

DAMAN & DIU **AND** **DADRA & NAGAR HAVELI**

INDUSTRIAL POLICY **— 2015 —**



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DAMAN & DIU AND DADRA & NAGAR HAVELI



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1 NATIONAL CONTEXT

In the post 1991 period, the Indian economy has witnessed remarkable economic growth, riding on the strength of huge private investments, infrastructure improvements and regulatory changes. Progressive liberalization over the years has seen 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.



1.1 OVERVIEW

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 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 on 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 UT's fare much higher than the national average on several socio-economic indicators.

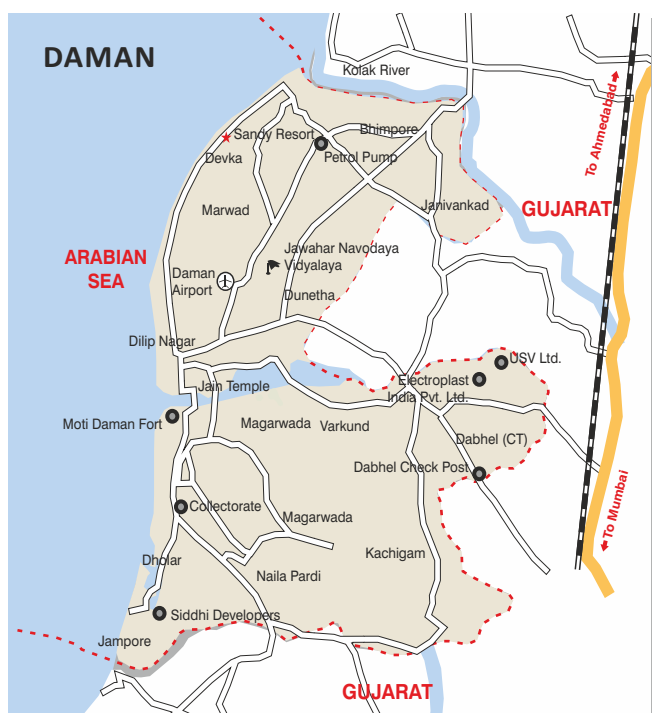
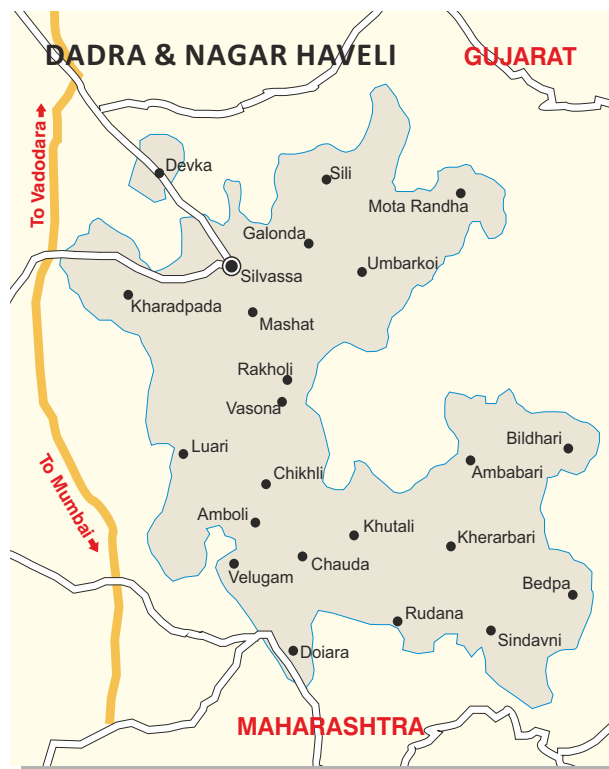


Table 1: Socio-economic Indicators

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

1.2 INVESTMENT OPPORTUNITIES

Industrial development in the two Union 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 exemptions upto 2017.

