

THE UTTAR PRADESH STATE LAW COMMISSION
FOURTEENTH REPORT- 2012

ON

THE UTTAR PRADESH SINGLE TABLE CLEARANCE BIL, 2012

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INDEX

CHAPTER	PAGES
1. Introduction	1-6
2. The Uttar Pradesh Industrial policy-1998	7-43
3. Implementation of “single Table System- Under one Roof”	44-54
4. The Industrial and service Sector investment policy 2004	55-100
5. Web Based Single Table System	101-106
6. Udyog Bandhu	107-109
7. Nivesh Mitra	110
8. The single Window Concept Under United Nations Economic Commission for Europe	111-115
9. Development of a Single Window System in Japan	116-124
10. Causes For Performance Hindrance	125-127
11. Conclusion and Recommendations	128-145

Model Bill Annexure-1

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**CHAPTER-I
INTRODUCTION**

1.1 It been experienced that inspire of rich natural resources, favorable climatic conditions, fertile land, adequate human resources, wide-network of road, railway and air transport & etc. and unlimited potential of development, desired industrial development has not taken place in Uttar Pradesh. One reason of this has been the absence of permanent, stable and clear procedures and excessive time being taken by various departments in granting approvals etc. required for setting up of industries.

1.2 The simplicity of procedures for establishing a new Industrial unit is an important component of Industrial Promotion. The feasibility of new enterprises is greatly affected by the transaction time and transaction cost of per-operatives. Complexity of procedures invariably contributes to an unnecessary increase in both Now, the time has come to ensure the simplification of all rules, procedures and practices related to industry to attract greater investment into the State Continuous efforts also to be made by the State to ensure that the entire administrative and bureaucratic system of the State is synchronized with the current economic thinking and is able to reflect the aspirations of Industry. For this some mechanism has to be evolved so these things are observed in Uninterrupted manner. It means that related laws, rules and procedures should be made in such a manner so are followed any interruption, as industrial growth is a continuous process for development of State in all spheres particularly economic growth and employment generation.

1.3 In this age/ era of liberalization, globalization and fierce competition entrepreneurs invest in those States, where they get comparatively better facilities. Under such circumstances, if approvals from State government to industrial unit are delayed, then it will most certainly affect the investment adversely. So it is incumbent on the administration that acting positively all the NOCs/ approvals are provided in a time bound manner.

1.4 With a view to cutting down on redtops in the State, the State Government has to decide to formulate a Single Table Clearance Act while many other states have already enacted such Act to promote Single Window Clearance System. Attracting investments in the State is one problem and to streamline the investment and projects is an other problem for the State for which suitable legislation is necessary because the main objective will be to carry out measures for reduction in time, cost and procedures for the projects which are in the pipeline.

1.5 In 2005 The Recommendations and Guidelines on establishing a Single Window, United Nations Economic Commission for Europe (UN/ CEFACT) Recommendation 33, was published. The recommendation defines a Single Window as **“a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export and transit- related regulatory requirements, if information is electronic, then individual data elements should only be submitted once.”**

1.6 In Uttar Pradesh reform measures in the industrial sector started with the announcement of the Industrial Policy, 1998. The policy aimed at accelerating industrial growth by attracting a steady stream of investment by creating a congenial investment climate. As 90 percent of the industrial sector is made up of Small Scale industries the major policy shifts in the State’s policy are directed towards this sector only. Emphasis is placed on attracting private investment in software, hardware and telecommunications. The private sector Would be encouraged to set technology parks and other infrastructure. It offers a varying investment subsidy, depending upon the amount of investment and employment generation, and other incentives.

1.7 In order to create a facilitative environment for rapid industrial development and to allow the entrepreneurs to concentrate their fullest attention on productive activities, “Single Table System- Under One Roof” for industrial clearances and approvals has been provided for, under Industrial Policy- 1998 by the Uttar Pradesh Government.

1.8 The objective of the “ Single Table System-Under One Roof” is to ensure the grant all approvals, sanctions, no-objections, licenses etc., required from various departments for setting up industries, under “one roof” rapidly and

without any delay in a centralized and time bound manner so that entrepreneurs may be relieved the difficulties of running to various departments for the same. In order to facilitate, simplify/rationalize and to provide congenial industrial environment for establishment of industries in State, it is necessary that entrepreneurs and investors are provided with all the pertinent approvals/NOCs/registration/license etc under ‘one roof’ rapidly and without any delay. To achieve this objective of providing SINGLE TABLE SYSTEM, State Government has issued a Go no 1839/77-6-98 dated December 14, 1998 & thereafter Go no 668, dated March 30, 1999. It has also been provisioned under these directions that an entrepreneur/investor/industrial unit can submit application to the General Manager of the concerned District Industries Centre from every Monday to Thursday and it will be duty/responsibility of the related department to ensure time bound approval/action on such applications. This System has not been entirely successful.

1.9 Therefore, to synchronize the prevailing policy framework with contemporary international economic thinking, the State Government has announced New Industrial Development and Service Sector Investment policy 2004.

1.10 In spite of the provisions for “Single Table System-Under One Roof” under U.P. Industrial Policy – 1998 (See Chapter-II) and the Industrial and Service Sector Policy- 2004 (See Chapter-IV) and issuing of G.Os dated 14-12-1998 (See Chapter-III) and dated 14-08-2006 (See Chapter-V) by the State Government for implementation of Single Table System – Under One Roof and to make Single Table System entrepreneur friendly and “ Web-enabled” for the speedy sanction/processing of Approvals /N.O. Cs/ Certificates or Licenses etc. for establishing industries in the State, and specific provisions for enactment of legislation on the lines of Andhra Pradesh and Karnataka to make Single Window System effective Para 5.2.2 of the Industrial and Service Sector Investment Policy -2004, so far, no such legislation has been enacted by the State to maintain stability certainty and permanency in industrial growth for development of the State.

1.11 The U.P. State Law Commission is of the view that a State Legislation on Single Table clearance be enacted by the Legislature of State, with a view to

cutting down on redtapism in the State and to carry out measures for reduction in time cost and procedure for the projects which are in the pipeline like other many States.

1.12 Therefore, the U.P. State law Commission has decided to take up the matter Suo - moto to give a practical shape to the provisions of Para 5.2.2 of the Industrial and Service Sector Investment Policy -2004, and to submit a Report with Model Draft Bill on the subject titled **“The Uttar Pradesh Single Table Clearance Bill, 2012”**, to the State Government.

1.13 To deal with the various issues related to the proposed legislation on the Single Table Clearance Bill various meetings of the Commission were held at its Head Quarter as well as its Camp Office at Allahabad. There was major consensus among the Members of the Commission and other participants of the meetings that in order to facilitate, simplify/rationalize and to provide congenial industrial environment for establishment of industries in State it is necessary that entrepreneurs and investors are provided with all the pertinent approvals/NOCs/ registration/license etc under ‘one roof’ rapidly and without any delay and to maintain stability, certainty and permanency in the Industrial Policy a suitable legislation is highly required for the State.

1.14 As an out come of the decision at various meetings of the Commission and suggestion made therein a draft-report with a Model Draft Bill titled **“The Uttar Pradesh Single Table Clearance Bill, 2012”**, was prepared by Sri Ishwar Dayal, Full time Member of Commission in consultation with the Chairman of the Commission, thereafter it was circulated to all the Members of the Commission and their views invited thereon. The views so received was finely discussed at a meeting of the Commission held on April 27, 2012.

1.15 The Commission is of the opinion that Legislature of State should enact a legislation titled **“The Uttar Pradesh Single Table Clearance Bill, 2012”**, in terms of accompanying **Draft Bill Annexure-1** The Single Table Clearance Bill is aimed at to encourage investment in Uttar Pradesh by helping the investors with any clearance related hassles and paper work. It will cut down the redtapism which will ultimately attract the investors in the State.

1.16 The **Proposed Bill (Annexure-1) among other things** provides for the following, namely:-

1.16.1 Constitution of State High Level Single Table Clearance Committee under the Chairmanship of the Chief Minister, State Level Single Table Clearance Committee under the Chairmanship of the Chief Secretary and District Level Single Table Clearance Committee under the Chairmanship of District Magistrate/Collector.

1.16.2 The investments exceeding three hundred corer rupees could be cleared at the State high level Clearance Committee Chaired by the Chief Minister, the investments exceeding fifty corer rupees and up to three hundred corer rupees could be Cleared by the State level Clearance Committee Chaired by the Chief Secretary and the investment up to fifty corer rupees could be cleared by the District Level Clearance Committee Chaired by the District Magistrate/Collector, within the fixed time limit.

1.16.3 The State High Level Committee shall meet at least once in every month. It may call for, examine and review the orders passed by the State Level Committee and District Level Committee Suo- moto or on any complaint. State Level Committee may also call for, examine and review the orders passed by the District Level Committee Suo- moto on any complaint.

1.16.4 It also provides appointments of Nodal Agencies by the State Government at State level and District level for the proper functioning and working of the different clearance committees. Among other functions, State Level Nodal Agency shall provide secretarial and other support services to State High Level Single Table Clearance Committee, while District Level Nodal Agency Shall provide secretarial and other support services to District Level Single Table Clearance Committee.

1.16.5 Proposed bill further provides Combined Application Form for the use of entrepreneur in lieu of existing forms prescribed under various laws, which will be filled online and its printout dully singed will be submitted with the Nodal Agency. Facilitating entrepreneurs by furnishing a self certification and an undertaking with an affidavit at the time of submitting the combined application form to the Nodal Agency time limit for processing and disposal of

Application by the competent authority shall be fixed. Inspections of industrial units by various authorities shall be investment shall be rationalized. Deemed approval shall be provided if clearance is not issued within the stipulated time limit and in such cases concerned official (s) of such department or authority shall be accountable for such default and in such cases disciplinary action shall be taken against such official(s).

1.16.6 It provides penalty for entrepreneurs to fail to comply with the conditions or undertaking and furnishing fall information in the self certification.

1.16.7 It also provides that any entrepreneur aggrieved by the decision of, the State Level Clearance Committee, May appeal to the State High Level Clearance Committee and District Level Clearance Committee, may appeal to the State Level Clearance Committee.

1.17 This report has been finally settled, approved and signed by the Chairperson and Members of the Commission at its meetings held on May 08, 2012.

1.18 We acknowledge the valuable services and assistance rendered by the staff and officials of the Commission.

CHAPTER-II

THE UTTAR PRADESH INDUSTRIAL POLICY- 1998

2.1 In Uttar Pradesh reform measures in the industrial sector started with the announcement of the Industrial policy, 1998. The policy aimed at accelerating industrial growth by attracting a steady stream of investment by creating a congenial investment climate. As 90 percent of the industrial sector is made up of Small Scale industries the major policy shifts in the State's policy are directed towards this sector only. Emphasis is placed on attracting private investment in software, hardware and telecommunications. The private sector would be encouraged to set up technology parks and other infrastructure. It offers a varying investment subsidy, depending upon the amount of investment and employment generation and other incentives.

2.2 For ready reference Uttar Pradesh Industrial policy- 1998 is being reproduced as under:

2.3 PREAMBLE

2.3.1 Uttar Pradesh, the most populous Indian State encompassing 9% of the country's area is endowed with rich natural resources, salubrious climate and fertile agro-climatic conditions. It presents a unique blend of tradition with modernity. Uttar Pradesh has an agro-based economy, which employs 70% of the total work-force, and contributes around 45% to the State's domestic products. It is the leading producer in the country of a large number of agriculture products and raw materials. There is no dearth of land and water for industrial use. The State is rich in mineral and cattle wealth and technical and non-technical human resources are also available in sufficient quantity. The State is served by a large network of road and rail transport and several centres have developed air transport facility. A vast market for industrial produce is also available. Continuous efforts have been made towards industrialization of the State. However, Industrial Sector contributes only 20 per cent of the Net State Domestic product and its share in the employment is only 8 % of the total work force. The rate of growth of Industry in the recent past, has varied between 2% to 6% annually. It is generally recognized that industrialization at a rapid rate along with the agriculture growth must be the.

main engine of growth of the economy of the State in order to reduce un-employment and to eradicate poverty.

2.3.2 The Industrial policy, 1998 aims at tapping the unlimited potential of the State. In concrete terms the Industrial Policy, 1998 seeks to facilitate achievement of the following targets by the year 2003:

2.4 Target

1. Increase in employment in Industrial and Allied Sector from the present level of 8 to 15%;
2. 10 to 12% annual rate of growth in the Industrial Sector.
3. Raise the share of industry in the Net State Domestic Product from the existing 20% to 25% The State will create industry oriented and investor friendly environment at all levels to achieve the above said targets.

2.5 STRATEGY:

2.5.1 Private Participation : The State will actively promote the participation of the private Sector in the industrial and economic growth of the State The State accepts its role in nurturing private economic activity and entrepreneur-ship It recognizes generation of wealth in the private sector as necessary for the overall prosperity of the State. It will, therefore, endeavor to forge a meaningful partnership with industry in policy formulation and its actual execution and implementation.

2.6 Balanced development of Tiny, Small & Heavy Sector

Small and Tiny Sectors play an important role in creating larger number of employment opportunities and provide a wide range of goods and services. Therefore, the State shall create conditions for a balanced and harmonious growth of all segments of the Industrial Sector such as Heavy, Medium, Small and Tiny Sectors.

2.7 Strengthening of traditional Industries

Traditional industries have thrived in the State for centuries and along with varied cottage industries have been the backbone of the State's economy. They will be strengthened, augmented and made competitive in terms of quality, technology, design, packaging and marketing.

2.8 Promotion of Exports

Exports are not only vital to the national economy, but they serve to significantly enhance the professionalization of local industry and the competitiveness of its products. A facilitative atmosphere will be provided for the promotion of exports from the State and to enhance the competitiveness of exportable products.

2.9 Woo NRI Investments

There is a tremendous potential for NRI investments in the State. Through their entrepreneurial skills and abilities, Indians, specially residents of Uttar Pradesh and the neighboring States, have made a mark in every field of human activity abroad. The State shall create an attractive environment for them to invest in the State. Procedures and systems shall be so modified as to facilitate their investment.

2.10 Attract Foreign Investments

Foreign Investment is necessary for projects requiring large investments like power, roads, bridges etc. The State shall attract foreign direct investment and create circumstances where Uttar Pradesh becomes the leading State in the country for foreign investments.

2.11 Assured security of life & property

In order to achieve the overall objectives of the New Industrial Policy, 1998, the State shall ensure creation of an atmosphere of security to develop confidence in the entrepreneurs. Law & Order machinery will be toned up in a way to be responsive to the needs of industry. Uttar Pradesh has suffered from a stereo-typed image over the last many years as an insecure State. Facts speak otherwise. The data published by the \u2018 National Crime Records Bureau\u2019, authentically establishes, that in terms of rate of crime, Uttar Pradesh is one of the better States of the county. This is at variance to the popular myth that has been in circulation. The State assures security of life & property to its entire population in general and those engaged in productive economic activities in particular. Nodal Policy Officers have been appointed in all districts to attend to the law & order needs of industry. A \u2018special-Task-Force\u2019 has been constituted to effectively check the activities of identified.

criminals. Decision has been taken to organize \u2018 Tripartite-Meetings\u2019 between Magistracy, policy and Industry at the district level to address all the problems related law & order at the cutting-edge itself.

2.12 Recognition of the role of service sector

2.12.1 Over the years the tertiary sector has emerged as an important avenue of employment and economic activity its critical role as Service Industry has to be recognized for faster economic development and reduction of pressure on land. The State shall create an environment conducive to rapid development of this Sector free from unnecessary regulation. Interaction with Industry.

2.12.2 It is appreciated that the process of industrialization of the State should be a synergic effort of industry and Government. Governmental attitudes will change so as to form a facilitative role. Industry will be consulted and involved in the formulation and implementation of policy to the extent that industry will play the major role in determining the parameters of industrialization.

2.13 Formulation of Industry specific Tailor Made Packages

In order to respond to the needs, specific segments of industry, tailor made support package will be evolved on a continuing basis in consultation with the industry itself. The State shall also develop a package of incentives and support services to be extended for development of entrepreneurship in selected sectors, particularly in rural areas. Traditional industries and crafts will be supported and strengthened by provision of inputs to enhance their viability and competitiveness.

2.14 Review of Tax Structure

The State shall also continuously review and revamp, wherever necessary, the entire tax structure so that it reflects the requirement and expectations of industry.

2.15 Preservation of Environment and Cultural Heritage

Emphasis shall be laid on promotion of such industrialization which not only preserves the environment and cultural heritage of the State but also revitalizes and forcefully reinforces it.

2.16 Revitalization of existing Investments to make them productive

Uttar Pradesh is one of the leading States in terms of existing investments in Industry. However, a number of Industrial units specially in the small sector are facing several difficulties which have impacted adversely on their viability. The State recognizes the need to revitalise them so that the existing investments in them could be made productive once again. The State shall assist existing industries to not only remain competitive but also grow and expand. The vibrancy of the existing industries is the best way to attract fresh investments.

2.17 U.P gradation of Technical Entrepreneurial skills

In order to develop a culture of entrepreneurship special emphasis will be laid on the upgradation of technical skills and entrepreneurial tools.

2.18 Infrastructure

2. 18.1 Infrastructure plays an extremely important part in industrialisation. High quality infrastructure provides competitive edge to industry in more than one ways. On the one hand, it increases the productivity of capital and on the other; it reduces the cost of production and marketing. Hence in the current process of liberalisation and globalisation, the availability of top quality of infrastructure facilities, has become the most decisive factor in determining the location of industries and the extent of investments.

2. 18.2 Inadequate attention to the creation of infrastructural facilities in the past can be said to be a crucial impediment in the efforts of the State to realize its full economic and industrial potential with which it is abundantly endowed. It is imperative that major impediment should be removed and conditions be created for better realisation of the State's potential.

2.18.3 Highest priority will now be provided by the State to the creation of high quality infrastructural facilities. The speed with which decision have been

taken and implemented, even to the extent of amending existing laws, to facilitate the construction of NOIDA Toll Bridge, between NOIDA and Delhi, demonstrates the importance that the State attaches to infrastructure projects.

2.18.4 Land, Power, Telecommunication, Air and Road transport are the most important components of Infrastructure. The State adopt dynamic policies and will take positive initiatives to create an investor friendly environment in the Infrastructure Sector.

2.19 The Policy of the State in the Infrastructure Sector will be based on the following three pillars:

Three Pronged Strategy

1. Development of Infrastructure through Private Sector participation.
2. Comprehensive and rapid development of selected Geographical Corridors with high quality infrastructural facilities.
3. Up-gradation of existing Infrastructural facilities.

2.20 INFRASTRUCTURE INITIATIVE FUND:

2.20.1 Private Sector Participation in Major Infrastructure

The size of investments and long gestation periods of infrastructure related projects, have been a major bottle neck, in the privatisation of infrastructure. Projects, through Infrastructure Initiative Fund to associate Multilateral Agencies and International Financial Institutions Inadequate and incorrect assessment of commercial viability and wrong formulation of these projects have inhibited the private Sector from investing in them. The State has decided to set up an Infrastructure Initiative Fund to address this issue effectively, and to facilitate the participation of the private Sector in major infrastructure projects, The Infrastructure Initiative Fund will engage the services of experts agencies for examination of feasibility, formulation of major projects such as Express Highways, Bridges, Airports. And power Stations, determination of concessions and selection of promoters. Special Purpose Vehicles will be established for the implementation of selected projects through the mechanism of Infrastructure Initiative Fund. Multilateral Agencies and International Financial Institutions will be associated with the infrastructure development of the State through participation, in this Initiative Fund which will also use international expertise and know-how for the development of the State.

2.21 Cabinet Committee to act as apex body for Infrastructure related projects

2.21.1 To secure expeditious decision making in regard to Infrastructure related projects, the Cabinet Committee on Economic Development under the Chairmanship of the Chief Minister will act as the apex body for Policymaking.

2.21.2 Working Group under Chief Secretary to provide preliminary clearances
The Working Group on Economic Development constituted under the chairmanship of Chief Secretary, will provide all the preliminary clearances and approvals for infrastructure related projects. This Group will obtain the approval of the Cabinet Committee where ever necessary. For this purpose it will act as the secretariat of the Cabinet Committee for Economic Development.

2.22 DEVELOPMENT OF GEOGRAPHICAL NODES/ INDUSTRIAL CORRIDORS

2.22.1 Concentrated and accelerated development of specific geographic location as industrial corridors While the State is committed to the balanced development of all the region of the State, it has become necessary to develop certain specific locations for the full realization of their industrial potential In this context, the State will develop Industrial Corridors in the various regions of the State in a phased manner. In the first phase, these Industrial corridors will be as follows:

1. NOIDA-Greater NOIDA Ghaziabad Gautam Buddha Nagar.
2. Meerut- Moradabad.
3. Agra- Aligarh- Firozabad - kannauj (Bulandshahr)-Kosi (Mathura).
4. Lucknow-Kanpur.
5. Allahabad-Bhadohi-Varanasi- Mirzapur.
6. Gorakhpur- Basti-Deoria.
7. Jhansi-Lalitpur.

2.23 Corridors to develop as Areas of Excellence

These corridors will be developed as areas of excellence with high quality Industrial and social Infrastructure so that, the already existing industrial potential of these areas can be forcefully highlighted to attract greater

investments. These corridors will also facilitate planned and optimal utilisation of State's resources.

2.24 UPGRADATION OF EXISTING INFRASTRUCTURE

2.24.1 Infrastructure Mapping

Highest priority will also be given to the up-gradation of the existing Industrial Infrastructure. In the first stage a detailed infrastructure mapping will be carried out to evaluate the status of existing infrastructure facilities. On the basis of this mapping, gaps and inadequacies in the existing infrastructure will be identified and an Action plan will be formulated for their expeditious removal.

2.25 Restructuring of UPSIDC

The UPSIDC will be suitably restructured to improve the maintenance of the existing Industrial Areas. The owners of the Units situated within the Industrial areas will be closely associated with the maintenance of these Industrial Areas. Where ever it is commercially viable, the maintenance of Industrial Areas will be privatized.

2.26 Industrial Co- operative Societies for maintenance of Industrial Estates

Industrial Co- operative Societies will be constituted and associated with the maintenance of Industrial Estates working under the control of Directorate of Industries. The Government will supplement the contributions made by these industrial Co-operative Societies up to a ceiling of Rs. 10 lacs.

2.27 All future Industrial Areas to be developed as integrated Industrial Townships

In view of the remarkable success of NOIDA and Greater NOIDA as Integrated industrial Townships, this model will be extended to other parts of the State. All future Industrial Areas will be developed as Industrial Integrated Townships, with superior quality social and economic infrastructural facilities like roads, power, water supply, drainage, residential, educational and health facilities. Private Sector participation in the development of such areas will be encouraged.

2.28 Special Industrial To promote Agro-based and Food Processing Industries, Areas for Promotion of Agro based and Food Processing Industries

Special Industrial Areas will be developed in the vicinity of major Mandis of the State. This will help to overcome the problems arising out of inadequacy of storage and transportation infrastructure, while making available other common facilities. Priority will be accorded to setting up of Cool Chains in the private Sector to fulfill the needs of the agro-based industry. The State will provide active co-operation in project formulation and financing of these, through the State Financial Institutions.

2.29 Up gradation of Infrastructure in major exporting areas

Internationally competitive Infrastructural facilities will also be developed in the major Exporting areas of the State. Infrastructure development related funds of the Government of India and other agencies will be optimally utilised in conjunction with the State resources to achieve this objective.

2.30 POWER

2.30.1 Hour Uninterrupted power supply:

Continuous and high quality power supply is extremely important for the development of industries. Due to shortage of power in the State, it's availability to industrial units has been uncertain in the past. The State will take strong measures to increase the Generation of Power and ensure its continuous availability to the industry. Highest priority will be given to the implementation of those Power projects for which MOUs and PPAs have already been signed.

2.30.2 24 hours continuous power supply to all industrial areas, industries above Rs. 50 Crores, EOUs and Agro based and Food Processing Industries with investment above Rs. 10 Crores

The State will ensure 24 hour uninterrupted supply of power to the industries situated in the Industrial Areas. All such Industrial Areas as receive power supply from 132 KVA transmission systems will be exempted from all forms of roistering unless required in the interest of the grid. To achieve, this the entire

transmission and distribution system related to such industrial areas will be upgraded. All Export Oriented Units and other industries with an investment of more than Rs. 50 crores which are situated outside the Industrial Areas, will also be provided continuous power supply through dedicated feeders. This facility will also be provided to Electronic, Agro-based and Food processing industrial units with an investment of Rs. 10 crores.

2.30.3 Feeders with 75% industrial load to be declared as industrial feeders and exempted from all power cuts.

All feeders, which have more than 75 per cent industrial connected load will be treated as industrial feeders and will be exempted from roistering. The UPSEB will make arrangements for the separation of all connections of other categories from such feeders. No tapping from dedicated feeders, set up at the cost of Industry itself, will be allowed, except in cases, where the concerned industry enters into voluntary agreement with any other Industrial Unit, giving permission for tapping.

2.30.4 CONCESSIONS IN POWER RATES:

2.30.4.1 Special Concessions for Industries drawing power from primary system

Industrial consumers, who draw electricity from the primary transmission system, will be provided a rebate on power tariff. The rate of rebate will be higher than that admissible at present. However, this facility will be made available only if the concerned industry has borne the cost of down stepping.

2.31 Industry Associations to distribute Power in Industrial Areas

Industry Associations will be given right to distribute Power within Industrial Areas. For this purpose, bulk power will be made available to the Associations at a single point Distribution within the Industrial Areas and collection of bill will be done by the Association. The bulk power will be supplied at a rebate.

2.32 SIMPLIFICATION OF PROCESSES:

2.32.1 Permission to surrender a part of Load during period of recession

In order to make the Power rules, responsive to the economic environment, Industries going through recession, will be provided the facility of temporary surrender of a part of their connected/sanctioned load. This facility will be made available on the recommendation of the Committee of Secretaries constituted for Rehabilitation of Sick Industries. The facility, will be provided, for a minimum period of one year and maximum of two years. If, during this period, the industry seeks restoration of its original load, no system Loading Charges will be charged. Small Industries, with connected loads up to 100 HP will be allowed to surrender a part of their load, without payment of any charges, if they install electronic meters. The expenditure incurred on the installation of electronic meters, will be adjusted in subsequent bills.

2.32.2 Third party sale of surplus Captive Power

Generous policy will be adopted for promoting Captive Power Generation. It will allow Third Party Sale by Industrial Units if they have a surplus available. The units will also be free to sell their surplus Power to the UPSEB, through a transparent and well defined system which does not leave any room for discretion. If any Industrial unit sets up a Captive Power Plant at any place other than the premises of the Mother Unit, the investment made on the setting up of such Captive Plant will be allowed to be added to the Fixed Capital Cost of the Mother Unit for purposes of Trade Tax exemptions/deferment. A detailed Policy for Captive Power will be announced separately.

2.32.3 Privatization of Power Distribution

Distribution of Power by the Private Sector will be promoted. The experience of Greater NOIDA will be expanded to other parts of the State. In the first phase, distribution of Power in Moradabad, Agra, Lucknow and Kanpur regions will be privatized.

2.32.4 Promotion to Co-generation Sharing formula for evacuation of Power from Co-generation Units.

Uttar Pradesh has the largest number of sugar Mills in the whole country, which have a potential of co-generating nearly 10000 MW of Power, using bagasse as fuel. Co-generation will be provided highest priority by the State and a competitive Policy will be adopted to fully utilize the potential inherent in this Sector. The cost of evacuating power from the Co-generating Unit to the transmission system of the UPSEB will be borne jointly by the Unit and the UPSEB through a per-determined formula.

2.33 ROADS

2.33.1 Road Policy

The State has an extensive network of Roads and Bridges. During last five years the expansion of the road system in Uttar Pradesh has been at par with the National Average. However, vital gaps still exist which need to be removed. The State has formulated a detailed Road Policy for this Sector. This Policy will be announced soon. In this Policy a detailed framework has been provided for Private Sector participation in the construction and operation of Roads, Bridges and Over – Bridges.

2.34 TELECOMMUNICATIONS:

2.34.1 Free Government Land for Up gradation of Telecom Infrastructure

2.43.1.1 The State will ensure rapid development of Telecommunication facilities in the State. The State will strive to attain the National Average in terms of Telecom connectivity. An Action Plan to achieve this objective will be developed in close co-ordination with the Department of Telecommunication, Government of India.

2.34.1.2 The Industrial Development Department has been nominated as the Nodal Agency for this purpose. Private operators and Companies engaged in provision of Telecommunication and Cellular services, will be provided all facilities in setting up of Towers and other infrastructure. The State Government will provide free Government land to the Telecom Department of Govt. of India for ensuring superior Telecom facilities,

2.35 AIR TRANSPORT

The State has already created a fairly well developed infrastructure in the field of Civil Aviation. Three Aerodromes and 23 Air Strips have been constructed all over the State. Private Air-lines will be facilitated in setting up their operations in the State. Efforts have been made for the introduction of Air Services to Kanpur, Gorakhpur and Allahabad. The Airport Authority of India has also been approached for the up gradation of Lucknow, Agra and Varanasi Airports, so that they could handle International Charters and Cargo.

