

**Administration of
Union Territory of Daman & Diu and
Dadra & Nagar Haveli
District Industries Centre, Department of Industries**

NOTIFICATION

No. DIC/DDDNH/IP-2018/2018-19/119

Dated 6/07/2018

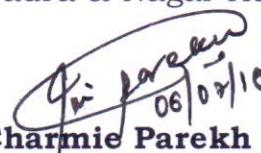
SUBJECT: *Industrial Policy-2018 – UTs of Daman & Diu and Dadra & Nagar Haveli*

The Administrator of UT Administration of Daman & Diu and Dadra & Nagar Haveli is pleased to introduce Industrial Policy – 2018 to provide fresh impetus to industrial growth and employment generation in line with new policy initiatives of the Union Government with mission to create Daman & Diu and Dadra & Nagar Haveli region as a valued investment destination with best-in-class infrastructure by providing an investor friendly, efficient and transparent business climate, the right resources and market linkages to make these UTs a preferred investment destination.

The Policy enclosed herewith shall come into effect from the date of its notification.

This is issued with the approval of the Hon'ble Administrator, Daman & Diu and Dadra & Nagar Haveli vide Diary No. 350607 Dated 14/05/2018.

By order and in the name of
the Administrator, Daman & Diu
and Dadra & Nagar Haveli


(Charmie Parekh)
General Manager (DIC)
Department of Industries

Encl: Industrial Policy – 2018 (Pg. 1 to 25)

Copy to:-

- 1) PPS to Administrator, DD & DNH
- 2) PA to Advisor to Administrator, DD & DNH
- 3) All Secretaries, DD & DNH
- 4) All H.O.s, DD & DNH
- 5) All Industrial Association, DD & DNH
- 6) Dy. Secretary (Official Language), DD for translation in Hindi
- 7) The SIO, NIC, DD & DNH for uploading on website
- 8) Dy. Director (Printing), DD & DNH for publication in Official Gazette

U.T.s of Daman & Diu and Dadra & Nagar Haveli

Industrial Policy – 2018

1 BACKGROUND

The UT Administration is committed to the sustainable and inclusive development of the UT of Daman & Diu and Dadra & Nagar Haveli. The Government is keen to accelerate the economic and industrial development of these UTs through growth and employment oriented policies and schemes that turn the UTs of Daman & Diu and Dadra & Nagar Haveli, into the most preferred investment destination.

The UT Administration had adopted the existing Industrial Policy in the year of 2015. However, the need for adopting an updated policy framework, incorporating new schemes and thrust areas, was increasingly being articulated by key stakeholders of the economy - the Government, Industries and the Business Community. This new Industrial Policy is a first step in the direction of making the UT of Daman & Diu and Dadra & Nagar Haveli a preferred Industrial and Investment Destination. The policy aims for sustainable industrialization with focus on employment generation, product competitiveness, value addition in products and higher export oriented growth while conserving all aspects of environment. 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 intends to leverage the comparative strengths of the UT and to propel it among the most preferred global business destinations.

The new Industrial Policy will be an instrument through which the Administration could achieve the vision of "*Prosperous UT of Daman & Diu and Dadra & Nagar Haveli*"

1.1 NATIONAL CONTEXT

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 led to the integration of Indian Economy with the global economy with a marked reduction in peak custom tariffs and simplification of taxation structures. More recently, the Union Government has given a decisive push to the manufacturing sector through a series of policy measures such as the **National Industrial Policy**, **National Design Policy**, **National Intellectual Property Rights Policy** and **National Manufacturing Policy**, as well as nationwide programmes such as **Make in India**, **Digital India**, **Startup 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. Various State Governments have spelt out their respective industrial/manufacturing policies in recent times to give a boost to the manufacturers in alignment with the National Policies and Programmes.

1.2 DAMAN & DIU AND DADRA NAGAR HAVELI AT A GLANCE

The Territories of Daman and Diu became a part of the **UT of Goa, Daman and Diu** under the Government of India, after liberation from the four hundred-year Portuguese Rule on 19th December 1961. The people of the U.T. established free Administration of Dadra & Nagar Haveli, which was finally merged in to Union of India in the year of 1961. After delinking from Goa, which attained statehood, U.T. of Daman and Diu came into existence on 30th May, 1987.

The area of Dadra & Nagar Haveli was liberated from Portuguese Rulers by people themselves on 2nd August, 1954.

Both DD&DNH were highly backward in terms of Socio-Economic Development at the time of merging with the Union of India in the year 1961. 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.



2.0 ECONOMIC & INDUSTRY PROFILE

2.1 DAMAN & DIU

Daman and Diu, a relatively young Union Territory (UT) located on the western coast of India next to the Arabian Sea, came into existence on 30 May 1987. It is the second smallest state/UT in India with an area of 112 km².

2.1.1 Daman

Daman District is situated on the western coast of India and surrounded by Valsad District of Gujarat State in North, East and South. Its length from the extreme north to south measures 11 kms and width from east to west measures 8 Kms. The altitude is 12 meters above the sea level. Daman Ganga River flowing from Nasik passes through middle of Daman District bisecting it into two parts namely, Moti Daman and Nani Daman.

