yours faithfully,

For Federation of Industries Associations, Silvassa


Sanjeev Kapoor
President

Encl : as above


10/5/2016
प्रेषण लिपिक / Despatch Clerk
प्रशासक सचिवालय
Administrator's Secretariat
सिलवासा - Silvassa.

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

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Sanjeev Kapoor
President

To,

The Administrator,

DNH Administration,

Silvassa

Ajit Deshpande
Vice President

Subject : **Steps required for "Ease at Manufacturing in the UT of D&NH".**

Hon'ble Sir,

Dr. R. B. Shelke
General Secretary

At outset, Federation thanks for your encouraging address at the function organized on 26th April 2016 stating your vision and perspective to bring about transparency and accountability in the Administration under with your rich and vast experience.

Federation takes here an opportunity to bring yur notice some of steps which could be taken to create ease in doing business in the DNH.

Many of them are small issues but with large promising results. Some issues may be required policy decisions. All will go a long way and will prove turing point in industrial growth and development of the UT which is must for generation of employment.

Background:

This tiny territory neither has raw material nor the market for finished goods, still industries could survive here, that is mainly because of a responsive

Administration, proximity to Mumbai and Surat. The industrialization has brought a sea change in quality of life habitants, which does not require and research to prove, but clear and visible as day light.

Sanjeev Kapoor
President

Way Ahead:

Industries have potential to do. Though tax concessions regime for the territory is over,.. GST is on the verge coming into existence, and impacts of recession are there, still a lot can be done to boost business in the territory.

Federation suggests

Ajit Deshpande
Vice President

1. Ease in new investment / expansion

- a. Industry Promotion council should be reconstituted. Who will represent industries should be left to the industries. In the present council; Administration has placed members its own without any consultations to the Associations. Now, there is Federation, hence, fresh nominations should be obtained from the Federation.
- b. Present incentive schemes are not attractive in comparison of schemes prevailing in the neighbouring states, Maharashtra and Gujarat.
- c. Capital investment subsidy should be increased to Rs. 15% for MSME and in case of textiles, it should be Rs. 20 % with the upper limit of Rs 50L.
- d. Interest subsidy, which is, at present, @ 5% with an upper limit of Rs 30 L, should be increased to 7%, with upper limit of 1.5 cr and period should be enhanced to 7 years.
- e. The technical textile interest subsidy, which is at present @ 6%, with upper limit of Rs. 50 L for a maximum period of 5 years, should be enhanced to 8%, with upper limit Rs 2 cr and maximum period should be enhanced to 7 years.

Dr. R. B. Shelke
General Secretary

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President

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- f. These incentives should be available for expansion of existing industries also, without the limit of 50%.
- g. Period of benefits should be counted from the date of availing of the scheme.

2. Ease at Construction

- a. NA should be granted instantly. Filed need not be sent other departments except three, PDA, Revenue and LRO. It once granted should not require renewal. At present it is required at interval of every five years.
- b. Last year, Administration had fixed circle rates without considering factors like accessibility, level of plot, distance from main road. We must study the pragmatic practice of Gujarat where care is taken of all these factors.
- c. if the industry is willing to give undertaking that construction will be done as per prevailing DC Rules, construction be allowed immediate after the submission of application for construction permission.
- d. Fire NOC should not be insisted upon for CP.
- e. Checklist for CP in SMC area should be like PDA
- f. FSI relaxation was granted in Feb 15, but it is not helping the industry. It motivates and facilitates the industry to for vertical constructions. For the logistics expenses, industries do not go for vertical construction. There is a need to review it again and grant relaxations for ground floor constructions. It is suggested that for framing a proposal, a committee having representatives of the industries be formed. Federation nominates following to represent in the committee:
 - i. Mr. Sanjeev Kapoor,
 - ii. Mr. Ajeet yadav,
 - iii. Mr. Chandrakant Kathawala,



Sanjeev Kapoor
President

Ajit Deshpande
Vice President

Dr. R. B. Shelke
General Secretary

- g. Land record abstracts in the form 7/12 should be available online, and should be valid only for the day on which, it was downloaded. It will prevent chances of fraud and cheating..
- h. Validity of the certified map is 30 days. Industries feel it is redundant. There should not any validity limit, as no change occurs in the certified map.
- i. Procedure for Fire NOC is undue stringent. These are simple copying the New Delhi practices, whereas, we should focus on practices in our neighbouring states. We are sure that following neighbouring state practices, we will not be compromising on safety issue. What we are asking is the procedural part.
- j. Construction permission should be granted online and interface between the department and industries be made online only to bring transparency, and accountability.
- k. Certified maps of the Land Record department do not match to the maps of PDA and in the process sufferer is the industry. It is suggested that both department should undertake a time bound exercise to reconcile their maps.
- l. PDA has imposed penalty of very heavy amount on some industries for no fault / inaction on the part of industries. For some time, PDA had stopped accepting applications for construction permissions and later on imposed penalty for that period. Such cases should be reviewed with the principle of equity.
- m. If the industry is not in position to occupy full premises immediately, there should be provision of Part Occupancy.