2.36 FACTORS OF PRODUCTION

Land, Capital, Entrepreneurship, Manpower and Technology are the main factors of production. The availability of these factors at reasonable rates and through simple procedures is an important pre-requisite of rapid industrialization. The State will facilitate the access of industry to these factors at competitive rates.

2.37 LAND

2.37.1 Land allotment and transfer rules of UPSIDC to be simplified

The State will make land available to Industry at reasonable rates through the agency of UPSIDC and the various Industrial Development Authorities. Simple arrangement will be developed for easy entry and exit of entrepreneurs in the Industrial Areas. Rules will be made sufficiently flexible enough to reflect the changing realities of Indian Economy. In the present Industrial environment, where amalgamations, mergers and takeover of industries is common, such Progressive policies are required, which recognize these economic changes and do not create unnecessary hindrances. In this context, the allotment and transfer policies of the U.P. State Industrial Development Corporation will be suitably modified. The procedure of transfers will be simplified considerably and the prevailing rates also will be reduced to facilitate bonafide transfers. Internal Master plans will developed for each Industrial Area to facilitate simple and quick transfers.

2.37.2 Simplified process for conversion of land

The process of declaration of Agriculture Land as non- agricultural for industrial purposes only, will be simplified. The present system will be replaced by a system of immediate permissions given by the Competent Authority on payment of prescribed Conversion Charges. This permission will be granted for a specified period within which the actual construction work will have to be completed, failing which, if not renewed, the permission will automatically lapse. Lower Stamp Duty For the thrust Sector Industries, the rate of Stamp Duty on for Thrust Sector Industries Industrial leases will be reduced from the present 12 to 8%

2.38 CAPITAL

2.38.1 The easy and timely availability of Capital at reasonable cost plays a major role in Industrialisation. The State will ensure the fulfillment of this basic need of Industry through the State Financial Institutions.

2.38.2 UPFC and PICUP to be developed as Promoters of Industry State Financial Institutions to be converted into Banking Institutions

The functioning of the State Financial Institutions, UPFC and PICUP, will be changed so that they discharge duties as Promoters of industry rather than as mere money lending Institutions. For this, necessary changes will be made in the Systems prevalent in these organizations, as well as in the attitudes of the personnel at all levels, Greater efficiency and professionalism will be developed in these institutions.

2.38.3 Provision of Working Capital

Timely and adequate availability of Working Capital is extremely important for the health of Small Industries, To fulfill this requirement, UPFC and PICUP will provide Working Capital Term Loan to all the units which are financed by them. These State Institutions will also co-ordinate with the commercial Banks for provision of Working Capital at the stage of approval of term loans itself, so that the Industry is assured of all financial tie-upright from the beginning .

2.38.4 New Scheme for Punarjeevan of Small Industries

The State Financial Institutions will play a constructive and active role in the Rehabilitation of sick industries. For this, a New Scheme for Punarjeevan of Small Industries will be launched. Under this scheme, the sick industries will be provided free consultancy, and if it is found that the unit requires infusion of fresh funds, then, such financial assistance will be made available with some part of the interest being deferred in the initial years for payment at a later stage.

2.39 TAX SYSTEM

2.39.1 Simplification and Rationalisation of the Tax System

The State recognizes the need of a simple and investor friendly Tax structure which assures an entrepreneur sufficient profits on investment and at the same time conforms to sound principles of public finance. The State also recognizes the need of a competitive tax system to attract investments in the State To achieve this objective, the entire Tax system will be progressively simplified and rationalized in consultation with Industry, The State will ensure reduction in number of slabs and simplification of rules and procedures. As a first step in this direction, the State has introduced the 'Single Point Mandi Tax'. A Task Force has been set up to rationalize Trade Tax and to make it more Industry friendly this Task Force will submit its report soon. Experts and representatives of Industry Associations have been provided adequate representation in the Task Force, so that their opinions are fully reflected in the recommendations.

2.39.2 Suspension of Trade Tax Check Posts from 1.4.99 Distribution of Import Permits through Industry Associations.

The State has taken the path breaking decision of decision of suspending Trade Tax check posts with effect from 1.4.1999 to ensure unhindered flow of goods and services, plants and Machinery to and from the State Import Permits (Form-31) will be made available through industry Associations to ensure its easy and timely availability in a required numbers.

2.39.3 State's Commitment to low taxation and high compliance regime

The Incentive Package of the State has widely been recognised as being the most liberal and attractive. This package has evolved over a period of time.

and it has proved its adequacy and attractiveness. However, this package will be reviewed on a continuous basis in order to make it competitive and contemporaneous. For this, the state will constantly interact with the Industry Associations to understand their changing needs and aspirations and will make consequential changes in the Incentive Package and Policies as and when required. The State is committed to a low taxation and high compliance regime.

2.39.4 Some major decisions

The State has taken some major decisions to simplify the existing incentive package to make it more attractive. The 5% capping provision in the existing Exemption Scheme is being removed forthwith. This facility will be made available to those industries also, who are still within the period of Exemption. The rules of expansion of new units has also been liberalized and the five year restriction on expansions has been removed. At present only those Industrial Units with the investment of more than 50 crore rupees have been provided the facility of adding investments made in the first five years to their Fixed Capital investments for purposes of deciding the Trade Tax Exemption limit. This scheme is being extended. Units with investments between Rs.5 and 50 crores, too, will be provided the facility of adding investment made in the first three years, to their Fixed Capital Investment for purposes of determining the Trade Tax Exemption limit.

2.40 ENTREPRENEURSHIP

2.40.1 Training for First Generation Entrepreneurs Diploma Courses in Entrepreneurship Development in Universities Curriculum to be developed through Expert Agencies

Uttar Pradesh has not been able to fully utilize its productive potential because of the inadequate development of entrepreneurship. The State will concentrate its energies on this vital factor and take serious measures to promote entrepreneurship for the all round rapid industrialization of the State. The training of First Generation Entrepreneurs will be given the highest priority. The Institute of Entrepreneurship will be strengthened and streamlined so that it becomes an effective medium of entrepreneurship development in the State. Diplomas in Entrepreneurship will be introduced in the State Universities. Greater attention will be paid to organizing Entrepreneurial.

Development programmers, in hitherto backward areas, to train more and more young men and women in the art of establishing and running an industry. Curriculum for these Training Programmers will be carefully developed to include inputs on how to establish an industry, management, accounting marketing and relevant law sand procedures. Curriculum for these training programmers will be developed with the assistance of expert agencies. The State Financial Institutions will accord priority to trained applicants in the sanction of loans. In case of loan being sanctioned to un trained applicants, it will be made necessary for them to undergo an Entrepreneurship Training before the actual disbursement of loan is made.

2.41 HUMAN RESOURCE DEVELOPMENT AND TECHNOLOGY

2.41.1 Synergy between Technical Institute and Industry

In spite of a wide network of Industrial Training Institutes, Polytechnics and Regional Engineering Colleges spread allover the State, the absence of any synergy between industry and these Institutions has deprived the industries of the full advantage of these facilities These Technical Institutes have been set up with the basic objective of creating trained manpower for industries and making the youth more employable. In order to fulfill this objectives the State will ensure closer co-operation between Industry and Technology/ Training Institutes. Prominent Industrialists will be associated in the Management of all ITIs, polytechnics and Regional Engineering Colleges. The curriculum of these Institutions will be developed in consultation with Industry, so that trainees get educated in conformity with the needs o Industry Attachment of trainees with Industries during the period of training will be promoted to provide them actual on Floor Education regarding the actual processes, environment and discipline of Industry These Institutes will also be opened up to provide short term trainings to the workers of industries, to make them proficient in the use of latest tools and technologies, In order to provide better employment opportunities to the trainees of Technical Institutes, Campus Placement will also be started from the current educational session.

2.41.2 Priority to Training of Youths whose land is acquired for Industrial purposes

Priority will be given in providing training to members of those families, whose land is acquired for setting up of Industrial Units. This will help in

improving their skills and efficiency and hence will make them eligible for quality employment.

2.41.3 Expertise of Technical Institutes to be thrown open for use by industry

In order to fulfill the technological needs of Small Industries, the services of Technical Institutes will be made available to such industries at reasonable cost, by way of technical consultancy, Research and Development and Design Development. The expertise of these Technical Institutes will be utilised constructively to provide solution to operational problems, Testing and Applied Research. The R & D needs of Industry will be evaluated on a continuous basis through constant dialogue with Industry. The State will also encourage setting up of common facilities like Testing laboratories, Tool Rooms etc. in the private Sector.

2.42 SIMPLIFICATION OF RULES

The simplicity of procedures for establishing a new Industrial unit is an important component of Industrial promotion. The feasibility of new enterprises is greatly affected by the transaction time and transaction cost of pre-operatives. Complexity of procedures invariably contributes to an unnecessary increase in both. The State will ensure the simplification of all rules, procedures and practices related to industry to attract greater investment into the State. The State will also make continuous efforts to ensure that the entire administrative and bureaucratic system of the State is synchronized with the current economic thinking and is able to reflect the aspirations of Industry.

2.43 SINGLE TABLE UNDER ONE ROOF

New system for time bound sanction of clearances. The State has decided to change the entire system of clearances and approvals, to give substance to the concept of "Single Table Under One Roof". All clearances necessary to set up a new Industry with an investment up to Rs.25 crores will be made available through the District Industries Centre. In order to implement the new scheme, a Composite Form of all departments will be developed. Every month a meeting will be held at the DIC which will be attended by the senior most officer of all the concerned departments where the entrepreneur will be required to fill in the forms with the help of the departmental officers. After completing the form and formalities, all clearances

and approval will be made available to him on a fixed date from the District industries Centre. The entrepreneur will not be required to go to any of the departments for approval. The same facility will be provided by State level Udyog Bandhu for enterprises with investments above 25 crore rupees, all Export Oriented Units and Industries involving NRI Investments.

2.44 System of Deemed Approvals

In order to effectively implement this new arrangement, a time frame will be drawn up for grant of approvals and clearances for each department. If the approval/clearance is not made available in the prescribed time frame, then such clearance/approval will be deemed to have been sanctioned. The responsibility of officer, whose indifference leads to such deemed approvals, will be separately fixed this will free the administrative system of red tape and make it more sensitive and accountable. The entire system of providing time bound clearances/ approvals will be regularly monitored by District Magistrates/ Commissioners and Chief Secretary.

2.45 Pollution Zoning Atlas for the State

Some major decisions have been taken to simplify the existing procedures. A Pollution Zoning Atlas will be developed for the entire State so that the Industry can easily take decisions regarding the location of the units This will not only facilitate the issue of NOCs and Consents by the Pollution Control Board, but also make the entire system transparent and free from exercise of discretion.

2.46 System of Automatic Approvals for Industrial building maps

Similarly, the present system of approval of Industrial Building Maps, is being modified. Under the new system there will be no need to get separate approvals from the Labour, Factory, Housing UPSIDC, Local Urban Body and other departments, provided the Building Map has been prepared by an architect duly approved by these departments. However, the architect will be required to certify that the map conforms to the existing rules and laws. Detailed instructions in this regard will be issued separately.

2.47 REGULATORY SYSTEM

2.47.1 Abolition of Inspector Raj

The industries of the State, require an atmosphere of freedom from un-necessary external interventions, for full growth The State is determined to eliminate, all avoidable external interventions, in the functioning of industries. The State believes in a relationship of mutual trust and confidence between the Government and Industry. It shall promote a system of Self Certification, in which the industry voluntarily fulfills its social and legal obligations. In the changed economic scenario there is no place for an Inspector Raj and the State Government shall ensure its genuine abolition. In future all inspections by Inspectors of any Department will be carried out only after prior approval of the District Magistrate. The purpose of Inspections will be remedial not punitive. In the existing scenario, the responsibility of the Inspectors should be not limited to merely fault finding but they must now assume the responsibility of extending constructive advice and active cooperation to the industry in the removal of shortcomings.

2.47.2 Emphasis on attitudinal changes

In order to genuinely abolish Inspector Raj, attitude in all changes will be ensured at all levels. For this trainings will be organized, with the full involvement of Industry Associations.

2.47.3 Task Force for Review of Labour Laws

The State has already embarked on the process of re-examination of all the prevailing Labour Laws. A high level Task Force has been constituted to review the existing, rules, Laws, procedures and processes with the purpose of modifying or eliminating irrelevant and outdated provisions. This exercise is aimed at creating conditions of freedom, in which the industry can devote its energies to productive pursuits However, the Industry would be required to be conscious of its social responsibilities and undertake to comply with the existing rules and laws on a voluntary basis.

2.47.4 Delegation of powers under Contract Labour Act

2.47.4.1 In keeping with the policy of decentralization powers under the Contract Labour Act. will be delegated to the Divisional level.

2.47.5 System of Facilitation:

The whole system of Industrial facilitation will be revamped, to create an atmosphere conducive to the growth of Industries in U.P The State recognizes the fact that entrepreneurs have a critical role to play in the economic development of the State, and unless their problems are addressed expeditiously and effectively, the productive forces of society will not find full expression At present, the problems of existing industries are being resolved through a three tier system of Udyog Bandhu this organisation has been reorganised to make it more dynamic and effective.

2.47.6 New System of ‘Single Table Under One Roof’

The State level Udyog Bandhu has been reorganized replacing the earlier Single Window Concept by a System of Single Table Under One Roof’ to engender a spirit of partnership between the Government and Industry, as also to provide for a more transparent decision making process Under the new system, the Chief Minister chairs the monthly meetings of Udyog Bandhu, in which the representatives of Industry and all senior officers of the Government are present. The problems of industry are resolved on the spot as far as possible.

2.47.7 District Udyog Bandhus to be made more effective

2.47.7.1 Similarly, the District level Udyog Bandhus, have also been reorganised They are now being presided over by the Minister- In Charge of the district as Chairman, and the concerned District Magistrate as Vice-Chairman. The District level Udyog Bandhu, now meets on the first Monday of every month. In order to enhance the effectiveness of District level Udyog bandhus, the presence of officers of various departments and their role in compliance of decision taken will be strictly monitor by the District Magistrates, the District Magistrate are being given the power of recording the annual entry of the all the officers associated with the Udyog Bandhu on basis of their performance.

2.47.7.2 The Divisional level Udyog Bandhu meetings, will now be held by the Divisional Commissioners on a monthly basis. Earlier these meetings were being held irregularly.

2.47.8 New Post of Industrial Development Commissioner for Integration of all Industry related activities.

The multiplicity of industry related departments at the State level, has led to a lack of coherence and uniformity in formulation of policies. To ensure better coordination between such departments, coherence in policy formulation and improvement in the system of monitoring and supervision, an umbrella post of Industrial Development Commissioner on the pattern of Agriculture Production Commissioner is being created. The departments of Industrial Development, Small Industries, Handlooms, khadi and village Industries, Sericulture, Electronics and Information Technology and Labour will work under the overall control and supervision of the IDC. This will be a major step in the integration of Industry related policy making at the higher levels of Government.

2.47.9 Directorate of Industries and District Industries Centers to be re-organized.

2.47.9.1 Before the advent of liberalization, the Directorate of Industries and the District Industries Centre perform the primary task of regulation of industry of allotment of raw materials. In the present context this role has no relevance, In a free and liberalized economy, the utility of the facilitative system is proportionate to the extent of support

2.47.9.2 It provide to the development of Industries. The Directorate of Industries and the DICs will be restructured to make them responsive to the present needs of Industry. They will now play pro-active role in attracting investments in the State and nurturing them. To achieve this, the responsibilities and duties of all the officials of the Directorate will be redefined and their skills will be accordingly upgraded. Attitudinal changes in the officials of the Industry Directorate will also be brought about through reorientation and training programmes. The District Industries Centres will be better equipped with modern equipments and comprehensive and reliable databases to help them in effectively performing their changed role.

2.47.9.3 A Working Group for Economic Development, under the Chairmanship of the Chief Secretary has been set up for better inter departmental coordination, coherence in policy formulation and quick decision making at the highest level to facilitate rapid industrial development.

2.47.10 U.P Investment Centres at New Delhi Mumbai and Calcutta

The State will set up U.P Investment Centres in major industrial and Commercial centres of the country like New Delhi, Mumbai and Calcutta, to forcefully project the industrial opportunities available in the State These centres will also pursue and attract fresh investments and actively interact with the major National and International Industry/Commercial Associations. These centres will be equipped with comprehensive databases and they will provide initial consultancy and first stage facilitation to investors interested in investing in the State.

2.48 THRUST AREA

2.48.1 Selected Industries to be developed as Thrust Sector

While the State will continue to provide support to all categories of industry, it will develop some specific industries as Thrust Sector based on their specific potential, comparative advantages, availability of raw materials, ability to influence the technology of other industries and the potential of providing employment to larger number of people Congenial circumstances will be created to facilitate their rapid and accelerated development. The industries which have been identified to be thus developed are:-

- Agro-based and Food processing industry
- Automobile industry
- Automobile ancillaries
- Electronics
- Software

- Engineering Goods
- Agricultural Equipments industry
- All EOUs

2.48.2 New Scheme of deferred Interest loaning for Small Industries of the Thrust Sector called Laghu Udyog Poshan Yojana to be launched.

The Small Scale Industries of the Thrust Sector will be provided loans at cheaper rates in the initial years by the State Financial Institutions through “**Laghu Udyog Poshan Yojana**” This scheme will enable small industries of the thrust sector to obtain loans from UPFC and PICUP, with some part of the interest being deferred in the initial years to be charged at a later stage. This Scheme will allow small industries to stabilize in the most sensitive and difficult initial years of their existence and provide them an opportunity to generate adequate liquidity so that they are then able to pay the deferred amount of interest in the later years.

2.48.3 Industry Promotion Councils for Thrust Sector Industries:-

For long term development of strategies for the thrust sector Industries and for continuous solution of their problems, industry specific Promotion Councils will be set up wherever required.

2.48.4 Agro-Based, Animal based and Food Processing Industry

For centuries, agriculture has been the mainstay of the State’s economy. Even today, Agriculture contributes nearly 45% to the State’s SDP. Approximately 19% of the country’s food grain is produced in U.P Uttar Pradesh is also the largest producer of Wheat, maize sugarcane, potato Milk and all pulses except Arhar. It ranks second in the production of mangoes. The State accounts for 38% potato 21% fruits and 22% vegetable of the national production. In case of fruits the State produces mangoes 34% guavas 37% and Aonla 60% These statics, clearly indicate, the immense potential inherent in this Sector. The development of Agro-based and Food Processing industry will generate extensive employment for a large no of people at the local level and will also reduce the losses that occur due to presently inadequate storage and marketing facilities Besides this, the growers will also get remunerative prices for their produce. In this

Perspective, the cornerstone of the New Industrial Policy will be to specially promote Agro-based and Food Processing Industry in the State.

2.48.4.2 It is estimated that in the next 10 years, investments worth Rs. 1.10 lakh crore will flow into the Agro-based and Food Sector This Industry is also expected to create additional employment opportunities for nearly 50 lakh people, in the same period. Keeping in view the natural advantage, that Uttar Pradesh enjoys in the Sector, The State will create enabling conditions for the full utilization of the available opportunities. Sectoral policies will be developed for Floriculture, Horticulture, Mushroom production, Sericulture, Agro-forestry, Dairy etc. keeping in mind the specificity of these activities.

2.48.5 Project preparation Facility for The World Bank financed Diversified Agriculture Support Project (DASP), will be optimally utilized to Entrepreneurs in the Agro-based and Food Processing Sector.

2.48.5.1 Realize the potential in the Agro Sector Project Preparation Facility will be set up soon under this project to enable the first generation entrepreneurs in the State to make full use of the potential of the Sector. This PPF will provide the following services to entrepreneurs:-

1. Preparation of feasibility reports and Business Plans.
2. Market Survey for potential entrepreneurs and presentations for Financial Institutions.
3. Help in sourcing of raw material and establishing link with appropriate agencies.

2.48.5.2 Under the DASP nearly Rs. 70 crores will be spent on Dairy Development Schemes in 20 districts, Horticulture Development Schemes will be implemented in selected 134 Block of 34 districts. Sericulture Schemes also will be implemented in the six Terai districts of the State.

2.48.5.3 In order make the optimal use of the availability of raw material at the local level itself, Special Industrial Areas for Agro based and Food processing industries will be developed in the vicinity of major Mandis. These Industrial Areas will be developed with the participation of the State Mandi Parishad.

2.49 Sericulture:

2.49.1 Promotion of Sericulture in the Terai Region

The present need of raw materials for the Varanasi silk industry, is being largely met by imports. The Silk Industry of the State needs approximately 5000 tonnes of silk annually. The present level of silk production in the State is much below this level. From this angle alone, there is a tremendous scope for sericulture in the State. This Sector has the potential of providing full-time employment to 5 persons on every hectare of land. The climate of the Terai districts of Uttar Pradesh is extremely conducive to this economic activity. It shall be the priority of the Government to promote the production of superior quality silk in the State and through this to create additional opportunities for employment in the rural areas. In the next five years the State aims to annually produce 750 MT of superior quality silk through the DASP. Employment will be provided to 1.10 lakh people. The scheme will be implemented intensively in Bahraich, Shrawasti, Gonda, Gorakhpur, Maharajganj and Kushinagar districts of the Terai region,

2.50 Sugar and Related Industries:

2.50.1 Progressive Policies for the Sugar Sector.

2.50.1 Sugarcane is the major cash crop of the State. In the last two years, the State has been the largest producer of sugar in the country. Besides this, the alcohol based industry also plays a major role in the economy of the State.

2.50.1.2 Recently the Central Government has taken decision to delicense the Sugar Industry this has opened up new opportunities which the State will optimally utilize. The State will modify its own policies to bring it in consonance with the Central Policy. The Decontrol of Molasses in November 1997 has had far reaching consequences on the Industry. The State will continue to interact with Industry and develop progressive policies which will promote the interests of the Sector as well as protect the interest of the Cane producers.

2.51 POULTRY DEVELOPMENT

2.51.1 Poultry to be recognized as Industry

There are unlimited opportunities of poultry development in Uttar Pradesh. Experts are of the opinion that this Sector is likely to grow at the rate of 20% per year in the next ten years. By 2005 A.D it is estimated, that the investments in Poultry, will increase four fold. In order to fully utilize the possibilities of the Sector, it has been decided to accord the status of Industry to poultry units with 10,000 birds and above.

2.51.2 SMALL INDUSTRIES

Small Industries have special and vital place in the economy of the State At present there are 3,40,000 Small Industries in the State with an investment of Rs. 3231 crores This Sector provides employment to 14,20,000 people. The greatest strength of this Sector is, that it not only nurtures first generation Entrepreneurship, but also creates immense employment opportunities at a lesser investment. This Sector is also important as it is evenly spread all over the State, and therefore, contributes to the balanced growth of all the regions of the State. Another major advantage of this Sector is that it provides opportunities of employment to less skilled workers also and consequently prevents their migration to Urban areas. The preservation, development and technical up-gradation of Small Industries will be a special priority of the Government.

2.51.3 New Cluster Scheme for Small Industries

A New Scheme for the development of Small Industries in clusters will be launched in certain selected Industrial Areas/ Estates, preferably in the vicinity of developed urban areas to ensure these viability. These industries will be provided a special package of free training, Single Table Clearances and loans through State Financial Corporations at lower rates of interest.

2.51.4 TECHNOLOGY MISSION FOR SMALL AND VILLAGE INDUSTRIES

The State has decided to launch a Technology Mission for the integrated and accelerated development of certain selected Small and Village Industries. The following industries have been selected for focused development through this mission:-

1. Leather industry
2. Glass industry
3. Brass industry
4. Sport Goods and Wood based Industry.
5. Pottery industry
6. Locks industry
7. Agro-based Industry
8. Metal based Industry
9. Khadi Industry
10. Herbs, Aromatic and Medicinal Plant processing

2.51.5 It is hoped that successful initiative undertaken under the Mission will be found suitable for replication across the entire range of goods & services in the Small Scale Sector.

2.52 HANDLOOM INDUSTRY

2.52.1 Upgradation of skills and Technology in the Handloom Sector

2.52.1.1 Handloom Industry is the most important source of employment generation in rural areas after Agriculture itself. In the past few years supply of low quality yarn and inadequate attention to the up-gradation of Technology has contributed to the gradual decline of this Sector. It will be the priority of the State to maintain the relevance and vibrancy this important economic activity. Emphasis will be laid on the use of superior Technology and improvement of skills of the vast work force employment in the Sector.

2.52.1.2 The Capital required for Technology replacement will be provided through the various self Employment Schemes currently being implemented in the State.

2.52.1.3 Special attention will also be paid to the development of appropriate designs, improvement of productivity and diversification.

2.53 MARKETING FOR SMALL INDUSTRIES

2.53.1 Five year Price/ Quantity Preference Policy in Place of existing Annual Policy.

The Marketing of goods produced, is one of the major problems faced by the Small Industries. The State will adopt stable Policy of price and quantity preference in Government purchase for the products of the Small Industries. The present system of extension of the Policy on year to year basis, will be replaced by a five year facility so that the Industry is assured of Government purchases for a relatively stable period, and hence is able to concentrate on productive work rather than being saddled with uncertainty. The price and quantity preference policy of the Government will be fully applicable to all the Public Undertakings of the State Government.

2.53.2 Equity Participation by State Government in Private Marketing Companies.

2.53.2.1 The State will promote establishment of Marketing Companies for the produce of Small Scale Industries in the Private Sector.

2.53.2.2 If these Companies, undertake the responsibility of quality standardization and development of brand names, then, the State Government will participate in such Companies through equity up to 10 percent.

2.53.3 District Industries Centres to help small Industries in accessing information and latest Technologies.

The level of Technology being currently employed by the Small Scale Sector and the lack of adequate market information contribute significantly to the un-competitiveness of such industries. Measures will be taken to remove these bottlenecks. The District Industries Centre will assist the Small Scale entrepreneur in establishing linkages with new markets. These Centres will also provide information on the latest available technologies. To achieve this objective comprehensive data base will be developed in all District Industries offices, and this information will be made readily available and accessible to the local industries.

2.54 EXPORTS

2.54.1 New Export Policy

2.54.1.1 Small and Traditional Industries have always contributed significantly to the Exports of the State. In the last few years nearly 60 per cent of Exports from Uttar Pradesh have come from these sectors. Exports provide a profitable outlet to the produce of small and traditional industries. In order to facilitate Exports, the State has formulated a New Export Policy, which provides for up-gradation of infrastructure, improvement of technology and infusion of superior skills. These will provide a competitive edge to the local industry in the International Market.

2.54.1.2 Special efforts will be made in all exporting areas to develop consciousness towards quality and diversification. This will help in increasing the unit value realisation from Exports. The New Export Policy also provides for the establishment of Export Information and Servicing Centre. This Centre will conduct Market Surveys and Researches which will assist the local industries in developing new Markets. Under the New Policy, provisions have been made for Design Development, Technology Improvement and strengthening of the existing Research and Testing facilities. Efforts will be made to establish branches of National level Institutes like NID, NIFT, Institute of Gems and jewellery, National Institute of Packaging etc. in the State. These will help the local industry in up- grading their available Technologies and know-how.

2.54.1.3 The Major Exporting areas of the State will provided facilities of continuous and quality power supply, international level telecom connectivity, Rail and Air Transport facility high quality Road Network and various Common Facilities as per local requirement and specific needs of Industry. Export Promotion Parks will be developed in NOIDA, Moradabad and other such areas. Wherever required Dry Port facilities will also be developed. The Export Oriented units will be provided special incentives in Trade and Mandi Tax.

2.54.2 RURAL AND CONTTAGE INSUSTRY

Rural and Cottage Industry contributes significantly to the development of the State. These industries provide employment to lacs of people in the rural area and hence assist in not only reducing the pressure on land but also in

supplementing rural incomes. The State will make constant efforts for the full realisation of the potential inherent in this Sector.

2.54.3 Urban Haats for Rural Industries.

Five 'Haats' will be established in major Urban areas to provide Marketing Outlets to the Rural Industry on the pattern of the Delhi Haat'. These 'Haats' will act as Nodal Centres for the development of Rural Industries and they will also provide comprehensive information on the procedure for establishment of Rural Industries.

2.55 SICKNESS

2.55.1 Campaign for identification and rehabilitation of Sick industries

One of the major objectives of the New Industrial Policy is to revitalize the existing investments and to bring them back in the main stream of productivity. The extent of sickness in Small Industries is a matter of serious concern. In this background there is apparently a pressing need to revitalize and rehabilitate Small Industrial Units, which are basically viable but have become sick for a number of reasons. A comprehensive campaign to identify sickness will be carried out. The Divisional Udyog Bandhus will be activated to declare the identified units as sick and to prepare Rehabilitation Packages which will subsequently be seriously implemented. For this the co-operation of commercial banks and other financial institutions will be enlisted. The actual implementation of the Rehabilitation Packages will be closely monitored through the District, Divisional and State level Banker's Committee.