1.2.1 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 developed by OIIC at Daman and other industrial areas are located at Dabhel, Bhimpore, Kachigam and Kadaiya.

Industrial development in Dadra and 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 All Government Industrial Estates in Dadra & Nagar Haveli

S.No	Name of Industrial Estates	Year of Establishment	Present Minimum Plot Rate	Total Nos of Plots	Total Land be required Area of Industrial Estate	Size of Plot Sqmtr
1.	Government Industrial Estate, Piparia Phase-I	1985	Rs.4050/ sq.mtr	8	3.77 Hectares	600 - 4000
2.	Government Industrial Estate, Piparia Phase-II	1985	Rs.4050/ sq.mtr	59	10.24 Hectares	600 - 4000
3.	Government Industrial Estate, Masat	1978	Rs.2700/ sq.mtr	141	33.28 Hectares	600 - 4000
4.	Government Industrial Estate, Khadoli	1982	Rs.900/ sq.mtr	90	58.44 Hectares	1000 - 4000

Source: Ministry of MSME, Government of India

In the textile 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.

1.2.2 TOURISM



Tourism is a major focus sector 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

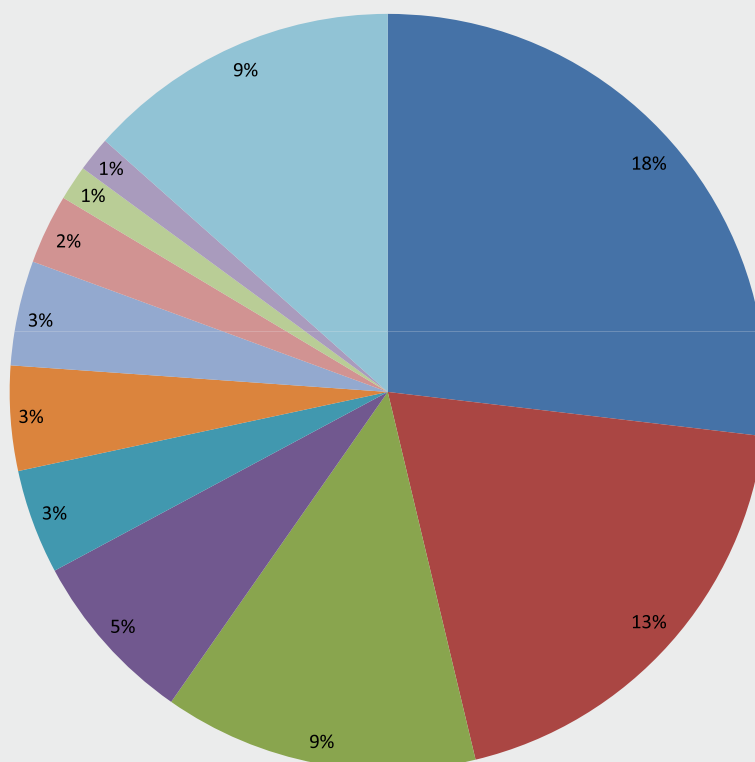
state of Gujarat including few foreign tourists. Diu, inspite of having the right environment to grow as a tourist destination, has restricted tourist arrivals mainly due to the difficulty in accessibility to Diu, and constraints in tourism infrastructure.

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.