3. Ease at Energy Resource:

Power is a main ingredient at manufacturing. Thanks to the initiatives of Administration that UT is now quite comfortable to provide power as per requirement of the Industry. Recent reduction in tariff has brought

Sanjeev Kapoor
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Vice President

Dr. R. B. Shelke
General Secretary

new hopes and opportunities. Sir, there is still huge surplus being generated by DNH PDCL. Federation hopes that with this huge surplus estimated in the Annual Revenue Requirement of DNH PDCL, there will be further reduction in tariff. However, still some issues are there:

- a. We must pay attention on infrastructure for future growth and development like timely change of distribution lines, erection of new sub-stations.
- b. Temporary power connections:
 - i. Time limit should be 7 days instead of present 15 days.
 - ii. There should be no requirement of construction permissions.
 - iii. There should be no requirement of Registration as SSI or principle clearance as MSI /LSI
- c. Transformers to LT Consumers should be provided by the DNH PDCL.
- d. Permissions for change of CTPT and transformers requires an undue long protocol. Authority in this respect should be delegated to delegated to Deputy Engineer.
- e. SWIFT system should not insist the LT consumers to give undertaking that they will set up transformers and lines on their own expenses. In fact this kind of insistence is against the Supply Code of JERC.
- f. Those who want to surrender the surplus power, should dealt strictly as per Supply Code prescribed by JERC and DNH PDCL should adopt a consumer friendly approach.
- g. Surrender of power by consumers will enable DNH PDCL to surrender costlier power and thereby average power purchase will come down by 55 paise per unit. Our vision and suggested action plant for DNH PDCL was envisaged in detail in our presentation to JERC, during public hearing on ARR. DNH PDCL takes leaf out of those suggestion, it will be great ease in coming years.

- h. Feasibility report should be made available online. At present lot of unexplained things and delays are happening. DNH PDCL must define non feasible area and should display them on their website, which must be updated time to time.

Sanjeev Kapoor
President

4. Ease at PCC:

- a. Consents to establish and Operate in white and green categories should be made available within 7 days of making of the application.
- b. Consents to establish and Operate in orange category should be made available within 30 days of making of the application.
- c. Consent fees at present is on cost of project, whereas MSME basis is investment in plant and machineries. Same criteria should be followed for consent fees also.
- d. Documents should also be taken for consents online in soft form.
- e. Matter related to GEPIL is disturbing the industries. An acceptable and reasonable solution should be arrived upon, otherwise, other parties who are willing to lift material from the UT be allowed, to make the operations of present facilitator as more efficient and competitive.
- f. In the recent classification of industries, some industries have been put on banned category. Existing units of those industries should be allowed expansion, otherwise they will become unviable over a period.

Ajit Deshpande
Vice President

Dr. R. B. Shelke
General Secretary

5. Ease at Finance and Taxation

- a. Mortgage registration charge in our UT is 1% whereas in neighbouring states is 0.25 to 0.35%. We must reduce it. We must accept that mortgage is not transfer of property.
- b. VAT registration should be on line.

Sanjeev Kapoor
President

Ajit Deshpande
Vice President

Dr. R. B. Shelke
General Secretary

- c. VAT schedule reviewed every year based on last three years historical data. VAT should be reduced where consistent trend of refund. It will reduce not only unnecessary workload of first collecting VAT and thereafter refunding back, but, will also get valuable working capital freed from idleness. It will reduce cost of manufacturing in the UT.
- d. Procedure for refund, be made easy. Unnecessary protocols should be removed. Requirement of C form, as held by Bombay High Court, should be removed. There is no stay on judgment of Bombay High Court, hence, Administration must respect it letter and spirit.
- e. VAT on industrial inputs, which are used in manufacturing, should be made zero.
- f. Proposal should be made to extend CST exemption getting expired in the year 2017, till GST is made enforceable.