2.56 Prevention of incipient Sickness

2.56.1 New Scheme for Rehabilitation of Sick Industries called Laghu Udyog punarjeevan Yojana.

It will be the effort of the State to create such conditions which prevent the incidence of sickness. The entire machinery in Industrial units at the Department will be mobilized not only to identify sickness in Industrial units at the incipient stage itself, but also to take effective measures to prevent it. Each enterprise will be closely monitored and a positive intervention will be ensured as soon as the first symptoms of sickness appear by way of the first default in repayment of dues. It

Will be the responsibility of the District Industries Centres and the concerned State Financial Institution to provide free consultancy and counseling to the Unit through experts. For this PICUP and UPFC will be required to develop a panel of experts and consultants. Such units will be provided assistance through a package of services, including infusion of additional capital under the new “**Laghu Udyog Punarjeevan Yojana**”.

2.56.2 PROMOTION TO SERVICE INDUSTRY

The service Industry has acquired great significance for all economies. In the developed countries the Service Industry is not only contributing significantly to the Gross Domestic Product but is also providing employment to sizeable population. In Uttar Pradesh also there is a tremendous scope of development of the service Industry it will be the primary concern of the Government to fully utilize the potential of this Sector.

2.56.3 State to formulate Trade Policy

The globalization of Indian Economy and the establishment of World Trade Organisation has unleashed economic forces which are going to play a decisive role in the viability of our industries in the coming few years. Recognizing this reality, the State will formulate a comprehensive Trade Policy which will help the Industry in gearing itself up to the impending challenges and will also contribute to an integrated development of both the manufacturing and trading activities.

2.56.4 Vyapar Bandhu

2.56.4.1 In the first phase, the State has already set up a Vyapar Bandhu, on the pattern of Udyog Bandhu for the solution of the problems being faced by the Traders. Adequate representation has been provided to the major Traders Associations in the body.

2.56.4.2 In other fields of Service industry like health, education etc. also, the State will provide full protection and support so that this sector will develop as a complement to the industrial Sector and contributes to better living standards of the people of the State.

2.57 MINING

2.57.1 Mining as Industry

The State is endowed with rich mineral resources which need to be explored and exploited in an eco-friendly manner Mining & Mineral Development shall be declared as industry A detailed Mineral policy for optimization of the State's mineral resources and for encouragement of private sector participation will be announced separately. This will not only remove the existing bottlenecks in the development of mineral wealth but also create conditions for the development of backward areas where generally these materials are located. It will go a long way in the creation of good quality infrastructure in these areas and hence help reduce regional and social imbalances.

2.58 INFORMATION TECHNOLOGY

2.58.1 Partnership with IIT Kanpur for promotion of Information Technology.

Information Technology has a very special significance in the modern world today, Uttar Pradesh has achieved considerable success in the field in the last few years. IIT Kanpur, which has achieved international fame in the field of Computer Engineering and which produces world class software professionals who have achieved renown in advanced foreign countries, is fully equipped to enable Uttar Pradesh to provide leadership to the entire country in this extremely critical area. The State will enter into an MOU with IIT, Kanpur to use its expertise in this field for the full realisation of the opportunities that this sector offers.

2.58.2 I.T. Policy and Action Plan to be announced. Action plan to be implemented in Mission Mode.

2.58.2.1 The State is developing a detailed Information Technology Policy and Action Plan which will be announced soon. The I.T. Action Plan will be implemented in the Mission mode through a Technology Mission. Special infrastructural facilities, incentive package and financing package will be developed for this Sector. The PICUP has already prepared a special financing package for this Industry.

2.58.2.2 The State has already taken some major decision in this area :-

- New Initiatives in Information Technology
- A world class Hi-Tech City will be developed in NOIDA.
- The Government of India will set up a National Institute of Information Technology at Allahabad.
- An Institute of Information Technology is proposed to set up at Kanpur.
- Special Computer Training Programmes will be conducted in Agra and Aligarh.
- Agra will be developed as an Electronic City.
- Software Technology Parks will be set up in Agra, NOIDA, Dehradun, Lucknow and Varanasi.

2.58.3 I.T In Government for better Public Service

Information Technology will be at all levels in Government and administration to provide better services to the people of the State By 2005 all the Development Block of the State will be connected with computers. Computer literacy will be promoted at all levels. It is proposed to make 10 million citizens of the State Computer literate in the next years.

2.59 NRI INVESTMENT

2.59.1 NRI Investments in Industries, Real Estate, Infrastructure

Special efforts would be made to attract NRI investment. Such investment would be welcomed in Industries, Real Estate Development, Infrastructure, Mining and Service Sectors. Quick and easy clearances will be provided to all such proposals. Information regarding available projects and facilities shall be put on the Internet for easy access by interested entrepreneurs. A committee for Single Table Clearance has been set up under the chairmanship of principal Secretary, Industrial Development with 'Udyog Bandhu' as its Secretariat for NRI projects to ensure timely and expeditious approval and clearances.

2.59.2 Survey of NRIs

A detailed survey of NRIs of U.P origin will be carried out. A special scheme to contact NRIs and solicit and pursue investments in Industrial, Social and service sectors will be launched. A strong emotive and socio-economic bond .

between NRIs and their roots be sought to be created. NRI investments will be especially sought in the rural and social infrastructure.

2.59.3 U.P. Resident Commissioner at New Delhi to function as NRI

The State Investment Centre at New Delhi will provide relevant preliminary information, initial Escort Services and first stage facilitation to NRIs. Under the new system, the Resident Commissioner of Uttar Pradesh at Commissioner for the State. New Delhi will be function at the NRI Commissioner for the State.

2.59.4 FOREIGN DIRECT INVESTMENT

The State would try to become a major destination for foreign direct investment in the country.

2.59.5 Provision of Bulk Land

In addition to other facilities and incentives Bulk land would be provided for big Companies/ International/ Consortia for developing world class infra-structural facilities for their manufacturing activities.

2.59.6 SPECIAL FACILITIES FOR SEHEDULE CASTE/TRIBES, BACWARD, MINORITY&WEAKKER SECTIONS

2.59.6.1 Keeping in view the economic potential inherent in the vast population of SC/ST, Backward Classes and Minorities in the State who have been deprived of participation in the productive processes of society, it shall be the effort to the State to develop entrepreneurs in this section of population. Due representation will be provided to this section in the various Entrepreneurship Development Programmers conducted by Institute of Entrepreneurship Development.

2.59.6.2 The additional concession of 25% on trade tax and other priority benefits would continue to be made available to units follow the prevailing reservation policies of the Govt. in respect of employment at different levels.

2.60 WOMEN

2.60.1 Development of entrepreneurial skills Women

It is recognized that women have to play a key role in the overall economic development of the State. With this objective, special programmers for generating entrepreneurial and other skills will be developed for women specially.

2.61 AWARDS

2.61.1 Green Card to selected Industrialists and Awards for Special Contributions.

The State Promises to treat entrepreneurs who invest in Uttar Pradesh as Very Special Persons. They will be treated with deference and respect at all levels. Green Cards will be provided to selected Industrialists so that their matters are taken up on priority in all Government Officers. State level awards will be instituted to honor Industrialists who have made special contribution in the field of industry and exports within the States.

2.62 MONITORING OF THE NEW INDUSTRIAL POLICY

2.62.1 Monitoring at Chief Minister's Level

The success of the Policy will depend largely upon the spirit with which it is implemented. The level Udyog Bandhu under the chairmanship of the Chief Minister will regularly monitor the implementation of the policy. The Working Group for Economic Development under the Chairmanship of Chief Secretary will evaluate the implementation of the Policy on a continuous basis and suggest mid-course corrections, wherever necessary.

2.62.2 Time bound Action Plan for implementation of Policy

A Time bound Action Plan will be announced within 30 days for the implementation of this Policy. All Government order under the New Policy will be issued within 60 days of the announcement of this Policy.

2.63 The Uttar Pradesh Industrial Policy- 1998 so declared pointed towards the simplification of rules and implementation of Single Table System also. It means that policy makers are aware of all these things which are creating hindrances in the establishment of industrial units in the State of Uttar Pradesh. Therefore to redress these problems provisions for simplification of rules and implementation of Single Table System were also made in the Industrial Policy.

2.64 We are of the opinion that Industrial policy is a continuous process for development and industrial growth in the State and to achieve these objects and to maintain stability, certainty and permanency for these policies in the Changing political scenario also a suitable legislation is needed in the State on the subject.

CHAPTER- III

Implementation of “Single Table System- Under One Roof”

3.1 In order to create a facilitative environment for rapid industrial development and to allow the entrepreneurs to concentrate their fullest attention on productive activities, “Single Table System under One Roof” for industrial clearances and approvals has been provided for, under Industrial Policy- 1998.

3.2 The objective of the “Single Table System-Under One Roof” is to ensure the grant of all approvals, sanctions, no-objections, licences etc. required from various departments for setting up industries, in a centralized and time bound manner so that entrepreneurs may be relieved from the difficulties of running to various departments for the same.

3.3 Therefore, for implementation of “Single Table System-Under One Roof” in accordance with Industrial Policy – 1998, Government of Uttar Pradesh has issued **G.O. No. 1839/77-6-98, dated 14-12-1998 regarding “Single Table System”, as under:-**

No. : 1839/77-6-98

Dated: 14th December, 1998

From:

The Chief Secretary,
Govt. of Uttar Pradesh

To:

All Principal Secretaries/ Secretaries,
Govt. of Uttar Pradesh.

All Divisional Commissioners, U.P.

All District Magistrates, U.P.

All Head of Department, U.P.

Lucknow,

**SUBJECT : Implementation of “Single Table System – Under One Roof” in
Accordance
with Industrial Policy -1998**

Sir,

It has been experienced by the Govt. that in spite of rich natural resources, favourable climatic conditions, fertile land, adequate human resources, wide-network of road, railway and air transport & etc. and unlimited potential of development, desired industrial development has not taken place in Uttar Pradesh One reason of this has been the absence of clear procedures and excessive time being taken by various departments in granting approvals etc. required for setting up of industries.

In order to create a facilitative environment for rapid industrial development and to allow the entrepreneurs to concentrate their fullest attention on productive activities, “Single Table System- Under One Roof” for industrial clearances and approvals has been provided for, under Industrial Policy-1998.

The objective of the “Single Table System-under One Roof” is to ensure the grant of all approvals, sanctions, no- objections, licences etc. required from various departments for setting up industries, in a centralised and time bound manner so that entrepreneurs may be relieved from the difficulties of running to various departments for the sa

The responsibility of effective implementation of “Single Table System-under One Roof” will be that of General Manager, District Industries Centre. The role of GM, DIC would not be passive but pro-active for the accomplishment of the objective of the said system.

The following decisions have taken by the government for effective implementation of the “Single Table System”:

1. In order to set-up industrial unit NOCs/Approvals/Licences etc. are required to be obtained from various departments of the State, out of which some are required to be obtained prior to setting –up of the unit and some prior

to commencement of production. These approvals can be classified as first-phase or second –phase approvals, as follows:

First Phase Approvals/No-objections/Sanctions/Licences etc. required, prior to setting-up a unit (All of them may not be necessary for every unit).

Sl. Particulars	Sl. Particulars
1. Provisional Registration of S.S.I	2. Land allotment
3. NOC from Pollution Control Board	4. Land-use permission
5. NOC under Land Ceiling Act	6. Building Map approval
7. Provisional Registration of Trade Tax	8. Electric connection for construction
9. NOC for Licence under Drug & Cosmetic Act.	10. Power Sanction
11. NOC of Forest Department	12. Assurance for allotment by Excise Department
13. HSD storage Permission/No Objection from District Magistrate	

Second Phase Approvals/No. Objections/Sanctions/Licences etc. required before starting operations. (All of them may not be necessary for every unit).

Sl. Particulars	Sl. Particulars
1 Permanent Registration of S.S.I	2 Consent from Pollution Control Board
3 Permanent Registration of Trade Tax	4 Registration under Factories Act.
5 Registration under Shop & Commercial	6 NOC from Electrical Safety Directorate Establishment Act.
7 Trade-Tax exemption/deferment	8 Licence from Food Department
9 Licence under Drugs & Cosmetics Act.	10 Excise Licence (U.P.)

All the Application Forms for obtaining No. Objections/Approvals/Licences etc. will be made available through District Industries Centre, in the form of Booklet ‘A’ and Booklet ‘B’ Booklet ‘A’ will contain the application forms for the

formalities required in the first-phase while Booklet ' B' will contain the application forms for the formalities required in second –phase Each booklet will be priced at Rs. 50/- only. These application forms will be printed centrally by Udyog Bandhu and made available to all DICs and the account of their printing cost shall be maintained separately.

Since land happens to be the primary requirement for setting up of any industry and it is necessary to give details of land for obtaining approval from several departments, hence, if entrepreneur wants to apply for the allotment of industrial-land/shed, then the application form of U.P. State Industrial Development Corporation/Directorate of Industries for allotment of land /shed shall be made available separately by GM, DIC. The disposal of this application form shall also be done through the same system, which is being prescribed, for other application forms. The work relating to the allotment of land/shed in the industrial area developed by UPSIDC and Directorate of Industries shall be completed within maximum one-month's time.

2. The entrepreneurs, after filling up the forms of all the departments, as may be necessary, complete in all respect, enclosing prescribed documents and payment of fees as per procedure prescribed by different departments. May submit the same at District Industries Centre between Monday the Thursday. GM. DIC, upon receipt of the said form, will issue an acknowledgement to the entrepreneur in which a Code number will be allotted after ensuring that the form has been duly filled-up and that the documents are enclosed as per check- list. At the time of receipt of application form itself, the entrepreneur will be advised to contact Industries Centre on next Wednesday for clarification/correction, if any.

3. All the department will nominate the officers of the rank mentioned in Annexure-II, who would be well acquainted with the rules, procedures and formalities etc. relating to their department, as Nodal Officer for Single Table System. The Nodal Officers of each department will visit District Industries Centre of Friday of every week and will scrutinize the application forms related to their department, received from entrepreneurs, to check whether the application form has been duly filled-up and is accompanied with prescribed enclosures and fees or not. In case there is any deficiency in the application form, the same will be intimated in writing immediately to GM, DIC and the GM, DIC would understand the same completely. In those districts where the district.

Level officers of Labour Deptt., Fire Deptt. And Electrical Safety Deptt., Are not posted, GM, DIC will send the forms to their regional authority each Friday and the concerned department would inform the GM, DIC of any deficiency in the form, either on the same day or positively by following Monday. Thereafter in the other document/information will be demanded in respect of the completeness of the application form the Nodal Officers will not raise unnecessary objections and senior officers of concerned department by inspecting "Sample-cases" from time to time will ensure that unnecessary and unreasonable objections are not being raised.

4. GM, DIC would written information of the objection raised by the Deptts. To the entrepreneurs, when he contacts his office on next Wednesday. The entrepreneur would, after making necessary correction re-submit the completed form on next Wednesday at District Industries Centre, which would be received by GM, DIC after checking its conformity to the checklist of the concerned department. At this stage the application form would be treated as complete in all respect and no other paper or document would be demanded in respect of the application after this.

The entrepreneur will be intimated a date for decision on his application forms. The application forms so completed, would be handed over to the nominated nodal officers present on Friday by GM, DIC. In those districts where officers of Labour Deptt. And Electrical Safety Deptt. Are not posted, the application forms would be sent to their regional authority be GM, DIC. In respect of those departments where the powers of grant of sanctions/ approvals are vested in "Udyog bandhu" the same would be presented in the next meeting of "Udyog Bandhu" for decision as per prevailing procedure. Each department would make available the written intimation of its decision in respect of the application form within prescribed time schedule (Annexure-1) to GM, DIC. The maximum time limit as prescribed in Annexure-1 has been finalized with the consent of all the concerned departments.

5. In case, after receipt if so completed forms, the decision of any department is not received by GM, DIC within the prescribed time schedule then, GM, DIC will be required to issue Deemed Approval' in respect of said application under his signature to the entrepreneur. Except for cases where deemed-approval claim is not applicable, as mentioned in Annexure-1, this will be considered as final approval for industry to proceed. Ahead. After issuing the certificate of Deemed-

Approval, GM, DIC will also refer each such case to District Magistrate, who will get an inquiry conducted into the reasons of delay through a competent officer, of the rank of Chief Development Officer. He shall fix responsibility for non-compliance and suggest penal/corrective action to competent departmental authority.

6. The monitoring of implementation of “Single Table System-Under One Roof” shall be done by District Udyog Bandhu at district level and high-level committee at State level every month and the responsibility of presenting the monthly report will be that of GM, DIC, who will function as the “Secretariat” of this scheme.

7. The functional centres of “Single Table System-Under One Roof” would be as follows:

District Industries Centre

Projects having fixed capital investment up to Rs. 25.00 Crores (excepting NRI projects and 100% EOU projects)

State Level Udyog Bandhu

1. Projects having fixed capital investment above Rs. 25.00 Crores.
 2. 100% Export Oriented Units.
 3. NRI projects.
8. The system of sanction in Noida and Greater Noida shall remain as before.
9. For the projects which come under the purview of “Udyog Bandhu’ Head Quarter, Luckenow the above mentioned operational scheme will be applicable as well.
10. “Single Table System-Under One Roof” shall become fully effective wef. 01-01-1999 and the general responsibility of its successful implementation will be that of all the concerned departments.

Yours faithfully,
Sd/-
(Yogendra Narain)

Chief Secretary

Encls: Annexure-I and Annexure-II

Copy: sent to the following for information & necessary action:-

1. Commissioner & Director of Industries, Uttar Pradesh, Kanpur
2. All Divisional Additional/joint Director of Industries, Uttar Pradesh
3. All General Managers, District Industries Center, Uttar Pradesh

Sd-
(Rohit Nandan)
Secretary
Industrial Development
Govt. of Uttar Pradesh

ANNEXURE-1

**Maximum time Limit for Decision in Respect of Sanction/ No Objections/
Licence Etc,
To be granted to Entrepreneurs**

1. DIRECTORATE OF INDUSTRIES

(a) Issuance of provisional registration of Small Scale Industries including the grant of No-Objection Certificate for 220 types of non-polluting Small Scale Industries.
(Instant/ Same Day)

(b) Permanent Registration of Small Scale Industries, which One month includes the grant of pollution control consent certificate to non polluting Small Scale Industries The application of the industry for consent from pollution Control Board would be receive by the nodal officer of Board at District Industries Centre issuing acknowledgement where after the pollution control consent will also be incorporated in the permanent registration certificate of the Small Scale Industries of the above mentioned category.
(One Month)

2. UTTAR PRADESH STATE ELECTRICITY BOARD

- (a) Sanction of power load for construction **(one Month)**
- (b) Sanction of power load for production **(one Month)**

Note: In case the application for sanction of both types of power loads is submitted simultaneously, the time limit for the decision will be one month in respect of both of them.

3. UTTAR PRADESH POLLUTION CONTROL BOARD

(a) Issuance of No- Objection Certificate:

1. For 29 types of highly polluting industries (**Four Month**)
2. For industries other than those mentioned above and other than 220 types of non-polluting Small Scale Industries (**One Month**)

Note: For industries of hazardous nature, the rule of deemed approval will not be applicable.

(b) Grant of Constant

1. For 29 types of highly polluting industries (**Four Month**)
2. For Small Scale Industries other than those the category mentioned above (**Acknowledgement of application forms itself is “Consent”**)
3. For low- polluting medium and large industries other than those of 29 types as mentioned above. (**one Month**)

Note: For industries of hazardous nature, the rule of deemed approval will not be applicable.

4. TRADE TAX DEPARTMENT

- (a) Temporary registration of Trade Tax (**Three Days**)
- (b) Permanent registration of Trade Tax (**thirty Days**)
- (c) Inspection report for Trade Tax exemption/deferment. (**thirty Days**)
- (d) Decision at Commissioner’s level after submission of inspection report for Trade Tax exemption/deferment. (**Thirty Days**)

5. LABOUR DEPARTMENT

(a) Approval prior to construction of factory building/use as a factory

- (1) For non-hazardous industries **(One Month)**
- (2) For hazardous and major hazardous industries. **(Sixty Days)**

(b) Registration/Licence under the Factories Act.

- (1) For non-hazardous industries **(One Month)**
- (2) For hazardous and major hazardous industries. **(Sixty Days)**
- (3) Registration as Shop and Commercial Establishment. **(One Month)**

Note : The rule of deemed approval will not be applicable in case of industries of hazardous and major hazardous type.

6. FIRE DEPARTMENT

No- Objection relating to fire safety from fire Officer. **(One Month)**

7. REVENUE DEPARTMENT

- (a) Declaration of land as non-agricultural section- 143. (one Month)**
- (b) Proceedings under section 154 of U.P. Zamindari Abolition Act. (One Month, but the rule of deemed approval will not be applicable)**

8. GRANT OF LICENCE FROM FOOD DEPTT. (Ten Days)

9. Permission/No-Objection from District Magistrate's level for storage of HSD. (One month, but the rule of deemed approval will not be applicable)

10. DRUG CONTROLLER

- (a) No- Objection for grant of licence (One Month)**
- (b) Drug licence (after establishment) (Sixty Days)**

11. STATE EXCISE DEPARTMENT

- (a) Allotment assurance from State Excise Department (One month)**
- (b) Excise Licence (One Month)**

12. FOREST DEPARTMENT

No- Objection from Divisional Forest Officer (for industries based on forest) (**Sixty Days**)

13. ELECTRICAL SAFETY DIRECTORATE

No- objection for Electrical Safety (**One Month**)

14. Permission Urban Land Ceiling Act (Two Month)**15. Building Map approval by Development Authority/Municipal Corporation/Municipality/ Town Area or notified area (One Month)****Amendments:**

Application for permission under urban Land Ceiling Act to be decided within maximum time limit of two months (Go No 415/77-6-99 dated 30 March 1999)

The building approval application of notified areas will be sent by General Manager, District Industries Center to the office of prescribed authority every Friday (Go No. 972/77-6-99 dated 5 may 1999).

The application relating to U.P.P.C.B. in respect of Districts where their officers are not located shall be got received at their regional offices by G.M. DIC each Friday (Go No. 457/77-6-2000 dated 23 march 2000).

Annexure –II**Nodal officers to be Nominated by Different Departments Under Single Table System.**

Sl.	Name of Department	Officer
1.	Directorate of Industries	General Manager, District Industries Centre
2.	U.P. Pollution Control Board	Regional Officer, U.P. Pollution Control Board/officer of minimum Class- II level nominated by Regional officer.

- | | |
|--|--|
| 3. Land Use Permission | Sub Divisional Magistrate |
| 4. Trade Tax Department | Trade tax officer |
| 5. U.P. State Electricity Board | Sub Divisional officer |
| 6. Drug Controller | Asst. Drug Controller or officer
nominated by him/Drug inspector |
| 7. Forest Department | Sub Divisional Forest officer |
| 8. Excise Department | District Excise officer |
| 9. Permission/NOC from District
Magistrate for Storage of HSD | Add. District Magistrate |
| 10. Urban Land Ceiling | Add. District Magistrate |
| 11. Factories Act | Asst. Director of Factories |
| 12. Electrical Safety Department | Asst. Director Electrical Safety |
| 13. Food Department | Deputy Divisional Marketing officer |
| 14. Development Authority/Municipal
Corporation/Municipality | Assistant Engineer |
| 15. Fire Safety Department | Fire officer/ officer nominated by
superintendent of Police |
| 16. Shop and Commercial Establishment
Department | Labour officer |
| 17. U.P. State Industrial Development
Corporation | Regional Manager or the officer of
minimum Class-II level nominated by
him |

Chapter-IV

The Industrial and Service Sector Investment Policy 2004

4.1 To synchronize the prevailing policy frame work (Industrial Policy-1998) the Government of Uttar Pradesh has undertake the major exercise in 2004 by announcing the New Industrial Development and Service sector Investment Policy-2004 with contemporary international economic thinking Under Chapter-5 of policy provisions for “Single Widow System” has also been made. For ready reference The Industrial and Service Sector Investment Policy-2004 is being reproduced as under:-

Chapter 1- Introduction

- 1.1** Tenth five year Plan lays emphasis on extensive industrial development; i.e., industrial development which is equally distributed in the State and labour intensive, in order to eradicate pervasive unemployment and poverty It, becomes important that to achieve the envisaged 8 per cent growth rate in state’s Gross Domestic Product (GSDP) an annual industrial growth of 12.4 required which will create 1.6 million employment opportunities every tear during the Plan period Thus, a target of creating 8 million new employment opportunities is envisaged during the entire Plan period.
- 1.2** To achieve the goals set by the Tenth Five Year Plan a great impetus has to be given to accelerate industrial development in the state. This requires that the congenial environment should made for industries by introducing detailed reforms.
- 1.3** Uttar Pradesh in view of its population of 166 million people is the largest and most important state in India. Had it been a separate country, it would have been the seventh largest country in the world, Integrated development of such a large stage is also vital for the development of the nation itself. It is also, the largest consumer market of ;the country.

Therefore the benefit of its economic development and development of resultant purchasing Power will benefit to all the industrial units the whole county.

- 1.4** Before we start to determine the policy for the development of the state it is important that the meaning of “development” is clearly understood Growth in the GSDP can not be sole criteria of development. The new world has identified the integrated and all-round development of the entire humanity as the real meaning of development i.e; achieving higher levels of Human Development Index, in which not only growth in GSDP but also the distribution of GSDP among different factors of production and its positive impact on humanity have their own importance.
- 1.5** Uttar Pradesh like other states of India, is a agrarian economy It is an established principle that at higher levels of development while the share of agriculture in the GSDP shrinks, share of secondary sector and then of the tertiary sector increases as a structural change. Thus, the policy of any development-oriented state should be one which promotes industries and service sector.
- 1.6** It is the established principle that for development of economy, the structure changes from of Agriculture (primary sector) to Industry (secondary sector) and then to service sector is essential. Therefore the industrial policy of a development state should be one which encourages the service creation. Considering this the emphasis has been laid to ensure that investment in industry and service sphere both are attracted.
- 1.7** Working on this principle, in order to achieve objective enumerated in Chapter 2, certain efforts need to be done on priority and special thrust should be given on them.

1.8.1.1 Thrust Areas

1.8.1 Faith on Entrepreneurs

- 1.8.1.2** For adequate development of industrial it is essential that the existing rules are, showing faith in entrepreneurs, simplifical and made congenial to the industrial development. This has been the main thrust in the new

investment policy. Specially, to ensure proper compliance under various rules and inspections, arrangement of self-certification and certification by third agency will be made.

1.8.2 Strengthening the Infrastructure

1.8.2.1 The State Govt. is duty bound to facilitate the all-round development of Industry, Trade, commerce and Service Sector This requires development of adequate infrastructure facilities for the development of all these sectors. Considering this private. Sector will be encouraged by giving piloting role in establishing infrastructure in the state.

1.8.2.2 The State govt. as far as possible, will ensure to establish infrastructure facilities in private/joint sector. But if it is felt that investment in joint sector is not possible in certain critical areas, then the State Govt. will make efforts to establish such infrastructure facilities.

1.8.3 Incentives for New Industries

1.8.3.1 Certain new areas, like-information technology, bio-technology, food-processing etc. have emerged which show immense potential for investment. The State Government will encourage private sector to invest in these new areas and will erect the necessary infrastructure in these areas.

1.8.3.2 Government of India has made a policy to give certain benefits to units located in the Special Economic Zones (SEZs) The State Government has proposed four SEZs These SEZs will be established in Greater Noida, Kanpur, Moradabad and Bhadohi The State Government will also grant certain benefits to units located in these areas. If required, more such Zones may be development at other places.

1.8.3.3 In service sectors, specially in Education, Medical & health, Entertainment and tourism Sectors have become important components of Gross Domestic produce and Human Development Index. The State Govt. Will make effort attract maximum capital investment in these sectors.

1.8.3.4 The share of the State in India's total Handicraft is 65% The development of main cities & Towns will be censured through development of Handicraft/ exports in cluster and facilities through various schemes.

1.8.3.5 In the age of competition, in order to make small units viable, the State Govt. will provide interest subsidy, and will help in purchase of new techniques and for provide necessary help for standardization through B.I.S The small Industries Rehabilitation Board will be set up for rehabilitation of sick units and to prepare rehabilitation package and small Industries Rehabilitation Schemes will be launched.

1.8.4 **Multi-faceted policy**

1.8.4.1 The objective of the State Government is not to develop industries only, but to ensure an all-encompassing investment in industry trade, commerce in services. Investment in service Sector help in improvement in human Development Index also. Considering this, this year the State Government proposes to announce its Industrial and Service sector Investment policy in place of Industrial policy.

1.8.5 The necessary govt. order will be issued by the govt. for implementation of all facilities / concessions / provisions through various concerning departments envisaging the date of implementation detailed terms and condition and the procedures to be followed It is advisable that the entrepreneurs should act upon these G.Os after taking them into cognizance. The Udyog Bandhu will provide these G.Os in totality to needy entrepreneurs.