Presently there are 39 industrial estates in Daman District having 3635 Industrial Units; out of which 3237 are in the Micro & Small Scale Sector, 320 in the Medium sector and 78 are in the Large sector. Out of 39 industrial estates, three Industrial estates are developed by Omnibus Industrial Development Corporation (OIDC) and the rest are developed by private developers. In the District, major Industries are Plastic, Pharmaceuticals, paper and paper products, wearing apparels and Texturizing Units.

2.1.2 Diu

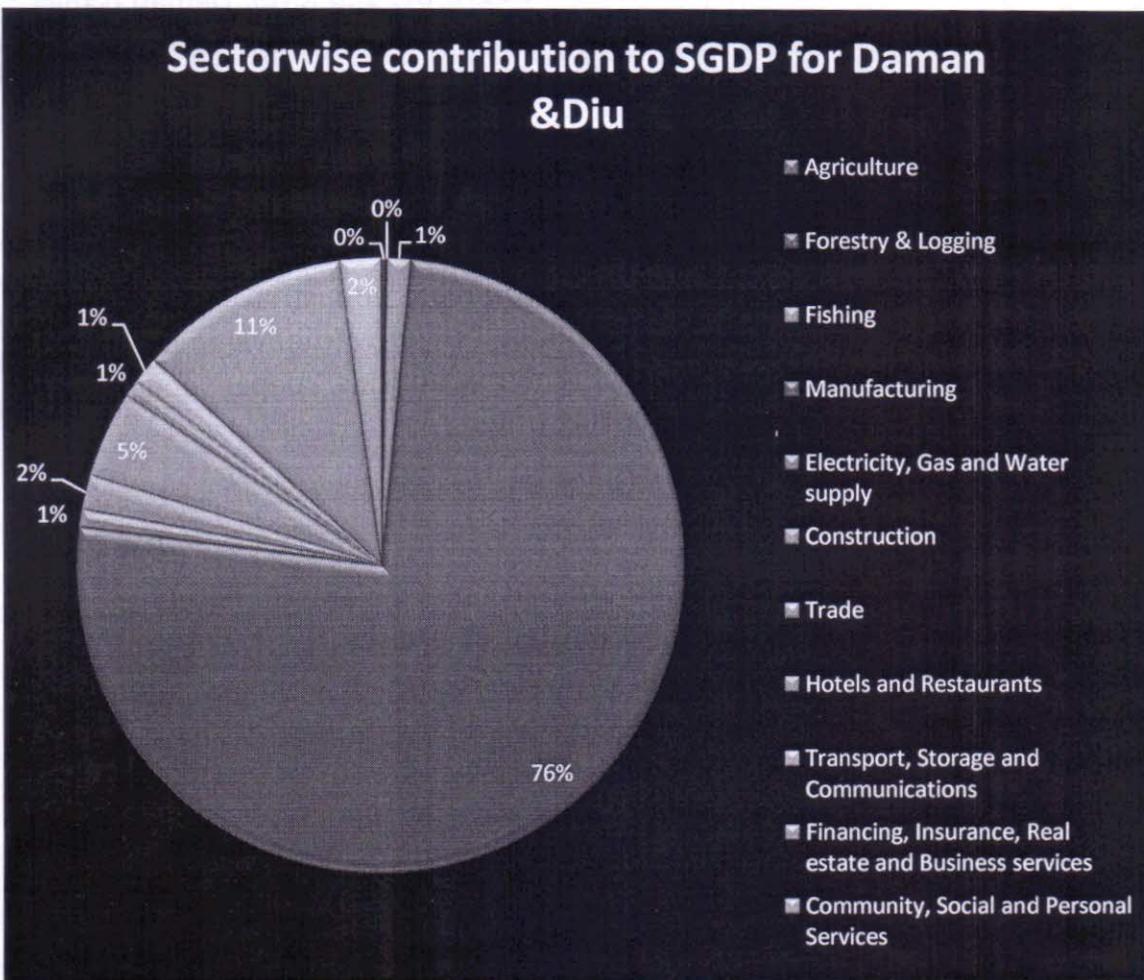
Diu District is an island on southern portion of Gujarat Peninsula and on the northern tip of Arabian Sea. It is located at a distance of 276 Km from Rajkot, Gujarat and at 92 Km from Veraval, Gujarat. It is joined with Una District of Gujarat State by two bridges over a Sea Creek. The District of Diu is about 4.6 kms long from North to South, and about 13.8 kms wide from east to west. The altitude is 6 meters above sea level. The topography is generally plain. The hillocks attain maximum height of 30 meters.

Between the fourteenth and sixteenth centuries, Diu was well known for its port and had naval bases located there. Both Daman and Diu were known for their docks and ship building yards. They were noted for their weaving and dyeing before the Portuguese period. And afterwards, they used to export Gujarat-made cotton fabrics to Mozambique in East Africa.



There is 1 industrial estate in Diu District having 18 Industrial Units and all 18 are in the Micro, Small & Medium (MSME) sector. In the district, major Industries are Soda Water, Rubber Plastic, Petrol based and Ice Block making. Diu has immense potential in areas of tourism and marine product based industries.

Gross State Domestic Product (GSDP) at factor cost of Daman and Diu is shown in Pie chart clearly reflects the growth dynamics and sectoral composition in the UT. Shares of individual sectors shows that manufacturing sector contributes the maximum of GSDP followed by financing, insurance, real estate and business services, then followed by trades, hotels and restaurants. Agriculture, forestry and logging and fisheries contribute about 1% of SGDP. Thus the manufacturing sector is the major contributor to the economy of the UT.