1.3 PRESENT INDUSTRIAL PROFILE

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

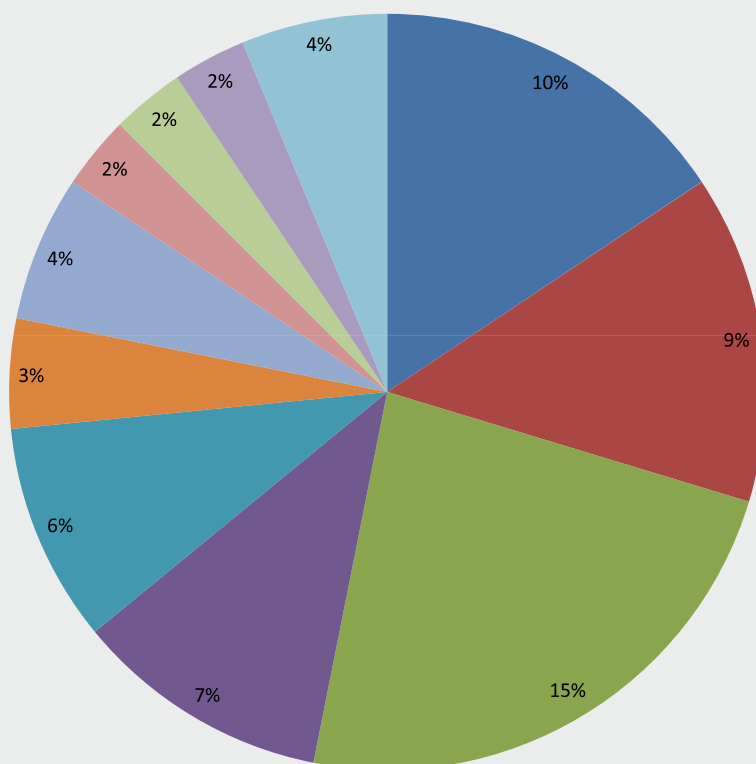


Industries in Daman and Diu
Gross Value Added 2011-12

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

1.3 PRESENT INDUSTRIAL PROFILE

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 Dadra Nagar Haveli
Gross Value Added 2011-12

- Rubber & Plastic Products
- Chemicals & Chemical Products
- Basic Metals
- Electrical Equipments
- Coke & Refined Petroleum Products
- Paper & Paper Products
- Pharmaceuticals
- Fabricated Metal Products
- Machinery & Equipments
- Wearing Apparels
- Others

1.4 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.

1.5 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 (up to Nov. 14)	34	683	377563

Source: DIPP's SIA Statistics

- 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 neighbouring states of Gujarat and Maharashtra.
- Road infrastructure connectivity with National Highway needs to be strengthened and also better quality roads need to 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 FOCUS AREAS

2.1 OBJECTIVE

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 is preparing to launch the **Skill India** initiative. 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.

2.2 VISION

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

2.3 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.

2.4 POLICY OBJECTIVES

The 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 gainful **employment opportunities** for the local population, especially in the lesser developed tribal areas of DNH.
4. To **promote foreign investment and export led industry** with a special focus on technology transfer, research and development.
5. To **promote manufacturing of green goods** and environment friendly technologies.
6. 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.
7. Give a focused attention to **small and medium enterprises** and foster a climate of entrepreneurship.
8. 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.
9. To promote **sustainable economic growth** which is in harmony with broader environmental objectives and encourage energy, water conservation.
10. To promote processes and production of goods with **high quality benchmarks**.

2.5 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 years.

2.6 THRUST AREAS

In order to meet the policy objectives, the UT Administration has identified certain thrust areas for investment;

1. Textile industry including yarn, spinning and apparel (excluding dyeing)
2. Information Technology (IT)/ Information Technology enabled Services (ITeS)
3. Pharmaceutical Industry
4. Light Engineering, Electrical Conductors and Allied Industry
5. Plastics and Plastic products
6. Marble Tile Industry
7. Tourism Industry
8. Creative and Entertainment Industry

The thrust areas are meant to serve as a broad indicative areas in which investments will be encouraged and infrastructure developed.

Additionally, industries with heavy import content would have a good potential in terms of cost advantage given the accessibility of a port in this region.