Chapter-2- Objectives & Strategy

2.1 Objectives

2.1 To achieve the all round development of the State we need accelerate the pace of growth in the fields of not only industry, but also trade, commerce and services. This requires that we should identify our goals in specific terms. Thus, the following targets are envisaged for this Policy

1. achieving an annual industrial growth rate of 12.4 percent;
2. generation of 1.6 million employment opportunities every year;
3. making the state the most attractive destination for the investors; and
4. taking the benefits accruing out this investment to all the sectors of the state

2.2 STRATEGY

2.2.1 TO promote private participation in Industrial Development

2.2.1.1 The State will actively promote the participation of the private sector in the industrial and economic growth of the state The state accepts its role in nurturing private economic activity and entrepreneurship It recognizes generation of wealth in the private sector. As necessary for the overall prosperity of the state It will therefore, Endeavour to gorge a meaningful partnership with industry in policy formulation and actual execution and implementation.

1.2.1.2 The state govt. is sensitive and alert towards the requirements of the entrepreneurs Need is to take the economic reforms started during last decade more rapidly It is essential to build favorable environment for promoting investment for development for development of entrepreneurship in the state, To achieve this goal, all the existing rules & regulations will be thoroughly studied so ad to simplify then and make them more rational, and will include facilities of self certification & certification by third party.

2.2.2 Balanced development of Tiny, small & Heavy Sector

2.2.2.1 Small and Tiny Sectors, play an important role in creating larger number of employment opportunities and provide a wide range goods and services. Therefore, the state shall create condition for a balanced and harmonious growth of all segments of the Industrial sector such as Heavy, Medium, Small and Tiny Sectors.

2.2.2.2 Traditional industries have thrived in the state, for centuries, and along with varied cottage industries, have the backbone of the State's economy. They will be strengthened augmented and made competitive in terms of quality, technology packaging and marketing.

2.2.3 Promotion of Exports

2.2.3.1 Exports are not only vital to the national economy, but they serve to significantly enhance the professionalization of local industry and the competitiveness of its products. A facilitative atmosphere will be provided for the promotion of exports from the state and to enhance the competitiveness of exportable products.

2.2.4 Promoting NRI & FDI Investments.

2.2.4.1 There is a tremendous potential for NRI in investments in the state. Through their entrepreneurial skills and abilities, Indians, especially residents of Uttar Pradesh and the neighboring states, have made a mark in every field of human activity abroad the state shall create an attractive environment for them to invest in the state Procedures and systems shall be so modified as to facilitate their investment.

2.2.4.2 Foreign Investment is necessary for projects, large investment. Like power, roads, bridges etc. The state shall attract foreign direct investment and create circumstances, where Uttar Pradesh becomes the leading destination in the country for foreign investments.

2.2.5 Assured security of life & property

2.2.5.1 In order to achieve the overall objectives of the New Industrial and service sector Investment policy, 2004, the state shall ensure reaction of an atmosphere of security to develop confidence in the entrepreneurs Law

And order machinery will be toned-up a way to be responsive to the needs of industry Uttar Pradesh has suffered from a stereo-typed image, over the last many years, as an insecure state Facts speak otherwise The data published by the National Crime Records Bureau authentically establishes, that in terms of rate of crime. Uttar Pradesh is one of the better state of the country This is at variance, to the popular myth that has been in circulation The state assures security of life & property, to its entire population in general and those engaged in productive economic activities in particular.

2.2.5.2 Considering the special needs of industries a Fast Track Grievances Redressed cell shall be established of under a D.G. (Police) in the office of IG Police In addition special arrangements for Police shall be made for Industrial Area/Estates.

2.2.6 Creation of sensitive Administrative Body for Industrial Development

2.2.6.1 The administrative system of the State will be reoriented to make them responsive to the present needs of industry To make the idea of liberalization a success, certain organizational/structural changes will be made in some agencies Attitudinal changes in the officials will also be brought in.

2.2.7 Recognition of the role of service sector

2.2.7.1 Over the years, the tertiary sector has emerged, as an important avenue of employment and economic activity Its critical role as service Industry, has to be recognized, for economic development and reduction of pressure on land The state shall create an environment conducive to rapid development of this sector free from unnecessary regulation.

2.2.8 Formulation of Industry specific Tailor made package.

2.2.8.1 In order to respond to the needs of specific segments of industry, tailor-made support package will be evolved on a continuing in consultation with the industry itself the state, shall also develop a package of incentives and support services, to be extended for development of

entrepreneurship in selected sectors particularly in rural provision of inputs to enhance their viability and competitiveness.

2.2.9 Review of Tax structure

2.2.9.1 The state, shall, also continuously review and revamp, wherever necessary, the entire tax structure so that it reflects the requirement and expectations of industry,

2.2.10 Revitalization of existing Investment to make them productive

2.2.10. Uttar Pradesh is one of the leading states, in terms of existing investments in Industry However, a number of Industrial units especially in the small sector are facing several difficulties, which have impacted adversely on their viability The state recognizes the need to revitalize them, so that the existing investment in them, could be made productive once again The state shall assist existing Industries to not only remain competitive but also grow and expand The vibrancy of the existing industries, is the best way to attract fresh investments.

Chapter-3 Infrastructure Facilities

3.1 Participation of the private sector shall be ensured in the development of Infrastructure facilities. The state government will, wherever necessary, provide subsidy and participate in capital investment but the thrust/effort will be to develop Infrastructure facilities in the private sector. The state Government shall provide the necessary subsidy, capital investment apart from other facilities as and when required The state Government may develop those necessary / essential infrastructure facilities which are not be coming up in the private sector.

3.2 Establishment of Industrial Infrastructure Development Found

3.2.1 The prime objective of the state Government is to select the experts, who will identify the infrastructure facilities like - electricity supply water supply water drainage, telecommunication facilities like internet connectivity transportation facilities improvement in distribution system,

container depot facilities, to bear the expenses incurred on the surveys, project reports prepared by the experts and to finance the identified developmental projects. In view of the above it has been decided to establish in Industrial Infrastructure Development Fund for which a budget provision of Rs 50 crore shall be made in the first year 2004-05 such provision shall be made for the next four years also The projects to be financed by the fund are as follows:

- The expenditure incurred on the selection and the project reports prepared by the experts / consultants, for the selection of Infrastructure facilities to be set up with private sector participation:
- To establish necessary infra-structure facilities in such Industrial Areas/Estates and Industrial Cluster identified by central Govt./ state Govt. where no funds are allocated in regular annual budget.
- To provide 25% or Rs. 100 lakh whichever is less for the development of infrastructure for industrial units situated outside industrial areas/ estates.
- To provide the residue finance on behalf of the industries department in those infrastructure projects of the Central Government or other departments where a definite percentage is contributed by the Central Government or the respective department.
- To provide the residue finance for the completion of incomplete infrastructure projects.
- To finance those infrastructure projects identified by expert/consultancy organizations.
- To provide finance for the completion of the incomplete projects related to electricity water supply water supply drainage in mini industrial estates.

- To establish essential infrastructure facilities for the development of transshipment centre integrated transport and commercial centres, whole sale markets, container depots and other industrial & commercial developments.
- To incur the expenditure on the development of essential infrastructure facilities for conducting specialized training programmers to suit the needs of the local industry in both government and private educational institutions.
- To incur the expenditure on the establishment of specialized design & packaging centers and training institutes as per the needs of the industry.
- To provide subsidy/ capital investment by a transparent selection process on a case to case basis through the Empowered committee constituted under the chairpersonship of the Chief Secretary, for the development of infrastructure facilities such as industrial areas, trade centers/wholesale markets, conference halls/exhibition centers warehouses, over bridges roads etc.

3.3 Establishment of Industrial Infrastructure Development Authority

- 3.3.1 A state Infrastructure Development Authority shall be constituted for the management of the Fund set up under 3.2 such Authority shall be under the control of a whole-time Managing director.
- 3.3.2 The Authority shall have the right to raise capital from the market and collect user charges for the infrastructure facilities provided.
- 3.3.3 The Authority shall have the power to delegate the right to develop an infrastructure facility through a special purpose vehicle/ undertaking in the joint sector.
- 3.3.4 The work of development of Roads of the state and to attract private Investment for this project shall be done by U.P. State highway Authority The authority will assist U.P. State Highway Authority.

3.4 Infrastructural Facilities

3.4.1 Travel & Transport

- 3.4.1.1 Private sector participation shall be encouraged in the development of Travel and Transport.
- 3.4.1.2 State Highways of industrial importance shall be identified & thereafter strengthened and broadened. All the industrial cities and towns of the State shall be interconnected by such highway.
- 3.4.1.3 Way-side amenities shall be developed along selected important / major highways of the state.
- 3.4.1.4 Transport Towns Nagar transshipment centers, integrated transport and trading/commercial centers and container depots shall be developed.
- 3.4.1.5 Railway facilities and integrated road railway transport and trading Centres shall be developed.
- 3.4.1.6 Infrastructure facilities relation to Airways shall be developed airports in cities like Varanasi Lucknow, Agra will be provided additional facilities.

3.4.2 Electric Energy

- 3.4.2.1 Colossal investment is called for to meet the requirements of electricity supply in all the 3 spheres of generation, transmission & distribution to meet this end private sector participation shall be encouraged in all the 3 spheres.
- 3.4.2.2 To encourage investment in the sphere of electricity supply, the state Government will provide the following:
- 3.4.2.3 The government shall provide interest free loan similar to the due entry tax and sales tax of all eligible units. This loan will be made available as per the following norms:
 - For capital outlay of Rs. 100- 1500 corer, upto 7 years, which shall be payable after 7 years in 7 annual installments.

- For capital outlay of more Rs. 1500 crore, upto 12 years which shall be payable after 12 years in 12 annual installments.
- 3.4.2.2 The State Government shall acquire the necessary land and make it available to the units and no market rate or premium will be charged.
- 3.4.2.3 The State Government shall lease its land for 99 years at Rs. 100/ per Acre to the units and no market rate or premium will be charged.
- 3.4.2.4 Where private units sell electricity to state utilities, the transmission lines and substations shall be set by the State utility.
- 3.4.2.5 The State Government shall ensure all infrastructure facilities such as Roads, bridges water supply, law and order for any state Government projects.
- 3.4.2.4 The State Government shall promote the following project:
- Nuclear energy
 - Small/ Mini – Hyde energy
- 3.4.2.4 Captive power generation & distribution through cooperative societies shall be encouraged for supply to industry and such captive power generation shall be exempted from electricity duty and related taxes.
- 3.4.2.5 Uninterrupted power supply in industrial areas
- 3.4.2.5.1 The state Government shall ensure 24 hrs. uninterrupted power supply to the units situated in all industrial areas and estates Industrial areas which are supplied from 132 KVA shall be kept free from power cut unless it is absolutely necessary for the security of the grid For this purpose all establishment relation to transmission & distribution shall be upgraded Industrial units of over Rs. 50 corer situated outside industrial areas shall be given uninterrupted power supply through dedicated feeders Units with more than Rs. 10 crore investment based on food processing and agriculture, biotechnology

And information technology shall also be assured uninterrupted power supply through dedicated feeders all 100% export oriented units which subscribe to dedicated feeders will also receive 24 hrs electric supply.

3.4.2.6 Industrial feeders to be exempted from power cuts:

3.4.2.6.1 Feeders on which industrial supply amounts to more than 75% shall be regarded as industrial feeders and will be exempted from power cuts If there are consumers of other categories on such feeders they shall be separated by the state Electricity Board The dedicated feeders set up by the industries at their own cost shall not be tapped for any other purpose Exemption shall be granted only in those cases where under the prevalent rules the concerned industry enters into contract with another industrial unit permitting tapping”

3.4.2.7 A simplified procedure for giving permission industrial units for the surrender and increase of electricity load shall be adopted.

3.4.2.8 Encouragement for cogeneration & internal production industrial units shall be permitted to set up internal power generating plants In case where power generated by the industrial unit is in excess of its internal requirements, it will be permitted to sell the residue power to the U.P Electricity corporation Ltd any other Electricity Distribution company in the other industrial units or any other consumers.

3.4.2.9 All new units shall be exempted from electricity duty for the first 10 years Units declared as pioneer units under Para 4.5 shall be given this exemption for 15 years.

3.4.3 Telecommunication

3.4.3.1 Land will be made available free of cost on a case basis for setting up telephone exchanges, telecom centers in industrial areas/special Economic Zones/Industrial Clusters and the State Government shall consider giving the necessary facilities in the exchanges set up by BSNL A plan shall also be drawn for Bulks booking of telephone connections:

3.4.4 Water Supply

- 3.4.4.1 Water supply to industries has been accorded last preference in the state water policy This Policy shall be amended and water to industries shall be at par with irrigation at second priority after of drinking water to the public.

3.4.5 Water drainage & Industrial Waste disposal

- 3.4.5.1 Arrangement shall be made for drainage of water disposal of industrial waste in industrial estates/ areas Utmost priorities shall be accorded to providing water-drainage facilities in industrial areas situated in low-line plots/areas.
- 3.4.5.2 Policy improvements shall be made in the state Drainage policy to make it more industry friendly, so as to provide facilities and opportunities to industrial units for increased production and new opportunities for inviting private capital investment on all these activities shall also be given.

3.4.6 Commercial Resources

- 3.4.6.1 Priority shall be given to the establishment of container depots, transport towns, and transshipment centers in different cities Attempt shall made to link these infrastructure facilities with Highways and railway routes.
- 3.4.6.2 While giving final shape to the state policy attempt will be made to upgrade distribution facilities such as whole sale markets, transport towns and integrated transport-cum-centers.
- 3.4.6.3 Encouragement shall be given for the establishment of conveniences stores in the private sector which common building plan shall approved by the Housing Department This shall be the basis for sanctioning the construction of convenience stores in different places within one district such convenience stores shall be exempted from the weekly closure and the closure after a fixed time under the shops and commercial Establishment Act.

- 3.4.6.4 A big trade centre shall be established in the private/joint sector in the state Capital along the lines of the international trade fair where apart from display of industrial products, facility for sale shall also be provided The State Government shall provide for facilities in the trade centre such as City Bus services Telephone post office police station, Metal Link road, Drainage facility Electric Lighting etc whose expenditure shall be none by the trade centre authority These infrastructure facilities shall be financed by the Infrastructure Development Fund of the industries department such trade centers can also be established in other cities later.
- 3.4.6.5 Display–cum-Sales Centers will be established in industrial areas of Industrial Development Authority in private/joint sector Industrial units of the area can display their products in these centers on payment of a prescribed fee for establishment of these centers necessary grant will be given from the Infrastructure Development fund.
- 3.4.6.6 State’s purchase policy shall be given statutory status and it shall be duty of every department of indicate in the notice calling for tenders exemptions in deposit of earnest money and price and purchase priority given to the units facilities of the state so that so that entrepreneurs can take benefit by depositing their tenders accordingly.
- 3.4.6.7 Markets in the nature of Urban Haat” will be developed in KAVAL towns, first stage to provide industrial units of the state specially small scale and tiny units facilities of the private sector and necessary grant will be given from the Infrastructure Development Fund.
- 3.4.6.8 The condition of spending 2 per cent of state Government’s Departments’ s budget on computerization will be amended to raise this limit to per cent, and 50 per cent of this will compulsorily be spent on training and software development Training and software development will be given to the units of the state.
- 3.4.6.9 Training & software development will be through Institutions situated in the state.

- 3.4.6.10 Banking and financial institutions, insurance, postage and courier services and legal (including income-tax) and management consultancy facilities will be development near the industrial areas land shall be earmarked and allotted for such commercial services in the industrial areas/ estates If required building may be constructed for providing facilities at one place.
- 3.4.6.11 National and international trade fairs will be identified in the beginning of the year and selection of entrepreneurs to be finalized at least six months before by a transparent system The state Government will bear the 50 per cent of transportation cost and rent for exhibition space rest 50 per cent is to be borne be the entrepreneur where the contribution available any scheme of the Central Government or some other scheme is more than 50 per cent, the entrepreneurs may take benefit under that scheme If the contribution available under such scheme is less than 50 per cent, the state Government will bear the shortfall.

3.4.7 **Industrial Security**

- 3.4.7.1 A fast track grievance redressed mechanism will be installed by nominating an IG police in the office of DG police on whole time basis to investigate offences against industrialists and traders registered with trade-tax department. Industrialists and traders can directly approach him for their grievances.
- 3.4.7.2 Such IG police with determine the security needs of different industrial areas, industries, entrepreneurs and traders and will make police arrangements accordingly.
- 3.4.7.3 Special care will be taken be the state Government to establish police stations / police posts various industrial areas. Special attention will also be given to increase staff. Provide vehicles and other equipments and computerization of such police stations/ police posts Financial assistance may be provided from the IIDF for this purpose.

3.4.7.4 If need is felt by any entrepreneur/ trader for his security police/ home guards may be provided on payment basis.

3.4.8 **Industrial Estates/Areas**

3.4.8.1 Maintenance of industrial areas of UPSIDC through cooperative formed by industrialists shall be promoted In addition to providing 60 per cent of taxes/ fees / charges collected by the local body/development authority from such industrial area if need is felt necessary amount for maintenance will be provided by the state Government They will also be sanctioned financial assistance for development of infrastructure facilities from IIDF on a case to case basis they may be given permission to recover cess/ user charges/ tax at a later stage.

3.4.8.2 Special state Industrial development Zones will be developed to boost new industrial investment. Which will have same facilities as provided by the state Government to SEZs At first, it will be developed near greater NOIDA and based on success, experience and progress of this Industrial area such Special state Industrial Development Zones may be developed in other areas?

3.4.8.3 Allotment of land for setting up of entertainment clop in the industrial areas/ estates will be permitted.

3.4.8.4 Industrial associations will be given representation on the board of Industrial Development Authorities so that they can put their opinion matters related with land allotment and development of industries.

3.4.8.5 The prices of plot and rates of mutation charges, penalty for delay in construction etc. will be rationalized and made industry friendly so that the long standing grievance of the industries that rates of charges of UPSIDC are determined for its economic benefit is resolved.

3.4.8.6 Land provided for green belts can also be leased out (keeping it green) for uses like play ground parks, for function etc. plots allotted in industrial area/ estates may be allotted to be used for other

Commercial purposes such as god owns, after payment of appropriate land use charges,

3.4.8.7 The condition contained in the lease deed executed on the date of allotment of plots in industrial areas/ estates can not be changed to the prejudice of industrial undertaking.

3.4.8.8 The Industrial Estates developed by the Directorate of Industries will be made free-hold and an “ Industrial Estate Infrastructure Development Fund will be established with the help of money received towards free-hold premium and one time maintenance premium from the entrepreneurs and will be kept at the disposal of a committee of entrepreneurs formed for this purpose.

3.4.8.9 Mini Industrial Estates

3.4.8.9.1 Residential facility will be provided as a policy matter in industrial estates/ clusters. This facility will also be provided in the existing mini industrial estates.

3.4.8.9.2 Land in mini industrial estates may be allotted or auctioned after ensuring that no highly polluting industry is situated in such estate and nor such industry is proposed for development of education institutions/ hospitals/nursing homes/health club and for other industrial/ commercial purpose. One such sale/ allotment is made no polluting industry will be allowed in such industrial estate.

3.4.8.10 Special Economic Zones

3.4.8.10.1 Construction of four special Economic Zones is proposed in the state. These SEZs will be constructed at Greater Noida, Kanpur Bhadohi and Moradabad.

3.4.8.10.2 State Government has passed Uttar Pradesh special Economic Zone Authority Act, 2002 to provide special facilities to these special Economic Zones. Uttar Pradesh is the first state to pass such an Act.

3.4.8.10.3 These SEZs will be completed and operationalized expeditiously.

3.4.8.11 Biotechnology Research Park, Lucknow

- 3.4.8.11.1 The first Bio Technology Research Park of the state has been established at kursi Road Lucknow This park is a unique achievement of the state in the field of Biotechnology It is a collection of industrial undertakings bio-trading center and training laboratories so that requisite infrastructure and common facilities are created for development of biotechnology industry.
- 3.4.8.11.2 Similar biotechnology are parks pars in larger areas will be promoted state Government may provide centralized common facilities in the parks established in private sector.

3.4.9 Gas Pipe Lines

- 3.4.9.1 Efforts will be made to construct Gas pipe Lines for NOIDA and Greater Noida on priority basis.
- 3.4.9.2 An Endeavour will be made to extend piped gas facility to the largest possible areas in the state specially to the industries and transport services.

3.5 Subsidy to Private Sector

- 3.5.1 Following subsidy will be given from the IIDF for development of infrastructure in probate sectors:
- a) 50 percent of the capital investment subject to a maximum of Rs. 2.5 corer for establishment of industrial area related with IT& BT
 - b) 20 per cent of the capital investment subject to a maximum of Rs. 2.5 corer for establishment of other industrial areas;
 - c) 50 per cent of the capital investment subject to a maximum of Rs. 50 Lac for establishment of Call Centre Zones.
 - d) For convention halls, multimedia center exhibition grounds, and modern trade centers with entertainment facilities, as follows:

I for an area of more than 50 per cent subject to a

5000 sq. meters	maximum of Rs. 50 lac.
II for an area of more than 10,000 Sq. meters	50 per cent subject to a maximum of Rs. 100 lac.

- 3.5.2 A subsidy of 50 per of cost of common facilities approved by the industrial associations subject to a maximum of Rs. Crore per cluster will be provided
- 3.5.3 Establishment of laboratories standardization and Research& Training institutes by the Industrial association for ensuring quality and reliability of products of small scale units will be promoted a subsidy of 50 per cent subject to a maximum of Rs. 100 lac will be given from the IIDF for establishment of such laboratories.
- 3.5.4 If subsidy is also available for above schemes from the Government of India then such subsidy will be included for calculation of above mentioned limits.
- 3.5.5 If a need is felt, subsidy may be granted on a case to case basis by an empowered committee constituted under the chairmanship of the Chief Secretary through a transparent procedure for development of infrastructure facilities like industrial areas trade centers. Wholesale markets conference halls. Exhibition centers, ware house. over bridges bye-passes, roads etc private sector.
- 3.5.6 The state Govt. shall issue necessary G.O.s detailing various terms & conditions for all the above subsidies and for development infrastructure facilities The above grants will be given to only those units fulfilling the desired standards & terms & conditions:
- 3.5.7 An autonomous body Institute of Design will be set up with the help of Development Commissioner handicraft and N.I.D. private sector will be invited to participate in Design Course Training for Handicrafts, packaging & to execute works of produce Development.

Chapter 4- Financial Grants and Rebates

- 4.1 The State Government will take adequate steps to insulate Industries in the state from adverse impact of special incentives given by the Central Government to certain States like Uttranchal.
- 4.2 Rationalization of Stamp Duty, Registration Fee, Land-Use Change Charges and Land Transfer Charges.
- 4.2.1 The state Government will provide 100 per exemption from stamp duty on the purchase or lesae of land for the following projects.
- a. Small scale and tiny industrial units in 29 districts of poorvanchal and 7 districts of Bundelkhand,
 - b. projects pertaining to the development of infrastructure facilities like industrial estate, roads, bridges, over bridges, flyover, wholesale markets, transshipment centres integrated transport and trade centres, contarent depots, electric installations, water works, drainage works, exhibition centres, ware houses etc.
 - c. Projects pertaining to establishment of information technology, bio technology, business outsourcing call centres and food processing units,
- 4.2.2 All other industrial projects will be entitled for a 50 per cent exemption from stamp duty on purchase or lease of land.
- 4.2.3 Registration of sale/lease deed for land required for all industrial and service sector projects will be made at the rate of Rs. 2 per thousand. Subject to a maximum of Rs. 5,000.
- 4.2.4 Stamp duty on agreement relating to deposit of title deeds for pawn or pledge shall be reduced from the existing Rs. 5 to Rs.2 per thousand.
- 4.2.5 Stamp duty on bank guarantee shall be reduced from existing Rs. 5 to Rs. 2 per thousand, subject to a maximum of Rs. 10,000.

- 4.2.6 Stamp duty on conveyance of movable property belonging to the industry shall be reduced from existing Rs. to Rs. 2 per thousand.
- 4.2.7 Stamp duty on mortgage deed, in which possession is not transferred, shall be reduced to Rs. 2 per thousand. In case the possession is transferred at a later date then stamp duty will be charged accordingly,
- 4.2.8 Stamp duty on collateral shall be reduced from existing Rs. 10 to Rs 2 per thousand.
- 4.2.9 All other stamp duties and registration charges applicable to industry, mineral and trade shall be considered and rationalized.
- 4.2.10 To relieve entrepreneur from despites at the time of and after registration of sale/lease deeds, it shall be duty of the additional District magistrate (Finance/Revenue) to certify, according to the rules, the authenticity and adequacy of stamp used within 7 days of applying along with prescribed fees. If registration is done after a certificate is obtained then on liability will be imposed on the entrepreneur if the stamps used are found to be take or inadequate.
- 4.2.11 In order to give impetus to industrial development, mutation charges and land-use changes shall be rationalized.
- 4.3 **Rationalization of Trade-tax Rares and Simplification of procedures.**
- 4.3.1 Medium and large scale industries will be exempted from payment of entry tax on as follows.
- a. in 29 districts of poorvanchal and 7 districts of Uttranchal, for fifteen years,
 - b. in other districts, for ten years.
- 100 per cent Export Oriented Units continue to be exempt from the entry tax.

- 4.3.2 The rate of interest on the arrears of trade tax will be reduced from existing 24 per to 14 per cent on declared tax and 12 per on assessed tax. The system of settlement commissioner will be introduced. A provision for giving advance rulings will be introduced in place of the existing section 35.
- 4.3.3 The rate of CST will be reduced to 2 per cent from existing 4 percent for new units in the state for ten years from the date of commencement of production.
- 4.3.4 Power bill subsidy equal to trade tax paid by the unit on purchase of raw materials will be given for ten years to all new units in the state.
- 4.3.5 To counter the shortage of power availability, use of Form 3-B on purchase of diesel for generation sets installed by the industrial units will be allowed by the trade tax department.
- 4.3.6 Check posts of all the departments shall be integrated, modernized and computerized within two years, Necessary facilities for the entrepreneurs and traders will be provide at these check posts.
- 4.3.7 Security printed forms of the trade tax department will made downloadable from the computer by simplifying the process.
- 4.3.8 All functions of the trade tax department will be computerized. In cases, where concessional forms are not available due to closure or sickness of any industrial unit, the assessment will be made on the basis of some alternate proof, like-challans, gate-pass etc, and requirement of the forms will not be overstretched.
- 4.3.9 Industries and traders having turnover of less than Rs. 3 lacs shall be exempt the compulsory registration will the trade tax department.
- 4.3.10 The provisions of summary tax assessment of the businessmen shall be replaced by provisions of deemed tax assessment.

- 4.3.11 The slabs of rates of tax assessment shall be reduced so as to facilitate the entrepreneurs in upkeep of the records.
- 4.3.12 All goods on which tax is payable will be classified, as there is always a dispute about taxability of unclassified goods which leads to unnecessary litigation. To remove this difficulty majority of goods shall be classified so that there remains on dispute regarding rates of tax applicable to them. As soon as any unclassified goods comes in the notice of Trade tax Department its Endeavour will be to classify it as early as possible so that it is taxed accordingly.
- 4.5 **Special Incentives on establishment of pioneer Units**
- 4.5.1 The first industrial units established in every district and having an investment of-
- a. Rs 10 crores, for information technology bio-technology or food processing units,
 - b. Rs. 25 crores, for any other unit shall be declared pioneer units such will be given interest free loan for a period of 15 years instead of 10 years under Industrial Investment promotion Scheme.
- 4.6 A cell will be constituted to provide required guidance and legal consultancy to the research institutes and industries for getting their patents and other intellectual property rights registered grant of 50 per cent, subject to a maximum of Rs. 5 lacs will be given for obtaining guidance/ legal advice from the private firms.
- 4.7 All new large industrial undertakings employing more than 50 per cent of women employees or employing 500 women on permanent basis will be allowed, within the maximum limit of 10 percent or paid CST and trade tax, an additional 20 percent interest free under the Industrial Investment promotion Scheme.
- 4.8 All new large industrial undertakings employing more than 25 cent employees belonging to scheduled castes and scheduled tribes will be

Allowed, within the maximum limit of 10 percent or paid CST and trade tax an additional 20 percent interest free loan under the Industrial Investment promotion Scheme.

4.9 Special incentives on projects involving capital investment exceeding Rs. 500 crores will be sanctioned on a case to basis by the Cabinet.

4.10 **Rationalization of Interest Rates on Financial Assistance.**

4.10.1 Interest rates on PICUP and UPFC loans will be brought at par with the bank/market rates.

Chapter 5 –Deregulation

5.1 **General policy**

5.1.1 Arrangements for self certification and third party inspection will be introduced.

5.1.2 Excepting inspection issued on complaints the industrial units in the state can be inspected only once in a year, in a joint inspection. The rights of the various departments will be delegated to certain officers for their purpose.