Source: NCEAR computations for 2012-13 in GSDP of Daman and Diu, NCEAR March, 2016

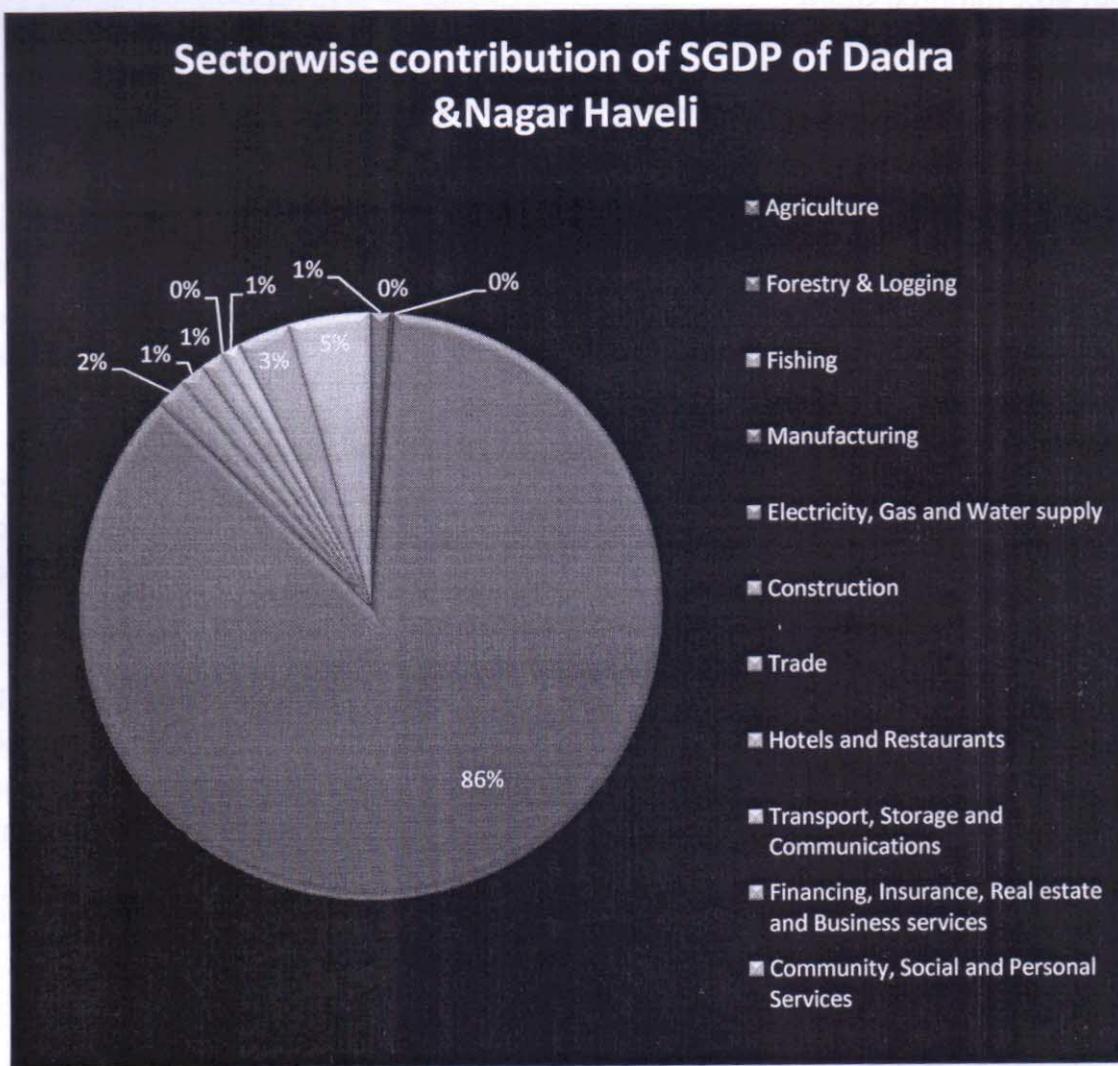
Daman and Diu is following the more traditional route of growth. Its industrial sector, specifically the manufacturing sector, is its largest sector. However some growth is noticed in the business services sector.



2.2 DADRA AND NAGAR HAVELI

The Dadra and Nagar Haveli (DNH) is having the Secretariat at Silvassa and surrounded by Valsad District of Gujarat in the north and in the south and east by Thane District of Maharashtra. The capital Silvassa is located at a distance of 166 Km from Mumbai and at distance of 135 Km from Surat.

There are 53 Industrial Estates in the UT, out of which three Industrial Estates have been developed by Government at Pipariya, Masat and Khadoli. There are 3490 Industrial Units operational; out of which 2891 are in the micro/small sector and 556 in Medium sector and 43 in Large scale sector. Plastics and plastic products is the major sector followed by Textile, paper and paper products, machinery and equipments and basic metals and in Dadra & Nagar Haveli. Together, these sectors account for majority of the gross value addition by industries in the UT.