6. Ease in Working in Government Industrial Estates

- a. In OI DC Daman and Diu, plots given on lease were allowed to get converted in free hold. It is required as get the assistance from financial institutions, free hold plot is first condition.

Such conversion should be allowed in industrial estates owned by the DIC in DNH also

- b. Transfer of lease of these plots has been struck off for unknown reasons. This has become obstructive, in business flexibility.
- c. Lease Transfer charges are very high. These should be revised down wards

7. Ease in availability of Water:

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President

Ajit Deshpande
Vice President

Dr. R. B. Shelke
General Secretary

SIA, a constituent of this Federation had sponsored a detailed and exhaustive survey of water requirement for next thirty years in the UT. The report was presented by the Administration to the than Planning Commission which had sanction Rs 400 cr for the project. We request that actions to implement the project be speed up as water table is deepening to an alarm level in the UT.

Drinking water from SMC's water treatment plant should be allowed to industries also.

8. Ease in Approaching the UT and Traffic within the UT:

- a. Roads in private industrial estates are in very bad shape. Government should maintain these roads.
- b. Connectivity to Highway from Surangi via Sutrakar Road is need of the hour. We understand, Maharashtra Government has given its nod. Now, we should move fast. This will reduce traffic congestion in the town as trucks / containers meant for industrial units in up to Masat area from Khanvel, will not be required to come to Silvassa town.
- c. Administration, in place of skywalks should focus on ring road and large fly over from Pipariya bridge to Samarwani to ease out current and future traffic congestions without affecting the growth and development of the UT.

9. Ease in HR and Labour Matters

a. Exit Policy for EOUs :

Neighbouring state Gujarat has expanded the scope of chapter V D of the Industrial Disputes Act, 1947. The said chapter makes the exit policy easier by paying retrenchment compensation at enhance rate of 45 days for each completed

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year of service. This is a very reasonable and positive provision and therefore, UT Administration should move proposal to adopt Gujarat amendment of the ID Act for the UT also.

b. Ease at Skill Availability:

Industries do not get skilled manpower, whereas unemployed youth do not get the employment. To bridge this gap, we need to go skill development centre. Federation requests allotment of Gulmohar Rangshaala to Federation to establish skill development centre for local youths for making them employable in the trades and skills which are not imparted at ITI campus.

c. Accident Handling:

Accidents are not intentional, whereas gross negligence to safety precautions by anyone including employer and employee is unpardonable.

Once accident in a factory happens, police start behaving with industry directors as if they are hardcore criminal. It is well settled law that every accident taking place in a factory as defined under the Factories Act, 1948 has to be tried under the Factories Act, 1948 and not under the IPC. The Factories Act, 1948 is a self contained code and is a special law, while IPC is a general law. Special law always takes over general law.

The approach factory Inspector is always based on punishment with corrections, as there was ill intention to harm someone. Approach of police to punish for criminal intention.

d. Controversy over the Standing Orders:

Sanjeev Kapoor
President

Ajit Deshpande
Vice President

Dr. R. B. Shelke
General Secretary

A model standing orders was enforced in the year 2005 in the UT and applicability was reduced from 100 workmen to 20 workmen. The final notification clearly stated that it would be applicable to all establishments employing twenty or more workmen. But, subsequently, Administration gave in affidavit in Bombay High Court that they had intention to make new standing order applicable to establishments employing twenty or more but less than 100 as there is another model standing orders under the central rules for those establishment. This stand has created problems for the establishments who have taken disciplinary actions based upon new standing orders.

This matter has to be deliberated to bring about applicability new standing orders for all industries. New standing orders is more progressive and more IR friendly. It was an outcome of 2nd Labour Law Commission's recommendations.

9. Ease in Fire and Emergency Services:

- a. Looking to the population and concentration of industries, we must establish Fire and Emergency service centres at Dadra, Naroli and Sayli as early as possible with adequate staff and equipments.
- b. An NOC is required to be obtained from Fire department every year by the industries. Units which were constructed 20-25 years ago were as per the building and development rules prevailing at that time. National Building Code standards were not applicable and prevailing at that time. Such units are being asked to comply NBC. This is not only unfair and impractical but also not in accordance with law.
- c. Industries who require to store solvents, need an NOC from Collector's Office under Explosive legislations. Though fire department has given NOC, Collector's Office now wants Fire department to certify that there will not be any fire incident

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Ajit Deshpande
Vice President

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in next one year. It is ironical. Who can take the guarantee of not happening any incidence. Fire department can give NOC based on precautionary measures. Therefore, inter department matter should not become obstacle in the functioning of the industries.