5.1.3 Inspections on the basis of complaint can only after prior approval of the District Magistrate.

5.1.4 Various records and returns required to be kept or filed under the different Acts shall be rationalized and brought to the minimum number by integrating them.

5.1.5 Surprise inspections of the industries can be done only at the level of DM/HOD, who will ensure inspection under his supervision.

5.1.6 The attitude of the administration shall be guiding and helpful. Entrepreneurs Development Institute will arrange for training in this regard.

5.2 **Single Window System**

5.2.1 The opinion of the DM/ Divisional Commissioner/Chairman of Industrial Development Authority shall be compulsorily included in the annual confidential record of the departments related to industries.

5.2.2 An Act will be passed on the lines of Andhra Pradesh and Karnataka to make single Window System effective. The Act will provide for an Appellate Board against the departmental decision of refusal for approval/on objection licence.

5.3 **Simplification of Laws**

5.3.1 Endeavour shall be made to identify necessary amendments in the Industrial disputes Act, Contract Labour (Regulation & Abolition) Act, Factories Act, and other Labour Laws and accordingly the matter will be taken up with the Government of India for their implementation.

5.3.2 For the economic development of the state, important industrial sectors like agro- based industry, information technology, Bio- technology, export oriented units, call centers etc. will be declared public utilities under chapter V of the Industrial disputes Act 1947.

5.3.3 Similarly, these sectors will be exempted from the application of chapter VI (Working hours of Adults) of the Factories Act, 1948.

5.3.4 System of self- certification will be established under the Minimum Wages Act 1948, payment of wages Act, 1936, Contract Labour (Regulation & Abolition) Act. 1947, Industrial Employment (Standing orders) Act, 1946, payment of Bonus Act, 1965, payment of Gratuity Act, 1972, Maternity benefit Act, 1961, Child Labour (prohibition) Act, 1986, Factories Act, 1948, Employees provident fund Act, 1952, employees Insurance Act, 1948 Uttar Pradesh shops & Commercial Establishments Act, 1962, A Committee under the chairmanship of the District Magistrate will visit five percent units randomly and get them inspected.

- 5.3.5 Classes and procedure for determining the minimum wage will be reconsidered based on needs of the industries and the changing industrial environment.
- 5.3.6 Provisions related to working hours, overtime and contract labour will be made industry- friendly.
- 5.3.7 Small scale and tiny units employing 25 or less workers will be exempted from the provisions of all labour laws (except) payment of wages and Minimum wages).
- 5.3.8 Contract labour laws will be reconsidered based on the needs of changing industrial and economical environment.
- 5.3.9 Amendments will be done in U.P Shops & Commercial Act based on the needs of call centres, Multiplexes, Shopping Complexes and other round the clock service activities.

5.4 Simplification of Industrial Laws

- 5.4.1** Chartered engineers will be appointed under the provisions of section 5 (1) of the Indian Boilers Act, 1923, and Chartered engineers will be allowed to:-
- (a) conduct annual inspections of the industrial units;
 - (b) grant registration to the industrial undertakings; and
 - (c) renew the certificates issued to the industrial undertaking .

Five percent of the units that have taken services of the Chartered engineers will be inspected on random basis and if fault is fund action under the appropriate Act will be taken against the Chartered engineers and industrial undertaking.

- 5.4.2** Similarly chartered engineers will be appointed under Standards of Weight & Majors (Inducement) Act, 1985, Indian Electricity Rules, 1956, Water (Prevention & Control of Pollution) Act, 1974. Air (Prevention and Control of Pollution) Act, 1981.
- 5.5 Simplification of Pollution Laws**

- 5.5.1 To facilitate industry to identify suitable locations, a State Atlas indicating pollution zones will be prepared.
- 5.5.2 Implementation of the law relating to the pollution control will be analyzed and rationalized.
- 5.5.3 Non-polluting industries will be identified and will be allowed to start operation without obtaining no-objection from the Pollution Board, while formalities of obtaining no-objection can be completed simultaneously. If Pollution Board has any objections the actions may be taken through State Government.

5.6 Other Deregulation Proposals

- 5.6.1 Till now small non-polluting industries were allowed the facility of automatic approval of building maps of an area upto 500 sq. meters made by authorized architects at the stage of submission Henceforth this arrangement will apply to all types of building maps, expecting hazardous industries.
- 5.6.2 Building maps of Industrial units barring polluting units, in industrial Area/Estates will be deemed approved at the time of application in the concerning Development Authority.
- 5.6.3 Entrepreneurs shall be insulated from the land disputes in the Industrial Areas/ Estate. If any dispute arises on the land sold/ leased out by the UPSIDC or any other Industrial Development Authority, then the case shall be against the Corporation/ Authority as the case may be, and the entrepreneur shall not be required to fight the case.
- 5.6.4 It will be made compulsory to inquire from PICUP/ UPFC about the existence of any charge before allotment of any plot is cancelled.
- 5.6.5 In case, allotment of a plot is cancelled, the money deposited by the entrepreneur shall be refunded with interest.
- 5.6.6 Acquisition of land settled for future extension of industries hampers further extension of industries and time and money of the entrepreneur is wasted in getting land released. Henceforth, no such land will be acquired.

- 5.6.7 The process of land acquisition will be made time bound so that industrial projects can be timely established and investments is booted.
- 5.6.8 The Government Order concerning acquisition of land was issued in 1984, when establishment of public sector undertaking had the highest priority After 20 years, in the wake of liberalization the policy has been a paradigm shift in favour of private sector investment, and the policy of establishing public sector units has been done away with. In view of this the requisite changes in the said GO will be made, and acquisition of land for the industries shall be given priority and the land will be made available to the industry at a single price Cases involving exchange with Gaon Sabha land will be approved by the DM on priority basis. Land use charge will be simplified and it shall be deemed to have been approved after 30 days from application, if the application has not been disposed of.
- 5.6.9 The compulsory condition of employing the land owner or any member form their family and rehabilitation them in case of acquisition of land shall be dropped.
- 5.6.10 An advance ruing cell will be created by every department from which the entrepreneurs can obtain advice on payment of a prescribed fee. The entrepreneurs shall not be responsible for any penalty or retrospective tax/interest. Or other dues for any act done in accordance of such advice.
- 5.6.11 Chief Industrial Development Officers will be posted in selected industrial Districts, who will be given powers corresponding with the Commissioner of SEZ.
- 5.6.12 it shall be compulsory to give a 30 days notice District Udyog bandhu before any recovery certificate is issued or action under section 29 is initiated by any financial institution, so that the entrepreneur gets an opportunity to represent his case before an independent forum.
- 5.6.13 Rates of Stamp Duty and recovery charges for recoveries made by the financial institutions shall be rationalized. In case of recoveries made by the district administration against recovery certificates issued under these provisions, recovery charges will be levied only the sale price of the

Property auctioned by the Financial Institutions for recovery of the loans and interest due and no cognizance of districts circle rate will be taken for the purpose.

- 5.6.14 Truck unions shall have no right to determine minimum freight rates. Any attempt by truck unions to impede the use of trucks other than the local trucks will be viewed seriously, and severe action will be taken against them.
- 5.6.15 Investments by UPFC & PICUP in various undertakings will be transferred to private sector through a transparent procedure. The policy will continue in future that as soon as the private sector undertakings become self- sufficient. Investment in such undertaking by government/ semi-government institutions will be transferred to private sector through a transparent procedure.
- 5.6.16 Disinvestment in Public sector Undertakings will be expedited.
- 5.6.17 A meeting of product specific industrial associations will be called every week at the level of industrial development department/ Udyog Bandhu. Points raised at these meeting will be sorted out expeditiously.
- 5.6.18 A special task force consisting of IAS, PCS officers and Senior Officers from Industries and Tax and Registration Deptt. Will be constituted under the Chairmanship of the Industrial Development Commissioner. This task force will investigate the cases of harassment of entrepreneurs and traders and proposed a action against the delinquent officers.
- 5.6.19 Computer centres situated at the Directorate of Industries and DICs will be strengthened to facilitate exchange of information through internet and availability of entire knowledge base at one place for industrialists.
- 5.6.20 Udyog Bandhu meeting will be held quarterly at Hon'ble Chief Minister's Level,
- 5.6.21 The state Govt. gives assurance to all Industrialist for a respectful behavior. All the industrialist will be looked at as special person and will be provided help and respect at all levels. VIP cards will be issued to special industrialist

so that they may enter any government, office and will be given priority. Provision for awarding industrialists for giving very special contribution.

Chapter 6 – Export Promotion

6.1 Exporters’ Charter

6.1.1 State Government will make in Exporters’ Charter, clearly indicating therein its duties towards exporters and the steps proposed for the growth of export. Exporters classified on the basis of quality, capital investment and annual turnover will be allowed certain prescribed exertions and duty drawbacks.

6.2 Master Plan for Export Oriented Cities

6.2.1 A master plan will export oriented city/ town and infrastructure requirements will be identified. After these infrastructure shortages are indentified, an effort will be made to create them on priority basis.

6.3 Strengthening of the office of Export Commissioner

6.3.1 The Export promotion Bureau will be development into an important central point for assistance and information to the exporters through an MOU with PHD Chamber of Commerce & Industries, DGFT and different Export Promotion Councils.

6.3.2 Office of Additional/ Deputy Export Commissioner will be created at Agra, Varanasi, Moradabad and Lucknow Young professionals, like-MBA or MA (economics) will be posted in these offices to sort out, through the office of Export Commissioner, Problems faced by the exports.

6.4 Freight Subsidy

Freight Subsidy will be applicable on the import of raw material used in export products.

6.5 Marketing Assistance

The marketing assistance being provided to exporters will also be applicable to export houses.

6.6 Other Proposals

- 6.6.1** Every exporter having a turnover of Rs. 10 crores and above will be motivated to adopt and maintain one public service. Such Public service will be named after the exporter/ exporter's firm.
- 6.6.2** Any custom sealed consignment for export can not be checked by any department during transportation. If such a need is felt, a checking after informing the customs officers can be made at the destination. If any officer violates this provision he shall be compulsorily punished. Charge sheet filed by the concerned department in other cases shall be disposed off within a maximum of 30 days, thereby facilitating the entrepreneur to concentrate on productive work.
- 6.6.3** Exporters' association will be given due representation in the meetings organized at the local and State Level.
- 6.6.4** Exporters will be given a "green Card" which will enable them to have a preferential treatment at the trade-tax and other check posts.
- 6.6.5** **Setting up of Advisory Council**
An advisory Council of exporters will be set up.

Chapter 7- Industry Specific Policies

7.1 Small Scale and Tiny Units

(Policy has been issued separately, important points of which are)

Objectives.

- To make U.P attractive to industrialist for investment
- To encourage private and Govt. participation in industrial and social development
- To create industrial friendly atmosphere for industry from providing information to implementation of the industry.
- Developing necessary infrastructure
- To provide for Technical upgradation, design and marketing assistant.
- Integrated development of the whole cluster in case of cluster based industries.
- Rehabilitation of sick small scale industries
- Establishment of design, marketing and technical institution for encouragement of small industries and handicraft development.

- 7.1.1 New small scale and tiny units in 29 districts of Eastern Region and 7 districts of Bundelkhand will be given capital subsidy equal to 10% of this capital investment subject to a maximum of Rs. 5 lacs. A capital subsidy fund of Rs. 250 lacs will be created for this purpose and budget provisions will be made in the coming years according to the felt need. SC/ST/ women entrepreneurs shall be given additional 5% capital subsidy (total 15% subject to a of Rs. 5.5 lacs).
- 7.1.2 New small scale and tiny units will be given interest subsidy of 5% (subject to a maximum of Rs 2.5 lacs annually) for 5 years on loan from bajks/ financial institutions.
- 7.1.3 Following facilities will be given under the scheme of U.P Small Industries Technical Upgradation Scheme:-
- (a) 50% subsidy (Subject of maximum of Rs. 2.5 lac) Shall be admissible to Small Scale units on purchase/ import of technic know-how from recognized Government institutions, for improving their production capacity.
 - (b) Capital subsidy of 50% (subject to maximum of Rs. 2.00 lac) shall be payable to the industrial units of the cost of additional machinery for increasing their production capacity.
 - (c) In case of loan availed for purchase of machines and equipments, (as mentioned in above clause) from Finance Corporation or Banks, on interest subsidy at the rate of 5% per annum (upto a maximum of Rs. 50,000/-) for five years, shall be provided.
 - (d) 50% subsidy (subject to maximum of Rs. 2.00 lac) will be provided for obtaining ISI ISO standardization.
 - (e) 90% subsidy (up to maximum of Rs. 50.000/- will be provided to units for obtaining consultancy for production skill / market & technical study from recognized institutions
- 7.1.4 Industrial Estates under the Director of Industries will be made free hold and free-hold premium/one time maintenance premium may be recovered from the entrepreneurs to create an Industrial Estate Infrastructure Development fund which will be at the disposal of a committee comprises of entrepreneurs.
- 7.1.5 Purchase of technology and provision of common facility centers will be managed through ASIDE Scheme.
- 7.1.6 District level Shram Bandhu will be set up under the chairmanship of D.M having members of industries association and DIC Complaints will be heard and resolved by Shram Bandhu and inspections can be done only when authorized by Shram Bandhu. Whenever any inspection is found necessary by Shram Bandhu, inspections will be conducted jointly including members of industry associations and DIC.

- 7.1.7 Publicity of Uttar Pradesh will be made through an interactive website by the greater use of information technology. Availability of land & skilled manpower, Industrial Market and potential, project profile, loaned and technology- institutions, information about law and government orders database of tenders in Govt. purchases will also be compiled and publicise through this website.
- 7.1.8 Monthly teleconferencing/ video conferencing will be organized enabling entrepreneurs through out the state to interact with senior officers and professionals.
- 7.1.9 Change in Land use**
Small scale and tiny shall be exempted from land use change charge for change of agricultural land to industrial purpose.
- 7.1.10 Stamp duty will be admissible to Industrial Estates of UPSIDC as applicable to the plots of Industrial Estates of Directorate of Industries.
- 7.1.11 While Fixing the circle rates, circle rates for the Industrial purposes will be declared separately.
- 7.1.12 The help will be provided in line with the policy to ensure cluster based Industrial development, including common facilities, quality improvement, technology upgradation brand establishment, market expansion capacity extension 25% participant from the Private Sector will be must for such schemes.
- 7.1.13 A system of providing testing and certification facilities to small scale and tiny units, especially those which want to contribute in the filed of exports, will be established by the state Government Special incentives will be given to the private sector for development of these facilities. ISO/ ISI certified goods produced by SSI/ tiny units will be given preference in Government purchase.
- 7.2 Handloom Industry**
(policy has been issued separately, important points of which are)
- 7.2.1 Objectives:-
- (a) to fulfil the requirement of cloth for both domestic and export markets,
 - (b) to provide job opportunities to the poor of our society belonging mainly to the minorities and scheduled castes;
 - (c) to sustain and strengthen the traditional knowledge, skills and capabilities of weavers, to revitalize the institutional structure to enrich human resource skills and capabilities;
 - (d) to modernize the sector and upgrade the technology.
- 7.2.2 The Tenth Five Year Plan has proposed a focus on cluster development of industries as a structural change. In Uttar Pradesh 31 Weaver clusters

have been identified as per this policy. Inputs in the nature of not only looms, but technical skills, design, common facilities centre and other infrastructure specific to each cluster will be provided for overall development of India will be an essential component in this development.

- 7.2.3 The strategy of strengthening of the handloom sector only through co- operatives, which forms only 20 percent of weavers, was followed during the Ninth Five Year Plan. Henceforth private sector and non-co-operative weavers/handlooms will primarily promoted.
- 7.2.4 There is almost a total vacuum in the field of reliable data in the handloom sector making it imperative to establish an effective MIS for the sector. Giving priority this work a detailed database will be collected containing following information:-
- (a) weavers and weaver families;
 - (b) handloom clusters;
 - (c) Product varieties and regional traditions;
 - (d) Details of suppliers of raw-materials
 - (e) Designs, patterns and other intellectual properties;
 - (f) List of exporters;
 - (g) List of buyers; and
 - (h) Information about marketing events;
- 7.2.5 The rates of trade tax on raw material for handloom industry will be rationalized after studying rates prevailing in other states.
- 7.2.6 Dyes and chemicals are supplied through National Handloom Development Corporation. AZO free dyes and eco-friendly colors and chemicals will be encouraged through direct purchase.
- 7.2.7 A textile centre is under implementation in Gorakhpur under the Textile centre Infrastructure Development Scheme of the state Government, for which Gorakhpur Industrial Development Authority has been identified as nodal agency. The objective of this centre is to provide future entrepreneurs with training and all other facilities in improved looms and design –development and processing technique.
- 7.2.8 Jan Shree Insurance Scheme has been started for weavers along with LIC and Govt. of India, which provides assistance in case of death and incapacity.
- 7.2.9 Uttar Pradesh Handloom Corporation will be revitalized by capital infusion, reduction in manpower and renovation of showrooms under Deen Dayal Handloom promotion Scheme. For fulfilling market requirements, design development will be taken up as the main activity with the help of NIFT. UPICA will also be revitalized on similar lines.

7.3 Khadi & Village Industry

(Policy has been issued separately, important points of which are)

- 7.3.1 Areas/ Districts will be identified for Herbal plants, pottery, leather, food processing and handicraft units and they will be provided integrated facilities of product development, new designs, marketing raw material and technology.
- 7.3.2 It will be ensured that the products of those units are compulsorily included in national and international exhibitions, fairs organized at block or district level and special incentives will be given for display and marketing of the products.
- 7.3.3 An Export Processing Loan Fund will be created to export products of hand made paper industry Special arrangements will be made for display and marketing of khadi & Village industry products for foreign tourists, specially on Buddhist Tourism Circuit.
- 7.3.4 Special facility will be provided for establishment of Khadi & Village industry units for SC, ST, BC, Women and ex-servicemen in the programmes of development of new infrastructure facilities, from the banks without any security/ collateral security.

7.4 Information Technology Industry

(Policy has been issued separately, important points of which are)

- 7.4.1 Objectives
 - 7.4.1.1 The state Govt. is committed for achievement of the following targets in the field of information technology.
 - (a) Bringing IT to masses
 - (b) Accelerate the use of information technology in schools, colleges and educational institutions
 - (c) Spurring the Domestic demand for software and ITS / ITTS Sectors globally competitive and thereby increasing export earnings.
 - 7.4.2 electronic cities at NOIDA and Agar and a Cyber City at Kanpur by NOIDA/ UPSIDC, IT / WEBCITY at Greater NOIDA, are proposed to be built.
 - 7.4.3 Software Technology Parks at NOIDA, Moradabad Agra, Lucknow, Kanpur, Allahabad and Varanasi will have provision for internet gateways,
 - 7.4.4 The State shall aim to become a piracy free state and will actively support Central Government initiative in this direction,
 - 7.4.5 Providing necessary manpower to the IT sector to improve the employability of the residents in IT.

- 7.4.6 Preferential allotment of land will made for IT industry by NOIDA/ Greater NOIDA, UPSIDC/ Development Authorities in the State.
- 7.4.7 Encouragement to captive power generation in IT locations. Units with 5 KVA power requirement fan be set up anywhere irrespective of master plan or land use classifications.
- 7.4.8 I.T. Units in Information Technology and STPs will be charged the same power tariff as the SSI.
- 7.4.9 Complete exemption to software industry from the provisions of Pollution Control Act both for air and water pollution.
- 7.4.10 It units in the state who fulfill the price and quality requirements will give priority in government purchase.
- 7.5 Bio- technology**
(Policy has been issued separately, important points of which are)
- 7.5.1** A high powered Bio-technology Development Board under the chairpersonship of the Chief Secretary to promote the biotechnology industry, Secretary, Science & Technology will be its member/ Secretary.
- 7.5.2** Bio- technology Development Cell will be created for effective co-ordination with Government of India. This Cell will also work as Secretariat for the Board.
- 7.5.3** Bio-technology Areas/ Cities will be development in Lucknow and NOIDA. These areas/ cites will necessary infrastructure and opportunities to scientists, engineers and consultants interested in setting up an industry.
- 7.5.4** The state Government will specially promote such bio-technology industries which have high export potential and which promote the development of entire bio-technology world.
- 7.5.5** Bio- Technology Development Board will meet at least once in a year and will field of bio –technology:-
- 7.5.6.1** Entry Tax exemption will be provided on the necessary inputs for construction of the units. This exemption will also be available on capital goods and captive generation sets. This exemption will be for 15 year.
- 7.5.6.2** Exemption from electricity duty for seven years will be allowed to the units who have installed captive generation Plants.

- 7.5.6.3 Bio- Technology units have specific requirements in pollution control measures. The state Pollution Board will work as a facilitator for these units.
- 7.5.6.4 Registered bio–technology units situated in a declared bio- technology park or industrial area shall be allowed an exemption of 50 per cent is FAR as compared to current rules: This facility may also be provided up to 25 per cent at other places on a case to basis after considering population density. Infrastructure and pollution concerns.
- 7.5.6.5 All bio technology units will be fully exempted from payment of stamp duty and will be provided the facility of paying registration fee at Rs. 2 per thousand.
- 7.5.7 The State Government will promote development of cluster development facilities and bio–technology parks in private sector The State Government will provide necessary aid/ subsidy/ capital participation from the IDF.
- 7.5.8 The State Financial Institutions will provide finance to bio- technology units on a priority basis Specially, financial and managerial assistance will be provided in the initial stage of the units as incubation facilities.
- 7.6 Mines and Mineral
Policy is being proposed separately.
- 7.7 Food Processing Industry
Policy is being proposed separately.
- 7.8 Tourism Policy
(Policy has been declared separately.)

CHAPTER- 8

Special Policy for Service Sector

- 8.1** State Government will promote private sector enterprises in the services sector like- hospitals, medical and dental colleges, educational institutions, call centers multiplexes, cinema halls, shopping malls,

entertainment centers etc. No-objection certificates/ licenses required from the State Government shall be issued on a priority basis.

8.2 Like infrastructure facilities, the enterprises of following categories in Service Sector too shall get 100% exemption in stamp duty in purchase of immovable property or taking property on lease and registration facility @ Rs. 2/- per thousand (maximum limit Rs. 5000/-) shall be provided to them:-

- (a) Multi Facility Hospitals established in any part of the state having capacity of minimum 100 beds having the prescribed area for medical facilities.
- (b) Hospitals set up in the State having super-specialty facilities as per prescribed norms.
- (c) Hospitals at Block Development Headquarter (other than District & Tehsil Headquarter) having established capacity of minimum 50 bed and having prescribed facilities.
- (d) Hospitals set up in Rural areas other than Block Development Headquarter having minimum capacity of 30 beds.
- (e) Information Technology/ Technical Training Institutes established at Block Development head quarter (Not being a district headquarters) having minimum 75 students/ apprentices where courses approved by state Govt. are being taught.
- (f) Such Medical & Dental Colleges other educational institutes multiplex Cinema halls, shopping Machinery not less than Rs. 10.0 crores, and having prescribed facilities and fulfilling prescribed conditions.

In case the land is acquired by the State Government for the above purpose, acquisition charges shall be exempted.

8.3 No entry tax shall be payable on payable on plant & machinery used in investment of above kind.

8.4 To promote such investment, exemption in Development fee, Malba Fee, House tax water & Sewage tax and for all other taxes/ fees chargeable by Development Authority for 5 Years will be allowed.

8.5 An exemption from electricity duty shall be allowed for all the above investments for 10 years from the date of establishment.

8.6 Cinema halls and entertainment centres will be allowed to sell eatables within their premises.

8.7 Participation by Private Sector in following will be encouraged:-

- Solid Waste Management
- Collection & Disposal of garbage Sullage
- Disposal of Waste

- Energy production by organic waste
- Supply of water & electricity
- Provision of street lighting
- City roads and drainage

To make it successful the State Government will provide necessary schemes and policy in the form of a Memorandum of Understanding and such format shall be made available to local authorities.

8.8 Incentives to Cinema halls and Multiplexes

(Detailed Policy is attached separately) Important points are as follows:-

8.8.1 A subsidy of 50% of amount invested in air conditioning air cooling purchase of generator sets, modernization of sound system, changing of entire furniture and false ceiling by the cinema hall will be given on the conditions that such cinema hall can keep the amount of entertainment tax collected above the last years collection, till such amount equals the amount of 50 per cent given as subsidy;

8.8.2 Taking populating data of 1991 census an exemption of 100 per of entertainment tax for five years will be given new permanent cinema halls in areas having a population of not more 1 lac. Similarly new cinema halls in areas having a population of more than 1 lac will be allowed an exemption of 100 per cent for first 3 years and then of 50 per cent for next 2 year. This exemption will be granted to only those new cinema halls whose construction does not make number halls in the area exceed the limit given below:-

1	Population upto 25,000	1 Permanent Cinema hall
2	Population of more than 25,000 upto 50,000	2 Permanent Cinema hall
3	Population of more than 50,000 upto 75000/-	3 Permanent Cinema hall
4	Population of more than 75,000 upto 1,00,000/-	4 Permanent Cinema hall
5	Population of more than 1 lac upto 3 lacs	5 Permanent Cinema hall
6	Population of more than 3 lacs	6 Permanent Cinema hall

8.8.3 Multiplex cinema halls developed with new technique of film presentation and making capital investment of more than the prescribed amount will be allowed on exemption of 100% of entertainment tax for five years.

8.8.4 State Government will make efforts to eliminate piracy and Uttar Pradesh will be made a piracy free State.

8.9 Development of High tech Townships.9

(Detailed policy has been declared separately) the important points are as follows:-

- 8.9.1** It is proposed that for promoting de element of such townships in the private sector, involving a minimum investment of Rs. 750 crores (during the five year time frame) and a land area of about 1500 acres for each project there should be special investment package which should include the following:-
- 8.9.2** Reputed and experienced developer companies (as defined under section 3 of the Companies Act. 1956) shall be invited to avail this package. The Developer Company shall be selected on the basis of its financial capacity technical capability, experience and concept with pre-feasibility Report in accordance with predetermined criterion and taid down procedure. To avail this package the Developer Company must have a minimum annual turnover of Rs. 100 crore for the last three years,
- 8.9.3** The total cost of land would be borne by the developer company; however, 10% acquisition charges levied by the Collector shall be waived in this package.
- 8.9.4** The developer shall be exempted from stamp duty for initial purchase or transfer of land, which will be on a lease hold title for ninety years Stamp duty charges on the properties sold after the development and freehold conversion charges at the rate of 12 percent of the lease premium of the land shall be payable by the developer to the concerned acquiring body at the time of subsequent sale/ freehold conversion.
- 8.9.5** The township shall be developed according to the norms and standards prescribed in the Urban Development Plan Formulation and implementation Guidelines of Ministry of Urban Development Govt. of India Master Plan guideline and the Building Bye-law for the time being in force. The proposed township be environmentally sustainable.
- 8.9.6** Oland for community facilities such as police stations, fire station. Post office, telephone exchange etc. shall provided free of cost. By the developer company, police station in the township on earmarked land will be established free of cost by State Government.
- 8.9.7** The developer shall maintain the services till they are transferred to the local body and shall have right to collect maintenance charges. The local body shall not collect house tax water tax and sewerage tax from the township till it takes over the operation and maintenance of the services.
- 8.9.8** Traditional Treatment Centres will be established at places like Allahabad Chitrakoot, Bahraich, Lucknow, Agra, Mathura.

Chapter – 9 Training

9.1 Training of Entrepreneur and Human Resource development

- 9.1.1** A scheme will be implemented in which the benefit of specialization of the State's Technical Training institute's like. IIT, GIT etc. will be made available to the industry. For this purpose, the employee of industries will be given a 10 per cent reservation so that can get admission in the institutes without appearing in the admission tests. The scheme of Learn and Earn will be effectively introduced so that these institutions do not suffer from shortage of resources.
- 9.1.2** Export promotion Bureau will provide financial assistance for training of exporters and persons nominated by them in famous institutes of the country, like, footwear Design and Drawings institute, NOIDA.
- 9.1.3** To facilitate larger participation by the private Sector in Programmers of Human resource Development, the State Government will create a Human Resource Development fund. Manufacturing companies will contribute to this fund in the following ways:-

Companies employing more than persons	1 Percent of their monthly wage bill
Companies employing more than 10 but less than 50 persons.	½ percent of their monthly wage bill

The State Government will contribute an amount equal to double of that contributed by the company. Every participating company will be permitted to receive three times of the contributed amount from the Fund for training and development of its employees. The companies will be encouraged to participate in the scheme voluntarily.

- 9.1.4** The State Government will promote special training institutes with Public/ Private cooperation which will fulfil the requirements of the small and tiny sector units. Infrastructure facilities in these institutes will be erected by the State Government while the management will be given to the industrial associations.