Source: NCEAR computations for 2012-13 in GSDP of Dadra Nagar Haveli, NCEAR March, 2016

Gross State Domestic Product (GSDP) at factor cost of DNH reflects the growth trajectory and sectoral composition in the territory. The manufacturing sector contributes the maximum of SGDP followed by trade then financing, insurance, real estate and business services, then community social and personal services. The primary sector economy viz. agriculture, forestry and fisheries contribution of SGDP is negligible. Thus, the manufacturing sector is the major contributor to the economy.

The UT is having top five industrial sectors viz Textile basically yarn processing units (18%), Plastic (28%), Paper (10%), Chemical material producers basically by mixing and blending (7%) and Metal based units (6%). The UT of DNH is predominantly is a textile hub, amounting to about 70% of the nation's textile value creation. Today DNH is India's textile capital with about 40% national share.

2.3 BASIC DATA

	DNH	Daman	Diu
Area (Sq km)	491	72	40
Population	343709	191173	52074
Railway Station	Vapi - 18 km	Vapi - 13 km	Varaval - 90 km Delwada - 9 km
Airport	Surat - 137 km Mumbai - 170 km	Surat - 108 km Mumbai - 180 km	Diu - 0 Km Rajkot - 178 km
Port	Hazira - 147 km JNPT - 202 km	Hazira - 136 km JNPT - 399 km	Jafrabad - 75 km Pipavav - 89 km
Internal Roads Length	866.14 km	190 km	61.81 km
National Highway	NH 8 - 6.20 km NH 848A - 0 km	NH 8 - 14 km NH 848B - 0 km	NH 51 - 8 km NH 251 - 0 km



2.4 INVESTMENT HISTORY

The pace of Industrial development in these two territories picked up since mid-1960s. In 1971, the Government of India declared the UTs as Industrially Backward Area/District and extended cash subsidy on capital investment coupled with the benefits 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 up to 2017. However, the new Tax system of GST is implemented and it has resulted into a positive move at local level as it has led to scrapping of many local taxes or duties.

2.5 PRESENT SCENARIO OF INDUSTRY

The key sectors, which have a large presence, are Polyester and Cotton yarn (it is estimated that 80% of India's polyester yarn is made in these two UTs), Plasticizers, Papers, Petroleum byproducts such as Lubricating oils, Pharmaceuticals, Plastics, Electrical Conductors, Marble Tiles. In the Textiles sector, the Industrial units are engaged in spinning (mainly cotton and micro yarn spinning) and processing (mainly texturizing, twisting, weaving and knitting activities).

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

Over the last two decades, there has been a remarkable development in the under developed industrial areas of the UT's. The change, necessary for development, has come up 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.



3.0 COMPETITIVE ADVANTAGES AND ENABLING CONDITIONS

There are innumerable advantages for establishment and operation of industries in DD & DNH in comparison to other states and the key advantages include

Enabling Conditions

- Good law and order situation
- All villages have electricity
- All villages and towns are well connected with motorable tar roads
- Adequate availability of land, water and labour
- Uninterrupted quality power supply with one of the lowest cheap power tariff
- Peaceful labor and industrial relations
- Efficient and industry friendly administration
- Excellent transport, economic and social infrastructure & amenities
- Adequate availability of skilled/semi-skilled workforce through Polytechnics, ITIs and Colleges in all three districts

Competitive Advantages

- Centrally located in the vast industrial region of Gujarat and Maharashtra.
- Access to Port facilities at Hazira and Inland Container Depot at Umargam.
- Access to major manufacturing hubs for Polyester yarn, Integrated textiles, Electrical conductors and Optical Fibre Cable, Pharmaceuticals, Plasticizers and Lubricants, Health and personal care and Cosmetics, Plastics and Marble.
- Among the Lowest Power tariff in the region.
- Range of Fiscal incentives for industries.
- Allotment of industry clearances and licenses through open house.
No Entry gate for Industrial permissions for all - Applications can be submitted directly and simultaneously.
- All permission granting Authorities are located within 3 km of radius.
- Investment Promotion Council constituted to assist investors.
- Deemed Approval in case of delayed approval from the Authority.



4.0 KEY DRIVERS FOR INDUSTRIAL GROWTH

The region between the South of Gujarat and North of Maharashtra, starting from Ahmedabad up to Pune, is going to be the epicenter for Industrial growth and development. The region will have a number of critical infrastructure projects, which will convert the region into a magnet for attracting investments. The districts of Daman and DNH are located at the center of the region and will greatly benefit by the geographical advantage to attract investments.

The Upcoming projects that will be driving growth and industrial expansion in the the region are:

- Bullet Train (Ahmedabad – Mumbai)
- Delhi – Mumbai Industrial Corridor (DMIC)
- Dedicated Rail Freight Corridor (Dadri – JNPT Jn.)
- Mumbai – Vadodara Express Highway
- Nargol Port

4.1 BULLET TRAIN

The corridor of high speed rail passes through Naroli of DNH. The project has station at Vapi which is located just 10 km from Daman and 18 Km from Silvassa. The project will give immense boost to the UTs in terms of all round development as it will give superfast connectivity between Mumbai and Ahmedabad, in addition to Surat and Ankleshwar.

4.2 DELHI - MUMBAI INDUSTRIAL CORRIDOR

DMIC is passing just 18 km away from the border of DNH. The project will serve as magnet to the investment and will give new opportunity to local and regional entrepreneurs and a range of ancillary service providers. The DMIC will serve as a trade gateway to northern Indian market for the UT areas.