10. Ease at Law and Orders

a. Extortion

Industries are prone to extortion by various vested elements. Other large states have special police stations for extortion related complaints. UT Police should also create a special wing to deal the matters.

b. Humiliation in the name of police Investigations

There are occasions that false and motivated complaints are filed against the industries. Police should handle such complaints with more dignity and sensitivity. Federation is not against the investigation. But Federation is extremely averse to humiliation in the name of investigations.

11. Ease at Working in Private Industrial Estates

Inner roads of private industrial estates are in very bad shape. The matter has been discussed many times. Daan Patras in some of the sates were arranged also. But in some estates, Danpatras are not possible.

It is suggested that government should acquire the existing inner roads 'as it is' in public interests and maintain them so that industries existing in those industrial estates may get some relief.

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12. Participatory Approach

Administration should appoint departmental Consultative committees with nominations from the Federation to understand the views of industries at initial stage rather at curative stage.

Sanjeev Kapoor
President

We are hopeful that Hon'ble Administrator will look into these suggestions and will take a prompt action to bring a real "Ease in making in UT of D&NH".

We record our full support and cooperation in making the dream of our Prime Minister, "Ease in making in India" into reality.

Ajit Deshpande
Vice President


We request an early appointment to hold a workshop to discuss these issues threadbare to chalk-out a concrete action plan for next three years.

Thanking you.

Yours faithfully,

For federation of Industries Associations, Silvassa

Dr. R. B. Shelke
General Secretary


Sanjeev Kapoor

President

Union Territory of Dadra & Nagar Haveli,
District Industries Centre, Department of Industries,
Ground Floor, Udyog Bhavan, 66 KVA Road, Amli,
Silvassa - 396 230

No.DIC/5(381)/FIA/2016/ 680

Date: 16.05.2016

- | | |
|--|--|
| 1 The Collector,
Dadra & Nagar Haveli
Silvassa | 10 The Deputy Secretary,
VAT Department
Dadra & Nagar Haveli, Silvassa |
| 2 The Member Secretary PCC
Dadra & Nagar Haveli
Silvassa | 11 The Fire & Emergency Service
Dadra & Nagar Haveli
Silvassa |
| 3 The Member Secretary,
Planning & Development Authority,
Dadra & Nagar Haveli
Silvassa | 12 The Labour Officer,
Dadra & Nagar Haveli
Silvassa |
| 4 The Chief Officer,
Silvassa Municipal Council
Dadra & Nagar Haveli
Silvassa | 13 The Mamlatdar,
Dadra & Nagar Haveli
Silvassa |
| 5 The Chief Executive Officer,
District Panchayat
Dadra & Nagar Haveli
Silvassa | 14 The Land Reform Officer,
Dadra & Nagar Haveli
Silvassa |
| 6 The Executive Engineer,
Public Works Department (Road)
Dadra & Nagar Haveli
Silvassa | 15 The Survey & Settlement Officer,
Dadra & Nagar Haveli
Silvassa |
| 7 The Chief Inspector of Factory & Boilers
Dadra & Nagar Haveli
Silvassa | 16 The Land Acquisition Office
Dadra & Nagar Haveli
Silvassa |
| 8 The Superintendent of Police
Dadra & Nagar Haveli
Silvassa | 17 The Sub-Registrar,
Dadra & Nagar Haveli
Silvassa |
| 9 The Deputy Secretary
Department of Transport
Dadra & Nagar Haveli
Silvassa | 18 The Superintendent Engineer,
DNHPDCL
Dadra & Nagar Haveli
Silvassa |

Subject:- Steps required for "Ease at Manufacturing in the UT of D&NH".

Sir,

With reference to above, please find enclosed herewith representation dated 10.05.2016 received from Federation of Industries Association, Silvassa, UT of Dadra & Nagar Haveli address to Honourable Administrator regarding Ease of Manufacturing in the UT of DNH. (Copy enclosed).

In this regard, I am directed to inform you to furnish your comments to the points pertaining to your department within 10 days to the undersigned without fail.

Yours faithfully,

General Manager
District Industries Centre,

Encl:- As above

To The President Federation of Industries Association, Silvassa with a request to furnish comparative statement in tabular form of other States in respect of the relevant point of their representation as discussed.

Copy to:-