CHAPTER- 10 Non- Resident Indian's Investment

- 10.1** There is immense potential for attracting investment in the State from the Non-resident Indians. Entrepreneurial skills and capabilities of NRIs

Belonging to Uttar Pradesh have earned worldwide recognition. To attract these NRIs to invest in the State attractive environment for NRI investment shall be created. To make the procedure of investment by NRIs simpler, adequate changes in rules and procedures will be introduced.

10.2 Development of infrastructure facilities like power Road Bridges etc, needs large scale foreign investments. The State Government will attract foreign investment in large quantum and will create an environment making Uttar Pradesh the best investment destination in India.

10.3 NRIs belonging to Uttar Pradesh will be encouraged and persuaded to invest at large in the State This investment will be attracted in the field of land development, infrastructure, mining and services sector proposals of NRIs shall be processed on highest priority. The work of approving these proposals will be executed by the State level Udyog Bandhu.

10.4 NRI commissioner for providing information and Escort Facilities.

10.4.1 Under the first phase, the work of co-ordination with and providing escort facilities to NRIs was done by the Uttar Pradesh Investment Centre, New Delhi. Under the new scheme, the head of this office has been nominated as the NRI commissioner.

10.4.2 To effectively implement this work, a dedicated survey of NRIs will be conducted and they will be invited to invest in Uttar Pradesh by pro-active contact with them. Considering the patriotic feelings of NRIs they, they will be motivated to upgrade local infrastructure or to help in the social sector in their village/ town/city.

10.4.3 Foreign Direct Investment (FDI)

10.5.1 Uttar Pradesh shall be made an important an important destination for FDI in India. In addition to existing facilities, large companies and international agencies will be allotted large plots of land to facilitate establishment of their industrial units and development of infrastructure facilities of international standards.

CHAPTER- 11

Rehabilitation of Sick Units

11.1 Policy for Rehabilitation of Sick Units

- 11.1.1** Industries, which are basically viable but have become sick due to certain reasons, shall be rehabilitated and revived. A special package will be prepared and implemented after creating a detailed database of such units.
- 11.1.2** Small Industries Revival Scheme started under the previous policy will be implemented with more vigor.
- 11.2** Creation of small Industrial Units Rehabilitation Board
- 11.2.1** Uttar Pradesh small Industrial units Rehabilitation Board will be created for effective resolution of the increasing problem of sickness in the Small sector and tiny units.
- 11.2.2** An approved panel of consultants shall be enlisted under the jurisdiction of the Board. These consultants will prepare rehabilitation package according to The expectations of the Board which shall be binding on all concerned departments. 50 percent of the consultancy charges will be contributed by the Board while the rest 50 per cent is to be borne by the industrial unit.
- 11.2.3** In the first phase, a Rehabilitation Fund'' for Rs. 50 lacs will created. For successful implementation of successful implementation of the Scheme and creation of the Board, Small Industries Rehabilitation Act. will be passed. Units to which rehabilitation package is sanctioned shall be eligible for all benefits available to the new units.

CHAPTER- 12

Monitoring

12.1 State Level Monitoring Committee

- 12.1.1** A State Level Committee (SLMC) will be constituted for monitoring the implementation of the Policy.
- 12.1.2** State Level Monitoring Committee shall have the following members:-

1.	Chief Secretary	Chairperson
2.	Industrial Development Commissioner And Principal Secretary, Industrial Development.	Member
3.	Principal Secretary, Power	Member

4.	Principal Secretary, public Works	Member
5.	Principal Secretary, Finance	Member
6.	Principal Secretary, Planning	Member
7.	Principal Secretary, Revenue	Member
8.	Principal Secretary, Tax & Registration	Member
9.	Commissioner & Director of Industries	Member
10.	Executive Director, Udyog Bandhu	Member

The chairman and other officers shall be invited as special Invitee on need basis.

- 12.1.3 the SLMC will meet on second Thursday of every month. In meeting the SLMC will evaluate the Up-to-date status of implementation of the Policy and accordingly chalk out any further action required The SLMC will identify the factors impeding the effective implementation of the Policy and remedy them. In addition the SLMC will also propose action against the officials responsible for ineffective implementation.

12.2 Udyog Bandhu

- 12.2.1 The Udyog Bandhu will perform the role of advisor to the SLMC It will collect information from the DLMCs and present the same before the SLMC with its analytical comments.

12.3 division Level Monitoring Committees

- 12.3.1 In every Division a Division Level Monitoring Committee (DLMC) will be created under the Chairpersonship of the Divisional Commissioner for evaluation and monitoring Policy's implementation, The joint/Additional director (Industries) will be its members/ secretary and it shall have three other officers as members who shall be nominated by the Divisional Commissioner.

- 12.3.2 The DLMC will resolve the problems faced in the effective implementation of the Policy by keeping in touch with the industrialists, traders and other service providers operating in the Division and if action is required at higher level the information will be provided to Udyog Bandhu, so that, the matter can be put before the SLMC.

- 4.2** Para 5.2.2 of the aforesaid policy clearly provides that "An Act will be passed on the lines of Andhra Pradesh and Karnataka to make Single Widow System effective. The Act will provide for an Appellate Board against the departmental decision of refusal for approval/ no objection license."

- 4.3 In this regard a statement was also made by Dr. Jacob Thomas, the then principal Secretary Industrial Development & Exports, government of Uttar Pradesh on May, 16th, 2008 while addressing the Members of PHD Chamber that the Uttar Pradesh Government is finalizing an Industry Facilitation Act, for prescribing fix time schedule to setup new industrial units in the State. It will do away with discretion and create an investor friendly environment. So far there is no such progress in the State of U.P, which is highly required to provide stability, certainty and permanency in the Industrial Policy of the State of Uttar Pradesh to ensure industrial growth and development of the State.
- 4.4. We are of the opinion that State Legislature should enact a law to give a practical shape to the provision of the Para 5.2.2 of the Industrial and Service Sector Investment Policy– 2004 in terms of accompanying **Model Bill Annexure-1**, titled **“Uttar Pradesh single Table Clearance Bill, 2012”**.

CHAPTER- V

Web-based Single Table System

5.1 First time “Single Table System Under One Roof” was introduced under the Industrial policy, 1998. As stated earlier under Chapter-III to implement this policy, State Government has issued G.O. dated 14.12.1998 It was a Manual System.

- As per old system, forms compiled Entrepreneurs,
- the entrepreneur to visit only DIC instead of Departments
 - To collect & submit forms for clearances
 - To monitor status
 - To receive clearance letter
- DICs responsible for all clearances
- Time limit each clearance pre- defined.

5.2 Above system has not been entirely successful. Therefore, To make “Single Table System” entrepreneur friendly and “Wed enabled” for the speedy sanction/processing of Approvals/NOCs/ Certificates or Licenses etc. for establishing industries was introduced by the Government of Uttar Pradesh in the year of 2006 with following facility:

- Filling up & Down Loading of filled up forms
- On line submission of forms for view by Departments
- Only manufacturing SMEs
- Submission of forms manually at the office of GM, DIC for further processing.

5.3 In this regard the Government of Uttar Pradesh has issued G.O No. 2140/77-6-2006/06 dated-14-08-2006, which runs as under:-

From:
Chief Secretary,
Government of Uttar Pradesh

No. 2140/77-6-2006/06

To,
All the Principal Secretaries/ Secretaries, Government of Uttar Pradesh.
All the Divisional Commissioners/District Magistrates, U.P.
All the Head of Departments, U.P.

**Industrial Development Section-6 Lucknow:
August, 2006**

Dated: 14th

Sub: To make “ Single Table System” entrepreneur friendly and “ web enabled” for the speedy sanction/ processing of Approvals/ NOCs/Certificates or Licenses etc. for establishing industries.

Sir,

In order to facilitate, simplify/rationalize and to provide congenial industrial environment for establishment of industries in State, it is necessary that entrepreneurs and investors are provided with all the pertinent approvals/ NOCs/ registration/license etc under ‘one roof’ rapidly and without any delay. To achieve this objective of providing SINGLE TABLE SYSTEM, State Government has issued a Go no. 1839/77-6-98 dated December 14, 1998 & thereafter Go no. 668 dated March 30, 1999. It has also been provisioned under these directions that an entrepreneur/investor/industrial unit can submit application to the General Manager of the concerned District Industries Centre from every Monday to Thurs day and it will be duty/ responsibility of the related department to ensure time bound approval/action on such applications. This system has not been entirely successful.

2. In this age/era of liberalization, globalization and fierce competition entrepreneurs invest in those State, where they get comparatively better facilities Under such circumstances, if approvals from State government to industrial units are delayed then it will most certainly affect the investment adversely. So it is incumbent on the

administration that acting positively all the NOCs/ approvals are provided in a time bound manner.

3. In the light of the above specified factors, undersigned has been directed to facilitate proper activation of “Web- based Single Table System Software developed on the basis of information technology by Udyog Bandhu to implement the ordered system more effectively This web-based “SINGLE TABLE SYSTEM” will be beneficial/ useful in the following ways:

1. For the timely issuance of sanctions/ approvals /NOCs/ registration /license and certificates by the departments concerned with setting up of industry, SINGEL TABLE SYSTEM will be available at website and could be examined and processed irrespective of location of officials or the entrepreneur.
 2. Under this system, entrepreneur/investor will be able to apply via internet for getting the required approval/NOC and will be able to know the status of their application as well. In the first phase, an entrepreneur will have to fill the form online and submit its printout duly signed with General Manager, District Industries Centre office.
 3. Nodal officer issuing approval/NOC at district level as well as his/her superior officers, such as, Head of department. Principal Secretary, Secretary etc shall also be able to monitor the progress and analyze the status of concerned application online related to their departments respectively.
4. It will be mandatory to follow the following procedures to properly implement this ‘wed-based’ Single Table System;

(a) Registration of Applications:

1. Application forms related to all the concerned departments are available free of cost on this website. Application forms of all the concerned departments will also be available at District Industries Centres, which will have to be filled in by the entrepreneur in specified copies and he can submit the same at these centres under single window system It will be responsibility/duty of GM, DIC, to immediately forward such forms to the appropriate authority of concerned department and to keep safe the receipt thereof.

2. In case, any entrepreneur does not apply online then it will be duty of DG, DIC to ensure that the details of physical form are entered into computer, so that, entrepreneur and departmental nodal officers can keep tap on the process of approval etc online.

(b) Progress appraisal/review

1. All the departmental Nodal officers who are vested with the responsibility of dispensing approvals/ NOCs / sanctions/clearance for establishing industrial units, are hereby directed to provide GM, DIC with the progress report pertaining to approval of applications for setting up of industry on every Friday. Applications received thus, will be examined by the concerned department and progress report will be made available to GM, DIC on every Friday.
2. DM at the district level and Divisional Commissioner at division level shall be accountable for successful implementation of abovementioned scheme and it will be periodically monitored under their direction. It will be reviewed in the monthly district and divisional meetings of Udyog Bandhu as well and the pending cases of departmental approval within a prescribed time period will be necessarily granted approval finally/ summarily in this monthly meeting.
3. With the objective of ensuring successful implementation of said system at the regional level, Commissioner and Director, Industries, will monitor the progress at District industries Centres-wise and will send an action taken report to the government on monthly basis while discharging invested responsibility.
4. All information will be available on internet in this web-based system, so that principal Secretary, Secretary and Head of concerned departments can intensively monitor and be apprised of the latest progress status Therefore, they will be able to provide solutions for the problems faced at district level, thereby ensuring time bound issuance of approvals/sanctions by district level nodal officers of the concerned departments.
5. Likewise Industrial Development Commissioner will keep a watch/examine the aforementioned system in the whole State and will apprise the Chief Secretary every month.

(c) Other provisions:

1. To make available this facility to the entrepreneurs from at the earliest, besides the District Industries Centres, 30 Regional offices of Indian Industries Association (IIA) will also have the provision of web data entry Apart from this applicant can access through internet from any Computer/ Cyber-café. Gradually, this facility will also be available at remaining regional offices of IIA.
2. This web-based monitoring system will be specifically displayed by the name of “SINGLE TABLE SYSTEM” on the website of Udyog Bandhu.
3. For this purpose all the concerned officers including nodal, regional and departmental heads will be provided with “User ID/ Password by the Udyog bandhu.
4. Industrial Development Commissioner will issue detailed ‘directives’ to maintain and keep updated above mentioned website;
5. Go no. 1839, dated December 14th, 1998 and other related orders are hereby deemed amended to the extent of above said system.
6. All the concerned departments should ensure strict implementation of the above orders, so that, SINGLE TABLE SYSTEM can be made more effective and beneficial and the steps taken to promote and encourage industrial development in the State are substantially realized.
7. kindly issue detailed directives to all officers under you in this context.

Sd/-
(Naveen Chandra Bajpai)
Chief Secretary

No. 2140/77-6-2006/06 dated: 14.08.2006

Copy forwarded to the following to ensure necessary action as prescribed above:

1. Commissioner and Director, Industries, U.P. Kanpur.
2. Principal Secretary, SSI Export promotion Industrial Development Department; All the Authorities and Corporations under the jurisdiction of U.P. Government.

3. All sub-regional Additional / joint Directors, Industries, U.P.
4. All the General Managers, District Industries Centres, U.P.
5. Executive Director, Udyog Bandhu Lucknow.
6. Industrial Development Commissioner Branch, all the Section officers of U.P. government.
7. Other concerned officials.

By order
Sd/-
(Sudhir Garg)
Secretary
Industrial Development Department,
Government of U.P

5.4 Para -5 of aforesaid G.O provides that “Go No. 1839, dated December 14th 1998 and other related orders are here by deemed amended to the extent of above said system. “ It means that aforesaid G.O has supplemented the G.O. dated 14-12-1998, to made it more effective.

5.5 The Single Table System has been designed with the objective to facilitate the entrepreneur to get all kinds of applications for setting up an industry online wherever and whenever they want to entrepreneurs after submitting the applications will also be able to view the status of their applications any time any where through internet. The administrative machinery in the government will be benefited by having an effective monitoring mechanism through this web based system which will bring lot of transparency to the Single Table System which was announced by government of U.P. in 1998. Through Web-based system useful data will also be generated which will help the Government in planning and designing accurate policies and program for industrial development in the State.

5.6 To boost inward investment in Uttar Pradesh the State Government should implement a web- based Single Window Clearance System for setting up new industries. It will bring a revolution in Industrial development scenario in the State if implemented properly.

CHAPTER- VI

UDYOG BANDHU

6.1 “Udyog Bandhu” [Friend of Industry] is an organization of the State Government of Uttar Pradesh in India; Dedicated to facilitate Investment in Industrial and Service Sectors, besides solving various problems of existing & up- coming industries as well related to different Government departments.

1.2 VISION

“To transform the state of Uttar Pradesh into the most preferred investment destination in India by acting as an effective investment policy driver and facilitator in providing world-class infrastructure and business environment within the state and, thus, to promote economic growth and enhance quality of life of the people of the state”

1.3 MISSION

6.3.1 Udyog Bandhu is a registered society focused on attracting investment in the state of Uttar Pradesh proactively contributing in policy formulation for rapid development of infrastructure, manufacturing and service sectors, the organization facilitates resolution of problems of prospective and existing entrepreneurs by providing them advisory services and taking up their issues at the appropriate level in the Government of Uttar Pradesh and other public bodies, institutions and organizations, Udyog bandhu functions with transparency and swift responsiveness and serves its clients with a friendly and courteous approach.

6.3.2 Infrastructure and Industrial Development Commissioner is the ex officio Chairman and principal Secretary Infrastructure and Industrial Development is its ex-officio Executive Director.

6.3.3 The functions of Udyog bandhu which initially was conceptualized as coordination agency between entrepreneurs and government, has since been functioning as catalyst for investment promotion as well and has also been carrying out greater responsibilities encompassing its role for industrial promotion, assisting Govt. in policy formulation.

Getting studies conducted regarding investment promotion etc. It has emerged as the major interaction centre for entrepreneurs and has been organizing high level conferences on

industry related issues. Udyog Bandhu also participates in various conferences, exhibitions and expositions etc. of national and international level.

1.4 Structure

1.4.1 Udyog Bandhu' has a 3-tier structure, as follows:

District Level Udyog bandhu that functions under the Chairmanship of the District Magistrate, Divisional Level Udyog Bandhu function under the Chairmanship of the Divisional Commissioner and the State Level Udyog Bandhu meetings are under the Chairmanship of Hon' ble Chief Minister The problems represented by entrepreneurs are sorted out in the meeting itself.

6.4.2 In addition to above structure for problem solving the following forums/Committees have also been constituted to iron out the difficulties faced by the entrepreneurs to suggest simplification of laws and for extending industries-specific concessions for mega projects.

6.5 Tripartite Meetings

Tripartite Meetings are held on monthly basis with Departments like Home, PWD, irrigation, Revenue Labour UPSIDC, Pollution Environment, UPFC & Banks, Trade Tax U.P. Power Corporation & Energy, Urban Development, Housing, Panchayati Raj, Industry Agro based and Food processing Industry. The problems taken up in such meetings. The parties are given opportunity to present their case.

6.6 Working Groups Meeting

6.6.1 Working Groups have been constituted for Energy, Trade Tax, Infrastructure, Labour, Environment, Food processing, Information Technology & Financial Institutions/ Banks to address Policy matters or such issues, which delay decision in the Distt. and Divisional level Udyog Bandhu Tripartites.

6.6.2 In addition, in order to solve the problems of entrepreneurs relating to UPFC and PICUP, State Level Financial Institutions Working Group has been constituted with IIDC as its Chairman and MDs of UPFC, PICUP and ED, Udyog Bandhu, and representatives of IIA/PHDCCI/CII as its members. The entrepreneurs are given opportunity to present their cases. Udyog bandhu acts as Convenor.

1.5 High Power Committee Meeting

The high Powered Committee meetings are held under the Chairmanship of Hon'ble Chief Minister State level Industry Associations, principal Secretaries and Secretaries of different departments related to Industries have been nominated as permanent members. These meetings are held upon getting time from Hon' ble CM Since October 2001, the system of high level seminars under The Chairmanship of IIDC has also been started.

1.6 Single Table System

Single Table System is functional since 1.1.99 It covers all departments related to industrial approvals. The composite application form booklet for clearances have been made Time bound clearances have been stipulated and accountability system has been prescribed Under the System entrepreneurs are required to submit their application to submit their application forms for clearances from various departments in the office of GM, DIC. Where the nodal officer of each department checks the application forms and the completed application forms are received by him for decision by his department within prescribed time limit A web enable software has been developed to enable entrepreneurs as well as Government officers to monitor the progress online.

CHAPTER- VII**Nivesh Mitra**

7.1 As a part of its pro-active initiatives to facilitate entrepreneurs in setting up industries in the State, the Government of Uttar Pradesh, utilizing the immense potential of information technology, has launched a web based single window facility for entrepreneurs desirous of setting up an enterprise in U.P. This Online system of Single Window Clearances for Entrepreneurs, called Nivesh Mitra (investment Friend) is operational since July, 2009. Udyog Bandhu, a Government Agency for investment promotion, is acting as a Nodal Agency for implementation of this project.

7.2 Nivesh Mitra has been introduced in order to facilitate, simplify and rationalize and to provide congenial industrial environment for establishment of industries in State This web– interface will facilitate faster and time bound issuance of various approvals by the applicants desirous of setting up an enterprise in Uttar Pradesh this web enabled software shall be available 24x7 on internet.

7.3 This facility has been made available initially in 18 districts (Luckknow, Kanpur, Ghaziabad, Gautam Buddha Nagar, Agra, Mathura, Jyotiba Phulle Nagar, Aligarh, Hathras, Rampur , Moradabad, Unnao, Barabanki, Lakhimpur Kheri, Fatehpur, Kushi Nagar , Gonda and Ghazipur).

7.4 Entrepreneurs setting up small, medium & large scale industry can file online application forms through this system. This web enabled software package provides for seamless interface between the entrepreneur and various departments issuing clearances, approvals and NOCs for setting up of a project. It has the facility for online submission and updating of all forms required for various approvals by the entrepreneurs.

7.5 To be a seamless and user friendly interface for the existing, prospective investors and entrepreneurs by providing a uniform transparent and time bound online platform. The partnership between the Government of U.P and investors to be strengthened by providing the relevant information and supporting entrepreneurs in obtaining all the required clearances and approvals, and also redressing concerns and grievances with the support of all Departments, District Officials and Industrial Associations, thus resulting in transformation of the State into the most sought after industrial hub across the Globe.

CHAPTER –VIII

THE SINGLE WINDOW CONCEPT UNDER UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

8.1 For enhancing the efficient exchange of information between trade and government a Single Window Recommendation has been currently developed by the UN/ CEFACT International Trade procedures Working Group (ITPWG).

8.2 The value of a single entry point – or “ Single Window” – for traders to submit information to government so as to fulfill import- or export related regulatory requirements has taken on increase importance in the new security environment and emphasis on advance information and risk analysis.

8.3 The Importance of efficient information flows

8.3.1 The efficiency with which information can be submitted dot official agencies is becoming a key factor in the competitiveness of firms or agencies involved with cross-border activities.

8.3.2 On a daily basis, international traders have to prepare and submit increasing amounts of information to various government controlling authorities, with each authority often having its own specific (automated) systems and paper forms. These extensive information requirements can become a significant obstacle to business and can binder the development of international trade.

8.3.3 With the increasing integration of economics around the world, facilitating the smooth flow of information becomes a pressing requirement of

Government and business. Efficient information systems and procedures can significantly increase the speed at which goods can move, reduce costs, improve business efficiency, and enhance the overall economic performance of a county.

8.4 A ‘Single Window’ Environment

8.4.1 The ‘**Shingle window**’ environment aims to expedite and simplify information flows between trade and government and bring meaningful gains to all parties involved in cross-border trade. In a theoretical sense, a ‘Single Window’ can be described as “**A system that allows traders to lodge information with single body to fulfill all import-or export related regulatory requirements**”

8.4.2 In practical terms a ‘Single Window’ environment provides one ‘entrance’, either physical or electronic, for the submission and handling of all data and documents related to the release and clearance of an international transaction. This ‘entrance’ is managed by one agency, which informs the appropriate agencies, and/ or directs combined controls.

8.4.3 A ‘Single Window’ environment is, therefore, a practical application of trade facilitation concepts to reduce non-tariff trade barriers and deliver immediate benefits to all members of the trading community.

8.5 Laying the ground work for a ‘Single Window’ environment

8.5.1 In order to implement a ‘Single Window’ environment, Governments must first simplify and enhance the flow of information related to international trade. To this end they should coordinate and minimize legal data requirements related to trade. Once official and commercial information requirements have been rationalized, these data sets can be standardized and subsequently harmonized to the benefit of the trading community.

8.5.2 Government can further enhance information flows by identifying and adopting suitable information and communication technologies (ICT). Combined with the development of simpler, standardized and harmonized

information, the effective application of ICT can help maximize the data flows, resulting in faster, easier and lower cost international trading.

8.5.3 In the framework of the World Customs organization (WCO), the United Nations and various other international organizations, much work has

113

already been done, and continues to be done, to simplify and harmonize information requirements.

8.5.4 An example of such standards and recommendations is the International Convention on Simplification and Harmonization of Customs procedures (the Kyoto Convention), brought about within the framework of the WCO.

8.5.5 The Convention incorporates the principle of coordination by customs regarding inspections of goods that are also to be examined by other relevant authorities. In addition, other provisions in the Convention tackle the operation of joint controls at common border crossings and the establishment of juxtaposed customs offices.

8.5.6 The WCO is developing a framework for improving the information flow through the WCO customs Data Model that would be used by administrations as a part of the process to modernize systems and streamline processes for import and export declarations as well as for the report of cargo. The WCO data Model is a collaborative effort between Government and trade to provide an effective framework for the facilitation of international trade through data simplification and harmonization.

8.5.7 These precepts are also reinforced within UNCEFACT's recommendation no. 18 titled; "Facilitation Measure Related to International Trade procedures". For example, it recommends that sellers and buyers should align all relevant in-house documents to the United Nations Layout key for Trade Documents. Further, the recommendation suggests that government authorities should require a minimum of data and documents for control purposes and, where possible, utilize commercial information.

8.5.8 In addition, it is proposed that government should request import and export data only once and should allow the submission of data to a single entity

and if various authorities must inspect the goods, such inspections should be coordinated and, if possible, carried out at the same time one approach to

achieving this is the introduction of a 'Single Window' environment, as explained above.

8.6 How can a "Single Window" work in practice?

8.6.1 A 'Single Window' can take various forms. While not just limited to custom's regimes, the 'single Window' environment must represent a close cooperation between all involved departments and/ or authorities.

8.6.2 Customs, because of its pivotal role at borders, can be the enforcement agency best suited as the 'entrance' point to receive and coordinate the flow of information related to fulfillment of across border regulatory requirements.

8.6.3 A 'single Window' environment does not necessarily imply the implementation of high-tech information and communication technology (ICT) However, facilitation can be enhanced if Governments identify and adopt relevant ICT opportunities.

8.6.4 Over the last few years various 'Single Window' programs have been developed and effectively introduced a selection of these models is outlined below.:

- **A Single authority** customs co-ordinates and/ or enforces all border related controls. For example, in Sweden and the Netherlands, Customs officers perform any tasks based on assignments from other governmental authorities.
- **A Single System**, integrating the electronic collection, use and dissemination of international trade data related to trade that crosses the order,

For example, the United States established a pilot program that allows traders to submit standard data only once and the system distributes the data to the agencies that have an interest in the transaction.

- An automated system through which a trader can submit electronic trade declarations to the various (controlling) authorities for processing and

Approval in a single application. In this approach the approved permits are transmitted electronically to the sender's computer. Such a system is in use in Singapore and Mauritius. Moreover, in the Singaporean System, fees, taxes and duties are computed automatically and deducted from the trader's bank accounts.

8.7 When considering the above models, it is important to acknowledge that although many business and trade practices are common across all countries, each country will also have its own unique requirements and conditions.

8.8 It clearly shows that United Nations has already developed the single window concept at international level.

CHAPTER- IX

Development of a Single Window System in Japan

9.1 International trade facilitation greatly contributes to enhancements of international competitiveness of a country. Establishing a Single Window for all related administrative procedure is one of the most important measures to move forward efficiency of trade related procedures in each country.

9.2 Japan first introduced a paperless trade system in 1978, which has evolved into a Single Window system. It is called Nippon Automated Cargo and Port Consolidated system, (NACCS), managed by NACCS Center. NACCS is the computer system for online processing of regulatory procedures of customs and other related administration as well as related private sector services for arriving/departing ships and aircrafts or import/ export cargos in Japan.

9.3 This Brief showcases how Japan successfully developed NACCS, resulting in an efficient paperless trading facility. This Brief explains its history, characteristics, evolutionary approach for integration of other regulatory systems, success, factors, lessons learnt and future plan for improvement.

9.4 Outline of NACCS System

9.4.1 The Single Window for electronic trade procedures in Japan has been developed and operated by NACCS Center based on the “Special Law of Import and Export procedures through the Electronic Data Processing System.” NACCS is the computer system for online processing of regulatory procedures of customs and other related administration as well as related private sector services for arriving/departing ships and aircraft or import/export cargo in Japan.

1. Source : United nations network of Experts for trade in Asia Pacific (UNNEXT)

117

9.4.2 Air-NACCS, which processes import/ export by air, was put into operation by means of public private partnership measures in 1978 in order to process rapidly increasing air cargoes for import at the Narita Airport. Sea- NACCS, which processes import/ export by sea, put into operation in 1991. NACCS system has expanded its deployment areas and now covers the whole of Japan. It has also increased the type of functions to meet the development of international logistics and information communication technology. Sea- NACCS and Air-NACCS were initially exploited and operated separately, but through the latest Upgrades of Sea- NACCS in October 2008 and Air NACCS in February 2010, Air/Sea- NACCS are now a unified system

8.4.3 NACCS currently provides many functions to process all import/ export related procedures and can be joined by all related parties in both private and public sectors, 1 enabling to build up a Comprehensive Logistics Information Platform” Approximately, 98% of import cargo are currently processed through ANCCS system (See Figure2). Main features of NACCS are a) a system to Complete administrative procedures, b) a database system for cargo and transport management and c) a communication system among the users. NACCS handles all procedures in real- time in line with the flow of movement of cargo for import and export.

9.4.4 The NACCS Center, established as an authorized corporation by the Ministry of Finance in October 1977 for the purpose of operation and maintenance of NACCS system, was privatized in October 2008 with an expectation for improvement of its corporate management. The privatization has enhanced its service quality and given more flexibility in the development of new services. The privatization has also allowed the NACCS Center to better meet the growing needs in the field of international trade and logistics.

9.5 Transition to Single Window Environment

In accordance with the government policy the NACCS Center has promoted connectivity among the system related to procedures of import/ export, port and airport, held by Ministries other than the Ministry of Finance (MOF, of which the Japan Customs Administration is a part), for the purpose of speeding-up and simplifying trade procedures As shown in Figure 3, implementing a Single Window has progressed in line with major government policies.