The two UTs fall well within the influence area of DMIC, which has now rapidly moved into implementation stage. The UT Administration is working to promote the DNH territory as a key node in the DMIC infrastructure architecture. DNH 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 to the Dedicated Freight Corridor. This opportunity shall be leveraged to develop a world class infrastructure for cargo movement and logistics support at Silvassa.

4.3 WESTERN DEDICATED RAIL FREIGHT CORRIDOR

The Western Dedicated Freight Corridor project is a broad gauge freight corridor under construction by the Indian Railways. It will connect India's capital, Delhi, and its economic hub, Mumbai. The corridor covers a distance of 1504 km of double line electric (2 X 25 KV) track from JNPT to Dadri via Vadodara-Ahmedabad-Palanpur-Phulera-Rewari. The Western Corridor passes through 5 states.

4.4 MUMBAI-VADODARA EXPRESSWAY

The Mumbai–Vadodara expressway is a 380 km long, controlled-access expressway between the cities of Vadodara and Mumbai covering a distance of 380 km at the expected cost of ₹44,000 crore. The expressway is part of the Golden Quadrilateral Project by NHAI. After this is constructed, the distance between Vadodara and Mumbai can be covered in less than 3 hours.

4.5 NARGOL PORT

Nargol is located just 35 km away from Silvassa and 24 km away from Daman. Nargol is amongst eight Greenfield ports being developed by Gujarat Maritime Board (GMB), the maritime regulator in Gujarat, through a consortium with an estimated investment of 4,000 crores.



5 INDUSTRIAL POLICY

The industrial sector plays a vital role in the economic development of states and regions, and does need regular reviews and updates to respond to new government measure. The existing industrial policy is being updated in view of the renewed emphasis laid by the Government of India on growth of manufacturing sector and creation of employment opportunities for the youth. The Union Government has launched several new programmes like **MAKE IN INDIA, STARTUP INDIA, STANDUP INDIA, DIGITAL INDIA, SKILL INDIA AND EASE OF DOING BUSINESS**, etc.

Accordingly, the UT Administration of Daman & Diu and Dadra & Nagar Haveli have come out with a new industrial policy to provide fresh impetus to industrial growth and employment generation in line with new policy initiatives of the Union Government. The UT administration is committed to make the Manufacturing sector the engine of growth.

5.1 VISION

Develop the UTs of Daman & Diu and Dadra & Nagar Haveli into a hub for industries, enterprises, investments and employment in the western region, and a preferred destination for travel and leisure, thereby ensuring inclusive and sustainable economic development.

5.2 MISSION

Create DD&DNH region as a valued investment destination with best-in-class infrastructure by providing an investor friendly, efficient and transparent business climate, the right resources and market linkages to make these UTs a preferred investment destination.



5.3 OBJECTIVES

The industrial policy is framed with an aim to promote vibrant industrial growth and overall economic development of DD&DNH in compatibilities with the local socioeconomic context requirements and national policies.

1. To promote sustainable and inclusive industrial growth and economic development;
2. To expand the manufacturing sector;
3. To make DD&DNH a most preferred textile, plastics, pharmaceuticals and marble hub in India;
4. To enhance the availability of skilled workforce and create more job opportunities for youth;
5. To promote DD&DNH an international destination for investment

5.4 STRATEGIES

The strategies to achieve the aims and objectives of the Policy are to

1. Catalyze economic growth in the territories and **diversifying economic activity**.
2. Emerge as a **key hub for niche manufacturing activity**.
3. Facilitate **upgradation of Skills** leading to availability of right manpower.
4. Promote **foreign investment and export led industry**.
5. Promote "**ZERO DEFECT; ZERO EFFECT**" (ZED).
6. Introduction of **environmental and sustainability practices and technologies**.
7. Specific **thrust to the service sector, especially tourism sector**.
8. Promote MSMEs through special attention and measures.
9. Create an **eco-system which nurtures innovation, enterprise, research and development**.



6.0 PRIORITY SECTORS & THRUST AREAS

In order to meet the policy objectives, the UT Administration has identified priority sectors and thrust areas for investment. The manufacturing and service sector enterprises or any other category or sector will be classified based on the criteria or guidelines issued by GOI or by the Administration from time to time. The following are the thrust areas and key approaches, which in turn would trigger the growth of the industries through sustained support, attention and care of the administration. Any investment in thrust areas will be accorded higher priority over others.

Thrust Areas are:

1. Textile Industry
2. Electronic & Electrical Manufacturing
3. IT & ITeS
4. Pharmaceutical Industry
5. Light Engineering & Allied Industry
6. Plastic
7. Packaging Industry
8. Automobile & Ancillary Sector
9. Marble & Tile Industry
10. Agro & Food Processing Industry
11. Marine Products
12. Tourism

The Administration will facilitate growth of all the Industries falling within the Thrust Area through key approaches with area specific interventions and sector specific schemes and relaxations. Preferences will be on Greenfield units and expansion of existing units with better technologies.

The industries coming up with area of operation related to any of the priority sectors will get special attention and priority. The Administration will provide all possible relaxations, support and incentives, in addition to what is available to other sectors and thrust areas, to the Greenfield units and operational units covered under priority sectors.