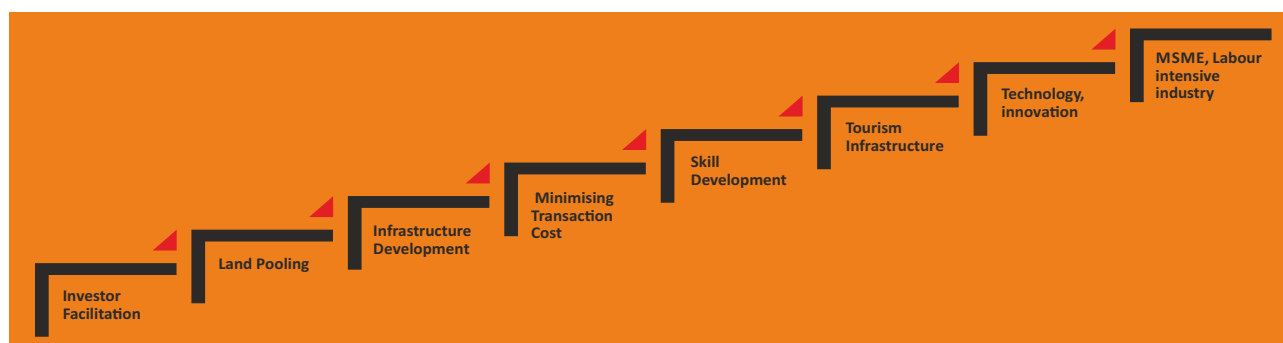
2.7 CLASSIFICATION OF INDUSTRIES

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.

2.8 PROPOSED INTERVENTIONS

There is a need to launch an industrial policy for these UT's so as to overcome the hurdles being faced by the industry at present and to supplement and augment the existing growth pattern through well thought out and sustainable policy measures.

In this backdrop, the administration will focus on the 8 prioritized areas



2.8.1 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.

This portal 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.

2.8.1.1 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 should be 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.

2.8.1.2 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 shows 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 a 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)

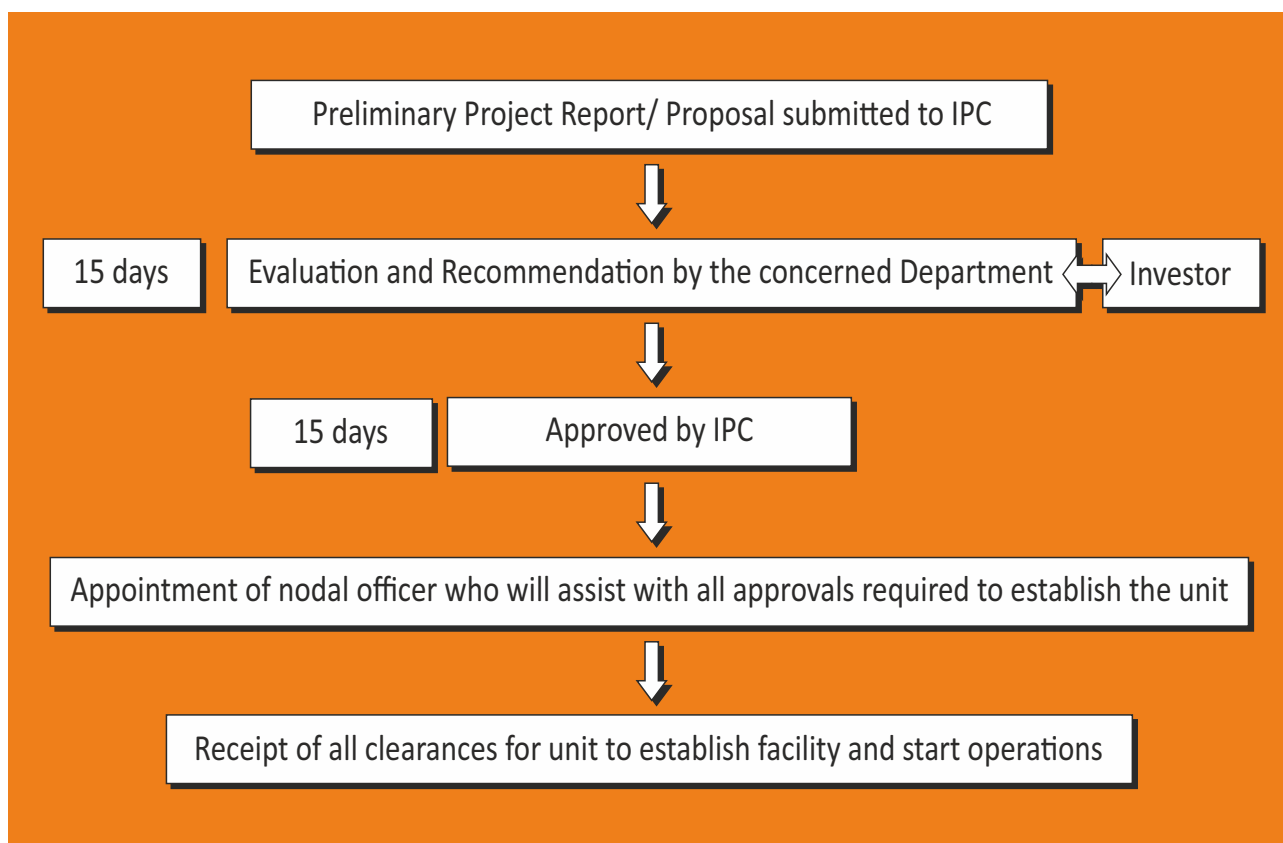
- The Investment Promotion Council would be assisted by a satellite expert consultant, which would be a reputed external agency to help evaluate investment proposals based on pre-determined evaluation criteria, including suitability for the territory, environmental norms, impact on employment. Based on these criteria, the consultant would make recommendations 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 has 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 cases involving special high value project having a multiplier effect on the economy, the IPC will relax different applicable conditions where necessary to facilitate investment with sufficient justification, on merits.