1. One Stop Service

Computerization of all related administrative procedures was achieved in 1997. After completion of computerization, effort has shifted to building interface among the relevant systems for interoperability. To begin with, NACCS interfaced with FAINS (Food Automated Import Notification and Inspection Network System) operated by the Ministry of Health and Welfare (currently, the Ministry of Health, Labour and Welfare) in February 1997. Then, NACCS interfaced with NAIPAS (Animal Quarantine Inspection procedure Automated System) and PQNETWORK (Plant Quarantine Network System) operated by the Ministry of Agriculture, Forestry and Fisheries. These interfaces made it possible to provide a so-called “One Stop Service enabling procedures related to food sanitation, animal quarantine, and plant quarantine, together with customs procedures, to be completed through a single client terminal of NACCS. Submission of documents of permit of food sanitation or plant/ animal quarantine of customs offices became unnecessary. Subsequently, NACCS interfaced with JETRAS (Japan Electronic Open Network Trade Control System) operated by the Ministry of Economy, Trade and Industry which handled trade control procedures, in November. As a result of the interfaces, approximately 90% of import declarations which involved procedures of Ministries other than MOF were processed through NACCS system. This made import/ export processing more expeditious and simpler, bringing great benefits to customs brokers and traders. However, although the “One Stop Service” made it possible to complete multiple procedures of relevant systems of the government on a single terminal, it was still necessary to make data transmission separately for each procedure.

2. Single Window

In August 2001, the Finance Minister of Japan proposed the “Shiokawa Initiative –Plan for the Reform of International Logistics”, which included the introduction of Single Window Service for import/ export and port related procedures to minimize trading costs and make lead time shorter and more predictable. Based on the proposal, NACCS interfaced with Port EDI (Electronic Data Interchange) operated by the Ministry of Land, Infrastructure, Transport and Tourism which handled port procedures, and Crew Landing Permit Support System operated by the Ministry of Justice, which handled immigration.

Procedures, in July 2003, and upgraded linkage among NACCS and the relevant systems into a comprehensive computer interface system. This upgrade enabled users to implement all the necessary procedures required by different authorizes at once by a single data transmission, realizing “Single Window Service in Japan. However, at the time of the realization of the single Window in July 2003, application forms and their terms for the administrative procedures of the relevant Ministries were not reviewed. Therefore, much duplication of forms and terms for data input remained. In November 2005, taking the opportunity of the legislation process to conclude and approve FAL Convention (Convention on Facilitation of International Maritime Traffic, 1965), the documents and procedures were reviewed among the relevant Ministries to enhance competitiveness of ports in Japan. As a result, 16 forms and 600 terms were reduced to 8 forms and 200 terms, respectively. The 5 different forms of the General Declaration for port entry procedures of 4 Ministries were integrated to a single form. This facilitated multiple use imputed information and promoted streamlining of users business.

3. Next Generation Single Window

The Liaison Conference of Chief Information Officer (CIO) of the Government adopted the “Plan to Optimize Businesses and Computer Systems related to Import/ Export, Port and Airport procedures” in December 2005. This Plan proposed a policy to upgrade Single Window to “Next Generation Single Window” The components of the Next Generation Single Window are a) integration of single Window functions between NACCS and Port EDI, b) establishment of Single Window service for airport procedures, and c) establishment of “the common Portal” to secure more user-friendly service and efficient single access.

Following the proposal, together with the upgrade of Sea-NACCS in October 2008, Port EDI and Crew Landing Permit Support System were integrated to NACCS system, and the Common Portal was also put into operation. Subsequently along with the upgrade of Air-NACCS in February 2010, Single Window Service of airport procedures was established, and JETRAS was integrated to NACCS system.

Furthermore, the “Asian Gateway Initiative – Program for Streamlining Trade Measures” prepared in May 2007 and endorsed by the Prime Minister to

reform in customs clearance and other relevant procedures and enhance logistics capacity for international trade, included review of the Next Generation Single Window In accordance with the program, reform of business flow in Single Window system integration between NACCS and other governmental systems, etc. are in progress for more user-friendly service of NACCS, as a platform system for international logistics.

9.6 Characteristics and Benefits of Japan's Single Window

1. Speeding-up of Trade Procedures

Japan's Single Window is not a simple interface among the relevant systems, but enables users to implement all the necessary procedures of the relevant Ministries by single entry and transmission of data For import/ export procedures, Single Window Service has greatly contributed to the reduction of cargo clearance time² as shown in Figure 4 and streamlining of user's businesses³.

2. Integration of Forms and Data

In connection with designing of a Single Window, administrative procedures were reviewed and simplified, with subsequent harmonization of forms, terms and data⁴ This work has freed users from inputting data repeatedly and has allowed re-use of the imputed data For instance, for port related procedures, Single Window Service has reduced the necessity of submitting same message several times since such users (e.g. ocean carriers and agents) can send data, such as port entry, to the relevant Ministries with one submission.

3. The Common Portal

The Common Portal, which has been operational since October 2008, is the biggest feature of the Next Generation Single Window The Common Portal was development and is presently operated by the NACCS Center. At the same time, the help desk of the Single window Service, operational 24 hours/ day and 365 days/year for user inquiries has been merged to the NACCS Center. The common Portal plays the role of an entrance for the Single Window Service. The Common Portal implements the function to issue Common Registration Number" that links customs declaration and other trade procedures of relevant Ministries for declaration/ application status management. The Common Portal is capable of delivering messages to each administration in a common in a common format

And protocol using one single message transmission made by users. The applications to use each administrative system were integrated into one single procedure, and private sector user may apply for the use the of Single Window through a function of the Common Portal. Besides, the users can utilize all the connected systems with a single ID and password provided as a function of the common Portal. The Common Portal timely provides users of private sectors with information related to operation of relevant systems in a single website.

4. Integration of Relevant Systems

Usually, a Single Window interconnects relevant system through interfaces or linkages. However, an epoch-making attempt is in progress in the case of Japan's Single Window. Based on the "Asian Gateway Initiative- Program for Streamlining Trade procedure," the relevant systems, developed and operated by respective authorities are to be integrated to the NACCS system, resulting in a single system in the near future. So far the Port EDI formerly managed by the Ministry of Land infrastructure, Transport and Tourism, the Crew Landing Permission Support System formerly Managed by the Ministry of Justice and the JETRAS formerly managed by the Ministry of Economy, Trade and Industry have been merged to the NACCS system. Subsequently, the Common Portal FAINS currently managed by the Ministry of Health, Labor and Welfare, PQ-NETWORK and ANIPAS currently managed by the Ministry of Agriculture, Forestry and Fisheries are planned to be integrated to the NACCS system in October 2013, resulting in the completion of integration of relevant systems to the NACCS System (See Figure 6). This attempt would be a great benefit in terms of cost Savings in hardware, maintenance, warehousing, etc, since duplication of systems will be resolved and system will be utilized more efficiently. This integration is also expected to shorten processing time of the system.

9.7 Key Success Factors and Lessons Learnt from Single Window Establishment

The introduction of Single window is greatly beneficial to all related parties without exception. The most important success factor is that all of the relevant parties joined the consideration and coordination from the initial stage in moving toward the single window establishment as a whole governmental policy. As all of the relevant parties are involved in the consideration of the Single Window, the establishment was realized smoothly, user-friendliness was fully taken into consideration, and the realities on the frontline of international logistic were reflected.

1. Policy- making by government as a Whole

Establishment and upgrade of Single Window Service were incorporated into whole Japanese governmental policy programs as top priority issues in the context of computerization of administrative procedures, logistics, etc. And shared in common among the relevant Ministries together with clear timelines. As a result, coordination to resolve the challenges, including budget among the Relevant Ministries were facilitated, and the policies on the Single window could be realized smoothly. Making the Single Window Service part of the national policy program was the most important success factor in realizing the One Stop service in 1997, subsequently in establishing Single Window service in 2003, and finally reaching to Next Generation Single Window in 2005 in Japan.

2. Coordination among Relevant Ministries

In order to materialize the whole governmental policy on single window service establishment a “Liaison Conference on NACCS among the Ministries related to Import/Export and Port “with the membership composition at the level of responsible director of each Ministry, has been launched. In addition, several working level conferences were set up to consider more detailed issues jointly among the Ministries.

For the coordination among the Ministries, the role of the Ministry of Finance, which is the Head office of Japan Customs Administration and supervise the NACCS Center, was the most important. For example the costs to set up and maintain the Common Portal were allocated to the relevant Ministries based on the ration of the number of the traffic of their respective system and, as a consequence, over 90% of the costs of the Common Portal were shouldered by the Ministry of Finance for this reason, the Ministry of Finance could lead the discussion for establishment and upgrade of Single window Service, and other Ministries followed the proposal by the Ministry of Finance since they could save their costs. The leadership and coordination by the Ministry of Finance were considered to be one the important success factors for Japanese Single Window.

3. Participation of the Private Sector

To establish the user-friendly Single Window, participation and activities of the private sector users are also crucial. For instance, for the introduction of Single window in 2001 and the

subsequent review of port procedures along with implementation of FAL Convention, Strong demand from lots of economic

Organizations such as the Japan Federation of Economic Organization (currently Nippon keidanren) was submitted and made the Government of Japan as a whole to take an action.

In order to design a Single Window integration the viewpoints of private sector users, the Government of Japan has established some conferences for joint consideration by both private and governmental sectors. For example, the Ministry of Finance has organized the “Public-Private Forum of Next Generation Single Window for purpose.

Besides, relevant Ministries and the NACCS Center have readily received emends for introducing and/ or changing some function related to the Single Window from private sectors and referred to the opinions from the private sector users in system design and amendment.

In Japan private sector users are not obligated by law to utilize NACCS and Single window Service for the trade and logistics procedures In other words, the users still have an option to do manual submission/ declaration. Paradoxically, the non-mandatory nature on the use of a Single Window in Japan can be regarded as a considerable success factor. Such a non-mandatory nature, in a way, made relevant Ministries and the NACCS Center to sincerely take sue-friendliness into consideration upon the system developments in order that the private sector users prefer the electronic means for the procedures.

9.8 Future Tasks to Upgrade Next Generation Single Window

As mentioned earlier, the integration of relevant systems is currently in progress for the Next Generation Single Window, which is scheduled to be completed in 2013. Using the opportunities of every upgrade of NACCS and Single Window, the system has enhanced the scope of function and user, quality and performance. The NACCS and Single Window will continuously evolve by taking advantage of the opportunities from future system upgrades. NACCS will be reviewed to optimize the business process and to realize sharing and utilizing the inputted data among relevant parties as “the Comprehensive Logistics Information Platform” in Japan. At present, Japan’s Window receives electronic data of sanitary certificates related to live animal, meat and the products from the competent authority in Australia, and the received data are utilized for examination of trade procedures. Japan’s Single Window will move forward system connection and data exchanges with overseas governments and

service providers, which will result in further facilitation of the international trade and logistics.

9.9 It shows how Japan has successfully developed a Single Window System to achieve the industrial growth.

CHAPTER –X

Causes For Performance Hindrance

10.1 The Industrial policy so declared pointed towards the implementation of SINGLE TABLE SYSTEM. in the Uttar Pradesh, but this state has not been able to catch up with the industrialized state in spite of its proximity to abundant natural resources. What Causes Performance Hindrance? ² A World Bank Study for Uttar Pradesh has attributed three key factors which undermine growth productivity:

- Inadequate infrastructure
- Decline in quality of governance and
- Lack of growth of quality human stock
To this Planning Commission added
- Low Competitiveness
- Lack of proper incentives
- Poor location of industries and
- Lack of infrastructure
To this we added a few more i.e.
- Stability of policies
- Law and order
- Labour laws
- Trade tax differentials
- Incentives
- Effectiveness of support agencies; and
- Industrial clusters to provide facilities required for industries to develop.

10.2 But despite the proliferation of industrial clusters and booming production coupled with export sector largely have its roots into emerging modern small scale industry; there is ample evidence to give pangs of concern and discontent. A great number of SSI are traditional, existing in rural or semi- urban areas and.

2. Source: (Uttar Pradesh's Manufacturing Sector State, Structure and Performance by Dr. Nomita P. Kumar (Fellow, Giri Institute of Development Studies Lucknow)

126

Largely are dependent on local raw material, skill and labour intensive technology. These SSI suffer from myriad of problems that include information gap, lack adequate skill etc. As a result of liberalization the opportunities for the development of industries has increased many folds during recent years but the state has to competition from neighboring states. All the bottlenecks in the industrial development can be summarized and enlisted as follows:

- a. Being land locked state deprived of harbor facilities.
- b. Lack of standard infrastructure facilities.
- c. Increasing gap between demand and supply in power sector.
- d. Regional imbalances.
- e. Package of special incentives to Uttaranchal by Government of India.
- f. Possible adverse impact of WTO.
- g. Complexities of labour laws.
- h. Lack of resources for investment.
- i. Low C:D deposit ratio in the State.
- j. Sickness in units.
- k. Problems of marketing of SSI products.

10.3 This gradually hampers their growth rate and eventually has an adverse bearing on employment generation and other dependant objectives of the state policy.

10.4 It can be reiterated that in today's scenario, a state needs the investors more than the investors needing the state and more so after knowing the fact the industry's are fleeing to Uttaranchal in pursuit of better incentives in that state In such a situation it becomes essential to actively pursue a set of agenda items. Some of these are:

- Making the state easy to do business with
- Solving problems of entrepreneurs, not selling procedures to them
- Using measurements for improving not mere accounting
- Being a facilitator, not a controller
- Treating investors and entrepreneurs as customers.

10.5 The heart of working in the above mode is how the three elements-purpose, process and people link together It is important to understand these

links for execution of things, which had been sorely lacking in the state of Uttar Pradesh. Hence, it is of vital importance to master three individual - the strategy process, the operations process, and the people process, and also the way they work together as a whole. They are the foundation for effective execution, and are the centre of conceiving and executing any strategy. It is these that differentiate between a leading state and a laggard state (Chakroborty, 2008).²

10.6 As we know that everything ultimately boils down to governance, which involves interplay of three elements, each representing a specific set of deliberate arrangements institutions, the delivery mechanism and the supportive and subordinate framework of legislations, rules and procedures Managing this interplay becomes crucial for growth, including industrial growth, and therefore needs attention at the highest level in the state, on a continuous and ongoing basis.²

CHAPTER XI

Conclusion and Recommendations

11.1 In view of the discussions under the preceding Chapters and having regards to the Industrial Policy -1998 and the Industrial and Service Sector Investment Policy -2004 and Government Orders issued there under to implement these policies and the Single Table System effectively and the provisions of Para 5.2.2 of The Industrial and Service Sector Investment Policy -2004, we are of the opinion that the Legislature of the State should enact a Law in terms of proposed **Draft Bill, Annexure-1** to provide for permanent stable and clear procedure to attract greater investment into the State for its development.

11.2 The proposed legislation will be cutting down on redtapism in the State and to carry out measures for reduction in time cost and procedures for the projects which are in pipeline.

11.3 In this age/ era of liberalization, globalization and fierce competition entrepreneurs invest in those States, where they get comparatively better facilities. Under such circumstances, if approvals from State Government to industrial units are delayed, then it will more certainly affect the investment adversely. With a view to cutting down on redtapism in the State, the State Government has to decide to formulate a Single Table Clearance Act. Attracting investments in the State is one problem and to streamline the investment and projects is another problem of the State for which suitable legislation is necessary because the main objective will be to carry out measures for reduction in time cost and procedures for the projects which are in the pipeline Therefore, if rules and procedures are made properly through enactment in terms of **accompanying Model Draft Bill, Annexure 1**, it will boost the industrial growth in the Uttar Pradesh like other State where Act have already been enacted i.e. in Andhra Pradesh, Karnataka, Bihar, Madhya Pradesh , Rajasthan, Gujrat, Punjab , and Orrissa etc.

11.4 One of the important tasks of the reforms in to identify and remove all the bottlenecks to competition arising from the previous policies, colonial era laws, outdated rules and bureaucratic regulations and procedures.

11.5 If Uttar Pradesh were a country, it would be the world's seventh largest. It is the most populous state of India and is host to one – sixth of the

129

country's population. The large size of Uttar Pradesh is indicative of the large contribution that its manufacturing sector can make to the country's economic growth "noted Planning Commission (2001). Uttar Pradesh's large size relative to other Indian states and the professed goals of its leaders and policy makers make it imperative for industries in this state to develop fast. However, recently there has been a marked deceleration in industrial growth which needs to be addressed by a strategically oriented industrial policy.

11.6 Endowed with fertile land, a salubrious-climate and perennial river system, the state has long been the granary of India. Agriculture is the mainstay and major source of income for about 72 per cent of the population. The state is one of the leading producers of food grains and other commercial crops in the country. The state has a well-developed traditional industry besides mineral based industry U.P is now flexing its status as the leading agricultural state in the country to emerge as a preferred destination for the food – processing industry in the country.

11.7 Uttar Pradesh has vast untapped potential in agro industrial sector, which could be used advantageously to achieve multiple goals viz. increased income for farmers, rural industrialization, rural employment, better quality products to consumers. This can be achieved by new investment in agro industries by national/ multinational companies. The broad objectives of agro industrial policy are enumerated as under.

1. To create world class supply-chain infrastructure needed for agro industrial development.
2. To increase total flow of investment both skills and capital, in agro industries to establish backward and forward lineages,
3. To accelerate a close interface between research, extension mechanisms and industry and farmers in agro sector,
4. To increase the value addition and reduce wastages, thereby increasing the income of farmers and delivering better quality products to consumers,
5. To create rural employment and improve quality of life of rural people,
6. To assist small-scale agro based units to remain competitive in global markets,
7. To increase export of value added agri products.

11.8 In the present climate of economic liberalization and globalization, Uttar Pradesh needs to create favourable environment by providing incentives to the domestic and foreign investors for setting up of agro industrial project in Uttar Pradesh. The approach would be for the government to play a facilitator role in galvanizing private sector investment in agro industries in the State. A key initiative of the government would be to metamorphose the supply chain infrastructure, which would multiplier effects in the agricultural sector and greatly increase competitiveness across the entire sector. A Well integrated and coordinated approach to infrastructure development will be necessary to ensure healthy utilization of infrastructure facilities across the chain.

11.9 The State Government in conjunction with appropriate private sector agencies, will market this supply chain infrastructure opportunity to multilateral financial agencies and other infrastructure investors. Globally successful processors and retailers need to be aggressively marketed to by the State, as they provide the linkages with the consumer that has been hitherto missing in Uttar Pradesh Agribusiness strategy. The responsibility for such State/ industry specific marketing will the Nodal Agency.

11.10 Emerging technologies - like bio technology, genetic engineering-have enormous potential in the near future to extract efficiencies in the supply chain However, in the short to medium term, significant investments need to be made in the bricks and mortar infrastructure – ports, cold storages, value added centers, irrigation, agronomic practices, etc.

11.11 U.P. is an attractive destination for investment for all NRIs/ PIOs. It is one of the largest State of India in terms of human resources, and extends facilitative environment for the entrepreneurs for setting up industries. The prospective sectors or projects for investment in the State are:- roads and bridges; airports; power generation; electricity and gas distribution; municipal solid waste/ bio- medical waste collection and disposal; convention centre and sports centre; Multi-purpose container terminal, SEZs, Integrated industrial townships/ Hi- tech Agri-cold chains, hybrid seeds, wholesale fruits, vegetables, flower and fish markets, grading centres/abattoirs; public transport/

International Class bus terminal and Urban car parking; tourism; health and education; social housing/ slum development; value added It networks/ services; etc.

11.12 Further, in the State, for the establishment of industrial units and development of infrastructure facilities like power, roads, bridges, etc., large scale foreign investments are needed. NRIs and other overseas Indians are considered to be the important source for this.

11.13 With this approach Uttar Pradesh should be able to take a lead in rapid agro industrial development.

11.14 Under Industrial Policy 1998 provision for simplification of rules has been made, while under Policy 2004 provisions for Simplification of Labour laws, Simplification of Industrial Laws, Simplification of Pollution Laws and Other Deregulation Proposals have been made. These are existing laws and most of them are Central Laws enacted by Parliament. We are of the opinion that to make these Laws more practical and entrepreneurs friendly State Government should take up the matter with the Government of India to make them more effective As far as proposed legislation is concerned it is totally related with the Single Table Clearance System in the State. To make Single Window System more effective it is necessary to enact the proposed legislation in terms of **Model Draft Bill, Annexure-I.**

11.15 Industrial Policy-1998 provides that all clearances necessary to set-up a new Industry with an investment up to rupees 25 crores will be made available through the District Industry centre order to implement the Single table under one roof scheme. The same facility will be provided by the State Level Udyog Bandhu for entries with investment above 25 crores of rupees Since the value of land and establishment have increased many-fold the proposed **Model Bill - Annexure-I** provides, the investments up-to 50 crore rupee could be the District Level Clearance Committee chaired by the District Magistrate, the investments exceeding 50 crore rupees and up-to 300 crore rupees could be cleared by the State Level Clearance Committee chaired by the chief Secretary and the investments exceeding 300 crore rupees could be cleared at the State high Level Committee chaired by chaired by the chief Minister. Thus we recommend a three tier system for clearance of applications by the entrepreneurs to set up the industries in the State.

11.16 Appointment of Nodal Agencies at State Level and District Level has been provided. Among other functions the State Level Nodal Agency shall provide Secretarial and other support services to State High Level Clearance.

132

Committee and State Level clearance Committee while District Level Nodal Agency shall provide secretarial and other support services to District Level Clearance.

11.17 Any entrepreneur aggrieved by the decisions of the State Level Clearance Committee, may appeal to the State High Level Clearance Committee and District Level Clearance Committee, may appeal to the State Level Clearance Committee.

11.18 It also provides combined application form for the use of entrepreneur which will be filled online and its print out duly signed will be submitted with Nodal Agency concerned. Provision for self-certification, time limits for processing of applications, rationalization of inspections, deemed approval have also been made.

11.19 Therefore, the State Law Commission, keeping in mind the various afore-said Industrial Polices of the State and various G.O.'s issued by the State government from time to time for implementation of the Industrial Polices and all afore-said issues discussed under proceeding chapters, has also drafted a **Model Bill, Annexure- I** with this report, to be submitted to the State Government.

11.20 In opinion it is considered necessary to provide for the promotion of industrial development and facilitation of new investment to simplify the regulatory frame work, by reducing the procedural requirements and rationalizing documents and to provide for an investor friendly environment in the State of Uttar Pradesh. To achieve these things proposed legislation in terms of Model Draft Bill (Annexure-1) is highly required for the State.

11.21 If law is enacted in terms of proposed **Model Draft Bill, Annexure-1** it will prove a milestone to solve the much awaited problems of entrepreneurs. It will boost the Industrial investment and attract the investors into State.

11.22 Hence, in view of the afore-said discussions, we are recommending the following **Model Draft Bill, Annexure-1** titled “**The Uttar Pradesh Single Table Clearance Bill, 2012** “ to be enacted by the State Legislature to solve the problems of entrepreneurs and investors in the State .

133

It will help to provide for permanent, stable and clear procedures for setting up of Industries in the State. **It will also provide the real shape to the provisions of Para 5.2.2 of the Industrial and Service Sector Investment Policy- 2004**

11.23 The proposed Model Bill contains:

CHAPTER-1

PRELIMINARY

Clause-1 Short Title, Extent and Commencement:

- (1) This Act may be called the Uttar Pradesh Single Table Clearance Act, 2012.
- (2) It extends to the whole of the State of Uttar Pradesh.
- (3) It shall come into force on such date as the State Government may by notification appoint.

Clause-2 Definitions: In this Act, unless the context otherwise requires:-

- (a) “**Clearances**” means grant or issue of no- objection certificate, letter of intent, allotments consents, approvals, permissions, registrations enrollments, licenses and like by any competent authority or department. In connection with the setting up of an industrial or commercial or service sector undertaking in the State of Uttar Pradesh and shall include all such clearances required till the undertaking commences commercial production;
- (b) “**Competent authority**” means any concerned department or authorized agency of the State Government, any statutory board, Corporation, Local authority, Gram Panchayat, Municipality, Municipal Corporation or other

local body, which are entrusted with the powers and responsibilities to grant or issue clearances;

- (c) **“Customized package”** means package of assistance or facilities sanctioned by the State High Level Committee for the project of an entrepreneur in addition to the existing assistance facilities available in the State of Uttar Pradesh under various schemes;

134

- (d) **“Department”** means any department of the state Government;
- (e) **“District Level Committee”** means the District Level Single Table Clearance Committee by the State Government under Section-9;
- (f) **“Entrepreneur”** means a person or body of persons or a company having majority portion of investment or controlling interest in an industrial undertaking;
- (g) **“Government”** means the Government of Uttar Pradesh;
- (h) **“Industrial Policy”** industrial policy or policies declared by the Government of Uttar Pradesh or by the government of India as the case may be, for promotion of industrial, commercial and other related activities;
- (i) **“Industrial Undertaking”** means an undertaking engaged in manufacturing or processing or both or providing service or doing any other business or commercial activities as may be specified by the State Government or the Central Government;
- (j) **“Industrial Unit”** means an undertaking which is engaged in manufacturing or processing or such activities which may be registered under relevant Acts and rules of the Department of Commerce, Industry and Employment of the Government of Uttar Pradesh or Government of India;
- (k) **“Investment”** means fixed capital investment by an investor in industry or service or infrastructure or commercial project;
- (l) **“Investor”** means a person, firm, company or institution who proposes to invest in the State of Uttar Pradesh;
- (m) **“Nodal Agency”** means the agency notified at the State Level or at the District Level under section 12;
- (n) **“Notification”** means a notification published in the Uttar Pradesh official Gazette and the word ‘notified’ shall be construed accordingly.
- (o) **“Prescribed”** means prescribed by rules made under this Act;

- (p) **“Project”** means an undertaking with proposed investment for manufacturing or processing or both or providing service or doing

135

any other business or commercial activity in the State as may be specified by the State Government or an existing unit undertaking its expansion or diversification or modernization;

- (q) **“Single Table (Clearance) System** means a mechanism or system established by the State Government, under which applications are received, examined, processed and approvals are issued in a unified manner from and through the aegis of a single designated agency to facilitate speedy clearances for investment proposals.
- (r) **“State High Level Committee”** means the State High Level Single Table clearance Committee constituted by the State Government under section- 3;
- (s) **“State Level Committee”** means the State Level Single Table Clearance Committee constituted by the State Government under Section - 6;

CHAPTER-II CONSTITUTIONS AND FUNCTIONS OF DIFFERENT CLEARANCE COMMITTEES

Clause-3 State high Level Clearance Committee.-

- (1) The State government may, by notification, constitute a State High Level Single Table Clearance Committee called on State High Level Clearance committee under the Chairmanship of Chief Minister consisting of such other members, as may be prescribed,
- (2) The State High Level Committee shall examine and consider the proposals received from any entrepreneur relating to any industrial and other projects to be set up in the State, with an investment of more than rupees three hundred crores in each case or such amount as may be fixed by the State Government from time to time.

- (3) Every Member of the State High Level Committee shall personally attend its meeting and in case of exigencies, he may depute a Senior Level Officer to attend the meetings with written authorization to take appropriate decisions in meetings.

Clause-4 Functions of the State High Level Committee:-

- (1) The State High Level Committee shall meet at least once in every month and at such place and shall adopt such procedure to transact its business as may be prescribed.
- (2) The State high Level Committee shall examine the proposals for setting up any project or industrial undertakings referred to in sub- Section (2) of section 3 and shall take appropriate decision and communicate its decision to the entrepreneur and the concerned departments or authorities within such time limit as may be prescribed.
- (3) The State High Level Committee may also consider matters referred to it by the State Level Committee and take appropriate decisions.
- (4) To keep the strict vigil on the proper functioning of the different clearance committees the State High Level Committee may call for, examine and review the order passed by the State Level Committee and District Level Committees, suo-motu or on any complaint, without prior notice to such committee.
- (5) The State High Level Committee may review and monitor the disposal of applications made to State Level Committee District Level committees, Nodal Agencies and other competent authorities.

Clause-5. Powers of the State High Level Committee. The State High Level Committee shall be the final authority in granting approvals for the projects placed before it The approvals given by the State High Level Committee shall be binding on all the concerned departments or authorities and such departments or authorities, shall issue the requisite clearances and permissions within the stipulated time limit subject to compliances by the entrepreneur undertaking with the provisions of the applicable Central or State Acts and the rules made thereunder.

Clause-6. State Level Single Table Clearance Committee:-

- (1) The State Government may, by notification in the official Gazette, constitute a single Table clearance committee for the State called as the 'State Level Single Table Clearance Committee' under the chairmanship of the Chief Secretary consisting of such other members as may be specified therein.
- (2) The State Level Single Table Clearance Committee shall examine and consider proposals received from any entrepreneur relating to industrial and other projects to be set up in the State with an investment of more

137

than rupees fifty crores and up to rupees three hundred crores each or such amount as may be fixed by the State Government from time to time.

- (3) Every member of the State Level Committee shall personally attend its meetings and in case of exigencies he may depute a Senior Level officer with written authorization to take appropriate decisions in the meetings.