6.1 TEXTILE INDUSTRY

Textile industry including Yarn, Spinning and Apparel form a crucial part of the Indian economy. UTs of Daman & Diu and Dadra & Nagar Haveli are the leaders in integrated textile plants and polyester hub and contribute 80% of India's Yarn production.

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. The administration provides the following benefits in terms of assistance /subsidy for modernization, technology up gradation, expansion, etc. to promote the textile sector in the territory.

- Maximum interest subsidy @5% per annum to the maximum limit of Rs. 50 lakhs is available to Ring/Rotar/Airjet or any advanced yarn spinning, texturizing yarn, apparel/garments, machine carpeting, fabric/garment finishing and process house for a period of five years.
- Maximum interest subsidy @6% limited to a maximum of Rs. 50 lakhs per annum available to the technical textile enterprise and for a period of five years.
- Financial assistance upto 25% of the investment for technology acquisition/collaboration and upgradation with a maximum of Rs. 25 lakhs per process/product shall be provided to the enterprise

6.2 ELECTRONIC & ELECTRICAL MANUFACTURING

The districts of Daman and Silvassa are major producer in wires, cables, Optical Fiber Cable and conductors. The Administration intends to provide strong infrastructure support coupled with an investor friendly policy and a responsive and positive environment. The administration will also provide benefits to Greenfield units in terms of relaxation in FSI, subsidy / assistance, facilitation, minimal approval / licenses, etc.

6.3 IT & ITeS

The rapid growth of the Indian IT software and services industry has already positioned India on the global IT map. Leveraging our strengths in core sector, the DD&DNH now wish to expand into the IT and allied sectors. The



administration will develop world class infrastructure for the promotion and assistance to IT & ITeS business. It will also promote UTs as best business investment destination for both established players as well as startups through required benefits and facilitation.

6.4 PHARMACEUTICAL INDUSTRY

The DD&DNH are leaders in Pharmaceutical drugs and having good number of USFDA approved and Export Oriented Pharmaceutical manufacturing units. The Administration encourage pollution free industries and keeping the policy in mind, Pharmaceutical industries would be encouraged in the field of Research & Development for developing new Pharmaceutical formulations through special assistance and schemes.

6.5 LIGHT ENGINEERING AND ALLIED INDUSTRY

India plans to invest US\$ 1 Trillion in the power sector by 2030 to achieve its goal of providing 24/7 electricity to all citizens. UTs are having significant number of industries in the fields of Electrical Conductors, Optical Fiber Cable and light engineering, which are well placed to provide goods and services to this national programme.

The Administration will provide required thrust to these industries along with the introduction of other new sectors in engineering field. The Administration will help through special measures and assistance to these sectors to achieve improvement in productivity and ensure innovative, creative and quality product on demand.

6.6 PLASTIC

The DD&DNH is a leader in Plasticizers and is contributing 28% share of India's plastic production in form of household items, aerospace, medical, green houses, defense, non-conventional energy and import substitutes.

The policy aims to promote durable and quality products in the sector which will be recycled for further use. The administration will facilitate and assist for introduction of new technology, Export coverage of unit, quality of material, etc.



6.7 PACKAGING INDUSTRY

The UTs are having large number of units in paper processing, packaging and printing.

The policy visualizes additional units in these sectors due to advantage of existing environment. The administration will provide special benefits to units functioning in these sectors and for subsidiary units.

6.8 AUTOMOBILE & ANCILLARY SECTOR

Taking the advantage of nearby located Automobile hubs in Gujarat (Sanand) and Maharashtra (Pune), there is a potential for auto ancillary manufacturers to set up their units in the UTs. The UTs will be magnet to attract investments from larger units of the above neighboring states due to advantage of having lower power tariffs, less administrative hassles and geographical location along with connectivity.

6.9 MARBLE AND TILE INDUSTRY

The UT is a leader in Italian and composite marble. The luxury building material that graces the Taj Mahal is being used in many more buildings in many more ways. The markets are stable, modernization is under way, and demand is booming. A large number of Marble and Tile Industries are clocking high turnovers in this sunrise sector with huge demand and increase in production.

The Administration will provide all required infrastructure and help in terms of required assistance and incentives for growth and development of the marble and allied sector.

6.10 AGRO AND FOOD PROCESSING INDUSTRY

The policy also aims to establish direct and stronger linkages between the agriculture sector and the economic development in the UTs with an intention to develop Daman & Diu and Dadra & Nagar Haveli into a national agro hub.

The Administration intends 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. The administration will provide all necessary infrastructure, incentives and relaxation to green field units.

6.11 MARINE PRODUCTS

To provide more and improved livelihood opportunities to the population of the UTs, marine products are one of the main areas of exploration in the UT. About 1500 Trawlers and mechanized boats are engaged in the fishing in UT of Daman & Diu. The bulk of the marine catch comprises oil sardines, followed by shrimp, Indian mackerel, Bombay duck, Croakers, smaller quantities of Cephalopods, other sardines and threadfin breams.

There is huge scope for investments in packaged products, processing plants, preservation, processing and export of coastal fish for the private sector as it holds vast, untapped marine resources with a great export potential. The Administration will take an initiative for establishment of marine product based clusters and will also encourage investment in infrastructure for distribution and storage. The policy aims to facilitate the value addition of the catch.