2.8.2 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 clusters/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.

2.8.3 INFRASTRUCTURE

Daman & Diu and Dadra & Nagar Haveli had witnessed tremendous growth in industrial 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 Rs. 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.

2.8.3.1 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 NHAI, State Governments 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 town 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.

2.8.3.2 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 for 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 load on demand can be sanctioned immediately.

Diu is proposed to be developed as a 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.

2.8.3.3 PIPED NATURAL GAS

There is no PNG (Piped Natural Gas) facility available in both the UTs either for domestic or for industrial uses. However, this facility is available in neighbouring States of Gujarat and Maharashtra. The UT Administration will work towards getting the Gas Connectivity for industrial use to these territories.

2.8.3.4 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 and Diu.

2.8.4 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 legislations 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.

Pollution Control Board will approve and increase the number of accredited & reputed laboratories for pollution related certifications.

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.

2.8.5 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 proposes 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 Counseling 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.
- The curriculum of existing polytechnic in both the UTs will be subject to dynamic review to suit the requirements of the industry.
- Support will also be given to Polytechnics to conduct short term (2 weeks) training programmes for spot employment.

2.8.6 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 adventure 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.

2.8.7 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.

2.8.8 SMALL AND MEDIUM ENTERPRISES AND LABOUR INTENSIVE INDUSTRY

Small and medium enterprises which form the backbone for manufacturing in India would be supported in terms of incentives and concessions. Industries having a greater employment intensity and support local employment generation will be supported by appropriate fiscal instruments.

3 INVESTMENT PROMOTION SCHEME

An investment promotion scheme will be framed by the UT Administration to be notified in FY 2015-16 which would have the following guiding 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 given 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 Estates, Textile Parks

Private enterprises would be provided special incentives to develop planned industrial estates either independently or through an SPV with common facilities like CETPs, warehousing, logistics, 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.

Committed to India



- TEXTILE YARN PROCESSING
- PLASTICS
- PHARMACEUTICALS
- ELECTRICAL CONDUCTORS
- MARBLE
- LUBRICANT OILS

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