For tapping the total fish production and promoting industrial linkage with Fisheries industry, the Administration will provide better infrastructure facilities such as Fishery Harbours, Preservation & Processing infrastructure, cold chain with insulated transport facilities for timely marketing and post-harvest value addition.

6.12 TOURISM

Tourism is a major focus in the UTs, as both 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 like Water parks & Resorts. The current tourism trend in Daman is mainly centered on the domestic tourists from the nearby towns and cities of the state of 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 is having the right environment to grow as a



tourist destination. It also has huge potential in terms of cruise/ship based tourism activities and has potential in the sectors of tent & resort based eco-tourism activities. 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.

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 Madhuban Dam. The DNH has hidden potential in terms of resort and theme based attractions.

The administration aims to boost the investment in the sector and to increase the footfall steadily through promotions, concessions and subsidies to hotels, training institutes, and other businesses in the tourism industry.

6.13 SPECIAL FOCUS ON MSME

The Micro, Small & Medium Enterprise (MSME) sector has the potential to spread industrial growth across the country and can be a major partner in the process of inclusive growth. UTs are having 5882 established enterprises in MSMEs providing employment to more than 1 Lakh persons.

The Administration will assist the MSME in entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario. The Administration will continue to encourage the MSME Sector in all the priority sectors through special and exclusive benefits and fast clearances by way of minimal procedural formalities and fast clearances. To boost up the MSMEs in DD&DNH the administration provides

- Capital Investment Subsidy @10% of investment made in plant and machineries with an upper ceiling of Rs. 25 lakhs
- Interest Subsidy @5% with an upper ceiling of Rs. 30 lakhs per annum for loans taken from financial institutions for a period of 5 years
- Support to get quality certification to introduce quality products in competitive markets: 50% of the capital cost for installing Enterprise Resource Planning (ERP) systems subject to a maximum of Rs. 50,000.00,



50 % of all charges including consultancy fee upto a maximum amount of Rs. 50,000.00 paid for obtaining ISO certification and 50% of all charges upto a maximum of Rs. 5 lakhs paid for a paid for obtaining certification for ISI/WHO-GMP/Hallmark certification and other national and international certification approved by the Quality Council of India and IPC, DD & DNH.

- 75% cost of energy/water audit conducted by a recognised institution/consultant subject to maximum of Rs. 50,000 will be reimbursed once during the operative period of scheme.
- 25% of cost of the equipment recommended by the auditing authority subject to a maximum of 20 lakhs as one time assistance will be provided during the operative period of the scheme towards assistance of saving in consumption of Energy and Water.

6.13.1 MSME AWARDS

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



7. ENABLING ACTIONS AND CROSCUTTING STRATEGIES

The Priority Sectors of Industry, Thrust Areas for development and Special Focus Units will be developed, facilitated and promoted through some of the following indicative measures stated below but not limited to it.



7.1 LAND POOLING AND EFFICIENT LAND USE

The Administration will focus on the land related issues with the following measures:

- To facilitate development of new Industrial Areas.
- To encourage clustering and agglomeration based approach for industrial development and avoid sporadic unplanned industrial development.
- To allow land pooling to Greenfield Estates.
- To relax FSI norms and building norms for sectors of industries.
- To auction vacant plots or lands in government estates as per policy.
- To provide Incentives and additional benefits in land usage and building permissions to Green Field Units or Estates or units in Priority Sectors.



7.2 INDUSTRIAL ESTATE AND INFRASTRUCTURE

The Administration is committed in augmenting the infrastructure development which will facilitate increase in competitiveness of industries in the region. The following are some of the measures to strengthen and develop infrastructure:

- To provide the road connectivity to the nearest National Highway in partnership with NHAI, State Government of Gujarat and Maharashtra which would make cargo movement more efficient and seamless through specific measures like expansion of existing roads, over bridges over road and rail.
- To develop new roads or ring roads in the region to provide hassle free internal movement.
- To develop the specific area or region looking into the layout and benefits from DMIC, Bullet Train, DRF Corridor, Expressway, etc.
- To develop the infrastructure within and nearby industrial estates in terms of roads, water distribution network, waste disposal, PNG network, etc.
- To provide Water supply through Madhuban Dam to Daman & DNH and through canal network of Sardar Sarovar to Diu.

7.2.1 INDUSTRIAL ESTATES DEVELOPMENT AND UPGRADATION OF FACILITIES

The Administration strives to promote industrial estates with excellent infrastructure and facilities to the employees. Assistance will be considered upto 50% of the project cost or Rs. 20 crore per project whichever is less for common infrastructural facilities which may be required in an industrial estate, industry clusters, or industrial area and/or linked infrastructure, last mile connectivity for industrial estate/cluster/area including upgradation of the infrastructure facilities and setting up of convention centre, Exhibition centre, and infrastructure development of SIRs, clusters, large industrial estates/upcoming industrial estates/areas.

7.3 POWER

The administration will take care of all of the power requirements of Industrial units by working towards a multi-pronged strategy. The strategy will be to procure power through short term and mid-term Power Purchase Agreements and by providing special benefits to the units using power through renewable sources of energy. The administration will also reward the units



using advanced and new technology for reduction in power consumption. Augmentation of substation capacities in both territories is being undertaken in a phased manner so that additional industrial power 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 power projects in the area of renewable sources are being implemented and welcomed for this purpose through additional incentives and benefits.

Power on demand and uninterrupted power supply is assured.

7.4 EASE OF DOING BUSINESS

The Administration is committed to minimum regulatory compliances with regard to labour, building/construction, PCC, electricity and tax related compliances. The following are some of the initiatives taken in this regard:

- Simplified clearing mechanism, checklists and procedures
- Single point clearance of new investment in DD&DNH by Investment promotion Council
- Single Window Investor Friendly Time Bound System for all permissions (SWIFT)
- Self-certification for all permissions
- Common Compliance for all labour laws
- Third party certification for boilers
- Replacement of NOC by self-Declaration
- 15 years of consent and operate permission for white and green category industries
- Time bound process of applications for consent to establish, consent to operate and consent to renewal for various categories of Industries
- Need based inspections
- Delivery of services in a specific time frame by various departments in DD & DNH under e-governance plan “**Samay Sudhini Seva**”
- Acceptance of Self-declaration and third-party reports for approvals.
- Online uploading of inspection reports, approvals and permissions.
- Deemed approval from the Agency/DIC, if permission/clearance/license is delayed, without sufficient reasons, from the date fixed.
- Review Mechanism for rejected cases of licenses, clearances, etc.
- Simple and single common application form.
- Minimum inspection.
- Use of technology and other measures to simplify regulatory compliances.



7.5 WOMEN ENTREPRENEURSHIP

The UT Administration of DD&DNH recognizes the importance of women entrepreneurship and economic participation and strives to bring them in the forefront by providing access to loans, markets, networking and trainings to upgrade their skills in various sectors of the economy.

The UT Administration will facilitate and provide special and additional incentives to women Entrepreneurs. Specific training course will also be introduced. Measures to encourage women participation would include additional components in subsidy schemes and preference in Industrial plot allotment.

7.6 SKILL DEVELOPMENT

The Administration provides funding support to any autonomous institution specialised in skilled manpower development in the territory will be provided with 25% assistance with a ceiling of Rs. 1 crore of the project cost covering with capital investment in building, equipment, and machineries, electrification, furniture excluding the land cost required for setting up the facilities.

The policy further recognizes the need to provide trained man power to industries and therefore the administration will focus on enhancement of skills with the right infrastructure and orientation as per the requirements of local industry. The initiatives will be to develop and expand existing institutions of ITIs, Polytechnics, Colleges and other institutes.

7.7 EMPLOYMENT GENERATION

The UT Administration will provide separate & specific payroll incentives for the development of labour intensive industries. Additional payroll incentives will be given to women employees.

7.8 STARTUP/INNOVATION/INCUBATION

Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.

The Administration currently provides 50% cost of expenditure incurred subject to a maximum of Rs. 25 lakhs for obtaining patent registration for the developed product in MSME to promote innovation in the territory.



The UT Administration will focus on the key parameters viz. Startup policy and Implementation, Incubation support, seed funding support, funding support, simplified regulations, ease of public procurement and awareness and outreach to help the local entrepreneurs, motivate the people to take up entrepreneurship as a profession thereby enrich the Startup Ecosystem in DD&DNH. A separate Startup policy for DD&DNH will be unveiled by establishing a Business Incubation Centre with the support and involvement of a leading professional institution to make DD&DNH a Startup hub.

7.9 ENGAGING YOUTH

The policy strives to improve the employment potential and opportunities for the youth in DD&DNH particularly in the manufacturing sector. To promote employment opportunities to the local youth the Administration of DD&DNH provides one time recruitment incentive of Rs. 3 lakhs per 20 local people recruited who have the domicile/resident certificate of DD&DNH and ordinary resident since 10 years and a maximum of Rs. 15 lakhs to the MSME industries.

The Administration will also develop comprehensive database of students to facilitate employment of Youth along with the establishment of Employment facilitation centers.

7.10 IMPLEMENTATION OF GOI's INITIATIVES

The Administration will take lead in implementation of GOI's schemes or programmes like **MAKE IN INDIA**, **STAND UP INDIA**, **STRAT UP INDIA** and **SKILL MISSION** through series of steps and support policies & schemes to achieve the results and targets. The Administration will take extra efforts to make successful **ZED** of GOI by way of support and facilitation to MSMEs and will also provide additional incentive for units achieving Gold, Diamond and Platinum ZED rating, installing renewable power source and adopting environment friendly technology.

7.11 ADDITIONAL INCENTIVES TO EOI UNITS

The Administration will provide additional incentives, to units having minimum fifty percentage of production catering to foreign markets, in terms of financial assistance and subsidies.



8. POLICY IMPLEMENTATION AND GOING FORWARD

The Administration will come up with detailed and comprehensive schemes to implement the stated objectives of this policy to make it a reality. In some of the sectors like Tourism and IT, a separate policy will also be framed to achieve and facilitate investments in targeted sectors.

Since requirements of industrial growth keep changing, there may be a need to review the working of the policy at regular intervals by reviewing the schemes or guidelines to fine tune its implementation as per changing requirements. The review of the policy and requirement of Industry will also be looked after from time to time by Industrial Promotion Council and District Industries Center.

The UT Administration will be undertaking several measures to advance the formulation and implementation of the new industrial policy, including investment summits, industry events, start up and entrepreneurship programmes, special partnerships, and other promotional activities.