Clause-7. Functions of the State Level Committee:-

- (1) The State Level Single Table Clearance Committee shall meet at such time and such places and shall adopt such procedures to transact its business as per the procedures as may be prescribed.
- (2) The State Level Single Table Clearance Committee shall examine the proposals for setting up industrial undertakings referred to in sub-section (2) of section 6 and shall take a decision and communicate its decision to the entrepreneur and the departments of authorities concerned within one week of the meeting.
- (3) The State Level Committee shall also consider and decide the matters referred to it by the District Level Committee.
- (4) To keep the strict vigil on the proper functioning of the District Level Committees the State Level Committee may call for, examine and review the order passed by the District Level committees. Suo- motu or on any complaint, without prior notice to such committee.
- (5) The State Level Committee may review and monitor the disposal of applications made to the District Level Committees, Nodal Agencies and other competent authorities.

Clause -8. Power of the State Level Committee.-

- (1) The State Level Single Table Clearance Committee shall be the final authority in granting approvals for the projects placed before it. The approvals given by the State Level Committee shall be binding on all the departments or authorities concerned and such departments or authorities shall issue the requisite clearances and permissions within the stipulated time subject to compliances by entrepreneurs with the provisions of the applicable Central or State Acts or Rules made thereunder.
- (2) The State Level Committee may refer the proposals of investors exceeding its jurisdiction to the State High Level Committee for consideration in appropriate cases.

Clause-9 District level Single Table Clearance Committee:-

- (1) The State Government, may, by notification in the Official Gazette constitute a single point clearance committee at the district level called the District Level Single Table Clearance Committee under the Chairmanship of the Collector/District Magistrate of such district consisting of such other members, as may be specified therein.
- (2) The District Level Single Table Clearance Committee shall examine and consider proposal received from entrepreneurs relating to industrial projects with the investment of up to rupees fifty crores each to be set up in the respective districts.
- (3) Every member of the committee shall attend its meetings personally and in case he is unable to attend the meetings he may depute a Senior Level Officer with written authorization to take appropriate decisions in the meetings.

Clause- 10. Functions of the District Level Committee.-

- (1) The District Level Single Table Clearance Committee shall meet at such times and such places and shall adopt such procedures to transact its business as may be prescribed.
- (2) The District Level Single Table Clearance Committee shall examine the proposals for setting up industrial undertaking referred to in sub-section (2) of section 9 and shall take a decision and communicate its decision to the entrepreneurs and the departments or authorities concerned within such time limit may be prescribed.

Clause- 11. Powers of the District Level Committee.- The District Level single Table Clearance Committee shall be the final authority in granting of approvals for the projects placed before it. The approvals given by the District Level Committee shall be binding on all the departments or authorities concerned at the district level and the district level and such departments or authorities shall issue the requisite clearances within the stipulated time limit subject to compliances by the entrepreneur with the provisions of the applicable Central or State Acts and the rules made thereunder.

139

Clause - 12. Appointment of Nodal Agency.-

For the proper functioning and working of the State High Level Committee, State Level Committee and District Level Committee the State Government may, constitute a 'Nodal Agency' at the State level and at the district level as may be prescribed to undertake investment promotional activities and to render necessary guidance and assistance to entrepreneurs to set industrial undertakings in the State.

Clause- 13. Functions of the State Level Nodal Agency

The main functions of the State Level Nodal Agency are to :-

- (i) promote investment activities at the State, National and International level;
- (ii) build state's image to attract investments'
- (iii) improve investment climate exercises;
- (iv) render necessary assistance and feed back in policy formulation for industrial progress;
- (v) guide and assist entrepreneurs to set-up industries in the State;
- (vi) prepare and regularly up-date the website and information booklet providing complete particulars relating to-
 - (a) state and central industrial policies;
 - (b) department or authority-wise procedures to obtain the required clearances;
 - (c) general information on industrial status and advantages existing in the state

- (d) salient features of applicable Acts and Rules in relation to industry, labour, safety, welfare, pollution control, taxes, duties etc. and
 - (e) any other matter useful to the entrepreneurs.
- (vii) issue and receive combined application form entrepreneurs on online and in physical form and arrange required clearances from the department or authorities concerned, within specified time limit.
 - (viii) provide secretarial and other support services to State High Level Single Table Clearance Committee and the State level Single Table Clearance Committee.
 - (ix) set up task force consisting of Senior Level Representatives from key departments and Authorities to review periodically the status of implementation of the projects and to sort out problems if any.

140

Clause- 14. Functions of District Level Nodal Agency:-

The main functions of the District Level Nodal Agency are to:-

- (i) Promote investment activities at the State, National and International level;
- (ii) build state's image to attract investments;
- (iii) Improve investment climate exercises;
- (iv) Render necessary assistance and feed back in policy formulation for industrial progress.
- (v) Guide and assist entrepreneurs to set industries in the District.
- (vi) Prepare and regularly up-date the website and information booklet providing complete particulars relating to-
 - (a) State and central industrial policies;
 - (b) Department or authority-wise procedures to obtain the required clearances;
 - (c) General information on industrial status and advantages existing in the state.
 - (d) Salient features of applicable Acts and Rules in relation to industry, labour, safety welfare, pollution control, taxes, duties etc. and
 - (e) Any other matter useful to the entrepreneurs;
- (vii) Issue and receive combined application form entrepreneurs on online and in physical form and arrange required clearance from the departments or Authorities concerned within specified time limit.

- (viii) Provide secretarial and other support services to District level Single Table Clearance Committee.
- (ix) Set up a task force consisting of Representatives from key departments or Authorities to review periodically the status of implementation of the project and to sort out problems if any.

Clause -15. Combined Application Form.-

- (1) The State Government may, prescribe Combined Application Form for the use of entrepreneurs whose projects are to be submitted to the State High Level Clearance Committee or State level Single Table Clearance Committee and District Level Single Table Clearance Committee in lieu of existing forms prescribed under applicable Central or State Acts and

141

the rules made thereunder for obtaining the required clearances. All the departments or authorities concerned of the State Government shall accept such Combined Application Form for processing and issue of required clearances.

- (2) An entrepreneur will have to fill the combined application form online and submit its print out duly signed with Nodal Agency concerned.
- (3) In case, any entrepreneur does not apply online than it will be duty of Nodal Agency concerned to ensure that details of physical forms are entered into computer, so that, entrepreneur and appropriate authority of concerned department or authorities can keep tap on the process of approval etc. online.
- (4) A Web-based monitoring system will be displayed by the name of “Single Table Clearance System”.

Clause- 16. Self Certification.-

- (1) Every entrepreneur shall furnish a Self Certification’ and an undertaking with affidavit at the time of submitting the duly completed Combined Application Form and thereafter once in a year to the Nodal Agency an undertaking with affidavit that it shall comply with the applicable provisions of the relevant Acts and the rules made thereunder The self certification and undertaking shall be furnished in such form as may be prescribed.
- (2) The self certification and undertaking with affidavit furnished by the entrepreneur may be accepted by the departments and authorities for the purpose of issuing and granting clearance and giving other benefits to the entrepreneur.

Clause- 17 Time Limits for Processing of Applications:- Notwithstanding Anything contained in any State law for the time being in force;

- (1) The Government may lay down the procedure for processing and disposal of applications.
- (2) The Government may prescribe time limits for processing and disposal of applications by the competent authorities.
- (3) The Competent authority may ask for additional information at any time before expiry of the period stipulated for the disposal of such clearance;
Provided that such request for additional information should be made only once by the competent authority.

142

- (4) After receipt of the additional information, the competent authority shall pass orders on the application before the expiry of the stipulated time from the date of receipt of such additional information.

Clause-18. Rationalisation of Inspections.- Inspections under the provisions of applicable Acts or rules or orders or instructions by different levels of authorities, shall be conducted jointly with the office of the Labour commissioner, chief Inspector of factories and boilers, representatives of the Employees State Insurance Corporation and the Employees provident Fund Organization and Uttar Pradesh State Pollution control Board once in a year. Such inspections shall be based on random selection and shall be organized in the manner as may be prescribed. However, inspections against specific complaints, may be conducted with the authorization by the heads of the department or authority. Further, inspections in respect of pollution and safety aspects may be conducted as required under the relevant Acts or rules or orders or instructions.

Clause- 19. Deemed approval.

- (1) Every department or authority notwithstanding anything contained in any other law shall issue clearances after processing the application as required under the applicable laws within the stipulated time limit failing which such clearances shall be deemed to have been issued.

Provided that if any department or authority failed to issue clearance within the stipulated time limit the concerned official (s) of such department or authority shall

be accountable for such default and in such cases disciplinary action shall be taken against such official (s) in such manner as may prescribed.

- (2) The applicant may proceed to execute the work or take other action following the deemed approval, but not so as to contravene any of the provisions of the Acts or rules or bye-laws applicable to such clearances.

Clause- 20. Grant of customized packages, concessions, exemptions or relaxations.-

The Government may, with a view to facilitate investment in the State, grant customized packages, concessions, exemptions or relaxations to any enterprise or category of enterprise in the State, subject to such conditions as it may deem fit, where the government, or any other authority subordinate to it is empowered under any State Law to grant such customized packages, concessions, exemptions or relaxations.

143

Clause- 21. Appeal.-

- (1) Any entrepreneur aggrieved by the decision of –
 - (i) the State Level Committee may appeal to the State High Level Committee and,
 - (ii) the District Level committee may appeal to the State level Committee.

Within thirty days from the date of receipt of communication by the entrepreneur of the decision appealed against.

- (2) The Appellate Authority shall after following such procedure as may be prescribed dispose of the appeal within a period of one month from the date its receipt.

Clause-22. Penalty and Cognizance of offence-

- (1) Any entrepreneur who fails to comply with the conditions or undertaking or furnishing false information in the self certification or affidavit or both given to the Nodal Agency or other department or authorities shall on conviction be punishable with fine which may extend to rupees fifty thousand for the first offence and for the second or subsequent offence with fine which may extend to rupees one lac for each offence.
- (2) No Court shall take cognizance of any offence under sub-section (1) except with the previous sanction of the State Government.

Clause-23. Offences by companies etc.-

- (1) Where an offence under this Act is committed by a company, the company, as well as every person in charge of and responsible to, the company for the conduct of its

business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Provided that, nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercises all due diligence to prevent the commission of such offence.

- (2) Notwithstanding anything contained in sub-section (1) where an offence under this Act has been committed with the consent or connivance of, or that commission of the offence is attributable to any neglect on the

144

part of any director, manager, secretary or other officer such Director, Manager, Secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation:- For the purposes of this section,-

- (a) "Company" means any body corporate established under Companies Act, 1956 and includes a firm, society or other association of individuals established under law; and
(b) "director" means any person occupying the position of director in the company and includes a partner in the firm or president of the society or head of the Association of Individuals.

Clause- 24. Power to make rules .-

(1) The State Government may, by notification, make rules for carrying out the provisions of this Act.

(2) Every rule made under this Act shall be laid, as soon as may be, after it is made, before each House of the State Legislature.

Clause- 25. Protection of action taken in good faith:-

No suit or legal proceedings shall lie against the Chairman or other members of the State High Level Clearance Committee or State Level Single Table Clearance Committee or District Level Single Table Clearance Committee or any employee of such Committee in respect of anything which is in good faith or intended to be done under this Act or any rule made thereunder.

Clause- 26 Power to remove difficulties:-

If any difficulty arises in giving effect to the provisions of this Act, the State government may, by order not inconsistent with the provisions this Act remove the difficulties.

Provided the no such order shall be made after the expiry of the period of two years from the date of commencement of the Act.

11.24 The proposed Bill, will ensure speedy implementation and timely approvals of industrial projects and smooth functioning of the existing industries in the State by providing single point clearances to the entrepreneurs with a view to provide facilitative environment and for the matters connected therewith or incidental thereto Under the proposed Bill,

145

Rules and procedures would be streamlined and three tier clearance committees will be more effective and pro-active.

11.25 We hope and trust Government of Uttar Pradesh would take immediate steps for enactment of new Legislation in terms of the accompanying **Model Draft Bill, Annexure-1.**

11.26 We further hope that **it will provide the real shape to the aforesaid provisions of Para 5.2.2, under Chapter –V of the Industrial and Service Sector Investment Policy-2004.** The Single Table Clearance System will be more effective by cutting down on redtapism, to attract investors in Uttar Pradesh, for Industrial growth and development of the State.

11.27 We recommend accordingly.

(Justice V.C. Misra)

Chairman

(Prof. Balraj Chauhan)
Member
(Part-Time)

(Ishwar Dayal)
Member
(Full-Time)

ANNEXURE-1

MODEL BILL

THE UTTAR PRADESH STATE LAW COMMISSION

FOURTEENTH REPORT- 2012

ON

THE UTTAR PRADESH SINGLE TABLE CLEARANCE BILL, 2012

ii

**THE UTTAR PRADESH STATE LAW COMMISSION
FOURTEENTH REPORT -2012**

ON

THE UTTAR PRADESH SINGLE TABLE CLEARANCE BILL, 2012

INDEX

CHAPTER AND SECTION	PAGE
Chapter-I	
Preliminary	
1. Short title, extent and commencement	1
2. Definitions	1-3
Chapter-II	
Constitution and Functions of Different Clearance Committees	
3. State High Level Clearance Committee	4
4. Functions of the State High Level Committee	4-5
5. Power of the State High Level Committee	5
6. State Level Single Table Clearance committee	5
7. Functions of the State Level Committee	5-6
8. Power of the State Level Committee	6
9. District Level Single Table Clearance Committee	6
10. Function of the District Level Committee	7

11. Power of the District Level Committee	7
12. Appointment of Nodal Agency	7
13. Functions of the State Level Nodal Agency	7-8
14. Functions of District Level Nodal Agency	8-9
15. Combined Application Form	9
16. Self Certification	9-10
17. Time Limits for Processing of Applications	10
18. Rationalisation of Inspections	10
19. Deemed Approval	10-11
20. Grant of customized Packages, Concessions, Exemptions or Relaxations	11
21. Appeal	11
22. Penalty and Cognizance of offence	11-12
23. Offences by companies etc	12
24. Power to make rules	12
25. Protection of action taken in good faith	13
26. Power to remove difficulties	13

**THE UTTAR PRADESH STATE LAW COMMISSION
FOURTEENTH REPORT-2012**

THE UTTAR PRADESH SINGLE TABLE CLEARANCE BILL, 2012

A

BILL

to provide for speedy processing to issue of various licenses, clearances and certificates required for setting up of industrial undertakings for the promotion of industrial development and also to provide for in investor friendly environment in the State of Uttar Pradesh and for matters connected therewith or incidental thereto.

Whereas, it is expedient to provide for speedy implementation of industrial and other projects in the State, by providing single point clearances to promoters and to ensure early commercial production for such projects.

Be it enacted by the Legislature of the State Uttar Pradesh in the Sixty- third year of the Republic of India as follows:

**CHAPTER-I
PRELIMINARY**

1. Short Title, Extent and Commencement

- (1) The Act may be called the Uttar Pradesh Single Table Clearance Act, 2012
- (2) It extends to the Whole of the State of Uttar Pradesh.
- (3) It shall come into force on such date as the State Government may by notification appoint.

2. Definitions: In this Act, unless the context otherwise requires:-

- (a) **“Clearances”** means grant or issue of no – objection certificate, letter of intent, allotments consents, approvals, permissions, registrations, enrollments, licenses and the like by any competent

2

authority or department, in connection with the setting up of an industrial or commercial or service sector undertaking in the State of Uttar Pradesh and shall include all such clearances required till the undertaking commences commercial production;

- (b) **“Competent authority”** means any concerned department or authorized agency of the State Government, any statutory board, Corporation, Local authority, gram Panchayat, municipality, Municipal Corporation or other local body, which are entrusted with the powers and responsibilities to grant or issue clearances;
- (c) **“Customized package”** means package of assistance or facilities sanctioned by the State High Level Committee for the project of an entrepreneur in addition to the existing assistance or facilities available in the State of Uttar Pradesh under various schemes;
- (d) **“Department”** means any department of the State Government;
- (e) **“District Level Committee”** means the District Level Single Table clearance Committee constituted by the State Government under Section-9;
- (f) **“Entrepreneur”** means a person or body of persons or a company having majority portion of investment or controlling interest in an industrial undertaking;
- (g) **“Government”** means the Government of Uttar Pradesh;

- (h) “**Industrial Policy**” means the industrial policy or policies declared by the government of Uttar Pradesh or by the Government of India, as the case may be, for promotion of industrial, commercial and other related activities;
- (i) “**Industrial Undertaking**” means an undertaking engaged in manufacturing or processing or both or providing service or doing any other business or commercial activities as may be specified by the State Government or the Central Government;
- (j) “**Industrial Unit**” means an undertaking which is engaged in manufacturing or processing or such activities which may be registered under relevant Acts and rules of the Department of

Commerce, Industry and Employment of the government of Uttar Pradesh or Government of India;

- (k) “**Investment**” means fixed capital investment by an investor in industry or service or infrastructure or commercial project;
- (l) “**Investor**” means a person, firm, company or institution who proposes to invest in the State of Uttar Pradesh;
- (m) “**Nodal Agency**” means the agency notified at the State Level or at the District Level under section 12;
- (n) “**Notification**” means a notification published in the Uttar Pradesh Official Gazette and the word ‘notified’ shall be construed accordingly.
- (o) “**Prescribed**” means prescribed by rules made under this Act;
- (p) “**Project**” means an undertaking with proposed investment for manufacturing or processing or both or providing service or doing any other business or commercial activity in the State as may be specified by the State Government or an existing unit undertaking its expansion or diversification or modernization;

- (q) **“Single Table (Clearance) System”** means a mechanism or system established by the State Government under which applications are received examined, processed and approvals are issued in a unified manner from and through the aegis of a single designated agency to facilitate speedy clearances for investment proposals.
- (r) **“State High Level Committee”** means the State High Level Single Table Clearance Committee constituted by the State Government under Section 3;
- (s) **“State Level Committee”** means the State Level Single Table Clearance Committee constituted by the State Government under Section-6;

CHAPTER- II CONSTITUTIONS AND FUNCTIONS OF DIFFERENT CLEARANCE COMMITTEES

3. State High Level Clearance Committee:-

- (1) The State Government may, by notification, constitute a State High Level Single Table Clearance Committee called on State High Level Clearance Committee under the Chairmanship of Chief Minister consisting of such other members, as may be prescribed.
- (2) The State High Level Committee shall examine and consider the proposals received from any entrepreneur relating to any industrial and other projects to be set up in the State, with an investment of more than rupees three hundred crores in each case or such amount as may be fixed by the State government from time to time.
- (3) Every Member of the State High Level Committee shall personally attend its meetings and in case of exigencies, he may depute a Senior Level Officer to attend the meeting with written authorization to take appropriate decisions in the meetings.

4. Functions of the State High Level Committee:-

- (1) The State High Level Committee shall meet at least once in every month and at such place and shall adopt such procedure to transact its business as may be prescribed.
- (2) The State high Level committee shall examine the proposals for setting up any project or industrial undertakings referred to in sub-section (2) of section 3 and shall take appropriate decision and communicate its decision to the entrepreneur and the concerned departments or authorities within such time limit as may be prescribed.
- (3) The State Level Committee may also consider matters referred to it by the State Level Committee and take appropriate decisions.
- (4) To keep the strict vigil on the proper functioning of the different clearance committees the State High Level Committee may call for, examine and review the orders passed by the State Level Committee and District Level Committees, suo-motu or on any complaint, without prior notice to such committee.

5

- (5) The State High Level Committee may review and monitor the disposal of applications made to the State Level Committee, District Level committees, Nodal Agencies and other competent authorities.

5. Power of the State High Level Committee:- The State high Level Committee shall be the final authority in granting approvals for the projects placed before it. The approvals given by the State High Level Committee shall be binding on all the concerned departments or authorities and such departments or authorizes, shall issue the requisite clearances and permissions within the stipulated time limit subject to compliances by the entrepreneur undertaking with the provisions of the applicable Central or State Acts and the rules made thereunder.

6. State Level Single Table Clearance Committee.-

- (1) The State Government may, by notification in the Official Gazette, constitute a single Table clearance committee for the State called as the 'State Level Single Table Clearance Committee under the Chairmanship of the Chief Secretary consisting of such other members as may be specified therein.
- (2) The State Level Single Table Clearance Committee shall examine and consider proposals received from any entrepreneur relating to industrial and other projects to be set up in the State with an investment of more than

rupees fifty crores and up to rupees three hundred crores each or such amount as may be fixed by the State Government from time to time.

- (3) Every member of the State Level Committee shall personally attend its meetings and in case of exigencies he may depute a Senior Level Officer with written authorisation to take appropriate decisions in the meetings.

7. Functions of the State Level Committee:-

- (1) The State Level Single Table Clearance Committee shall meet at such times and such places and shall adopt such procedures to transact its business as per the procedures as may be prescribed.
- (2) The State Level single Table clearance committee shall examine the proposals for setting up industrial undertakings referred to in sub-section (2) of section 6 and shall take a decision and communicate its decision to the entrepreneur and the departments or authorities concerned within one week of the meeting.
- (3) The State Level Committee shall also consider decide the matters referred to it by the District Level Committee.

6

- (4) To keep the strict vigil on the proper functioning of the District Level Committees the State Level Committee may call for, examine and review the orders passed by the District Level Committees, suo-motu or on any complaint without prior notice to such committee.
- (5) The State Level Committee may review and monitor the disposal of applications made to the District Level Committees, Nodal Agencies and other competent authorities.

8. Powers of the State Level Committee:-

- (1) The State Level Single Table Clearance Committee shall be the final authority in granting approvals for the projects placed before it The approvals given by the State Level committee shall be binding on all the departments or authorities concerned and such departments or authorities shall issue the requisite clearances and permissions within the stipulated time limit subject to compliances by the entrepreneurs with the provisions of the applicable Central or State Acts or Rules made thereunder.

- (2) The State Level committee may refer the proposals of investors exceeding its jurisdiction to the State High Level Committee for consideration in appropriate cases.

9. District level Single Table Clearance Committee:-

- (1) The State Government, may, by notification in the Official Gazette constitute a single point clearance committee at the district level called the District Level Single Table Clearance Committee under the Chairmanship of the Collector/district Magistrate of such district consisting of such other members, as may specified therein.
- (2) The District Level Single Table Clearance Committee shall examine and consider proposal received from entrepreneurs relating to industrial in the respective districts.
- (3) Every member of the Committee shall attend its meetings personally and in case he is unable to attend the meetings he may depute a Senior Level Officer with written authorisation to take appropriate decisions in the meetings.

10. Functions of the District Level Committee:-

- (1) The District Level Single Table Clearance Committee shall meet at such time and such places and shall adopt such procedures to transact its business as may be prescribed.
- (2) The District Level Single Table Clearance Committee shall examine the proposals for setting up industrial undertakings referred to in sub-section (2) of section 9 and shall take a decision and communicate its decision to the entrepreneurs and the departments or authorities concerned within such time limit as may be prescribed.

11. Powers of the District Level Committee:- The District Level Single Table Clearance Committee shall be the final authority in granting of approvals for the projects placed before it. The approvals given by the District Level Committee shall be binding on all the departments or authorities concerned at the district level and such departments or authorities shall issue the requisite clearances within the

stipulated time subject to compliances by the entrepreneur with the provision of the applicable Central or State Acts and the rules made thereunder.

12. Appointment of Nodal Agency.-

For the proper functioning and working of the State High Level Committee, State Level Committee and District Level Committee the State Government may, constitute a 'Nodal Agency' at the State level and at the district level as may be prescribed to undertake investment promotional activities and to render necessary guidance and assistance to entrepreneurs to set up industrial undertaking in the State.

13. Functions of the State Level Nodal Agency

The main functions of the State Level Nodal Agency are to :-

- (i) Promote investment activities at the State, National and International level;
- (ii) build state's image to attract investments;
- (iii) improve investment climate exercises;
- (iv) render necessary assistance and feed back in policy formulation for industrial progress;
- (v) guide and assist entrepreneurs to set-up industries in the State;
- (vi) prepare and regularly up-date the website and information booklet providing complete particulars relating to-

8

- (a) state and central industrial policies;
- (b) department or authority-wise procedures to obtain the required clearances;
- (c) general information on industrial status and advantages existing in the state
- (d) salient features of applicable Acts and Rules in relation to industry, labour, safety, welfare, pollution control, taxes, duties etc. and
- (e) any other matter useful to the entrepreneurs.
- (vii) issue and receive combined application form from entrepreneurs on online and in physical form and arrange required clearances from the departments or authorities concerned, within the specified time limit.
- (viii) provide secretarial and other support services to State high Level Single Table Clearance Committee and the State level Single Table Clearance Committee.

- (ix) set up task force consisting of Senior Level Representatives from key departments and Authorities to review periodically the status of implementation of the projects and to sort out problems if any.

14. Functions of District Level Nodal Agency:-

The main functions of the District Level Nodal Agency are to:-

- (i) promote investment activities at the State, National and International level;
- (ii) build state's image to attract investments;
- (iii) improve investment climate exercises;
- (iv) render necessary assistance and feed back in policy formulation for industrial progress.
- (v) guide and assist entrepreneurs to set up industries in the District.
- (vi) prepare and regularly up-date the website and information booklet providing complete particulars relating to-
 - (a) state and central industrial policies;
 - (b) department or authority-wise procedures to obtain the required clearances;
 - (c) general information on industrial status and advantages existing in the state.
- (d) salient features of applicable Acts and Rules in relation to industry, labour, safety, welfare, pollution control, taxes, duties etc. and
- (e) any other matter useful to the entrepreneurs;
- (vii) Issue and receive combined application form entrepreneurs on online and in physical form and arrange required clearance from the departments or Authorities concerned within the specified time limit.
- (viii) Provide secretarial and other support services to District Level Single Table Clearance Committee.
- (ix) Set up a task force consisting of Representatives from key department or Authorities to review periodically the status of implementation of the project and to sort out problems if any.

15. Combined Application Form:-

- (1) The State Government may, prescribe Combined Application Form for the use of entrepreneurs whose projects are to be submitted to be submitted to the State High Level Clearance Committee or State Level Single Table Clearance Committee

and District Level Single Table Clearance Committee, in lieu of existing forms prescribed under applicable Central or State Acts and the rules made thereunder for obtaining the required clearances. All the departments or authorities concerned of the State Government shall accept such Combined Application Form for processing and issue of required clearances.

- (2) An entrepreneur will have to fill combined application form online and submit its print out duly signed with Nodal Agency concerned.
- (3) In case, any entrepreneur does not apply online than it will be duty of Nodal Agency concerned to ensure that details of physical forms are entered into computer, so that, entrepreneur and appropriate authority of concerned department or authorities can keep tap on the process of approval etc. online.
- (4) A Web-based monitoring system will be displayed by the name of “Single Table Clearance System”

16. Self Certification :-

- (1) Every entrepreneur shall furnish a ‘Self Certification’ and an undertaking with affidavit at the time of submitting the duly completed Combined Application Form and thereafter once in a year to the Nodal Agency an

undertaking with affidavit that it shall comply with the applicable provisions of the relevant Acts and the rules made thereunder. The self certification and undertaking shall be furnished in such form as may be prescribed.

- (2) The self certification and undertaking with affidavit furnished by the entrepreneur may be accepted by the departments and authorities for the purpose of issuing and granting clearance and giving other benefits to the entrepreneur.

17. Time Limits for Processing of Applications:- Notwithstanding anything contained in any State law for the time being in force,-

- (1) The Government may lay down the procedure for processing and disposal of applications.
- (2) The government may prescribe time limits for processing and disposal of applications by the competent authorities.
- (3) The competent authority may ask for additional information at any time before the expiry of the period stipulated for the disposal of such clearance;

Provided that such request for additional information should be made only once by the competent authority.

(4) After receipt of the additional information, the competent authority shall pass orders on the application before the expiry of the stipulated time from the date of receipt or receipt of such additional information.

18. Rationalization of Inspections:- Inspections under the provisions of applicable Acts or rules or orders or instructions by different levels of authorities shall be conducted jointly with the Office of the Labour Commissioner, Chief Inspector of factories and boilers, representatives of the Employees State Insurance Corporation and the Employees provident Fund Organization and Uttar Pradesh State Pollution Control Board once in a year Such inspections shall be based on random selection and shall be Organized in the manner as may be prescribed However, inspections against specific complaints, may be conducted with the authorization by the heads of the department or authority Further, inspections in respect of pollution and safety aspects may be conducted as required under the relevant Acts or rules or order or instructions.

19. Deemed approval.-

(1) Every department or authority notwithstanding anything contained in any other law shall issue clearances after processing the application as required.

11

under the applicable laws within the stipulated time limit failing which such clearances shall be deemed to have been issued.

Provided that if any department or authority failed to issue clearance within the stipulated time limit the concerned official (s) of such department or authority shall be accountable for such default and in such cases disciplinary action shall be taken against such official (s) in such manner as may be prescribed.

(2) The applicant may proceed to execute the work or take other action following the deemed approval, but not so as to contravene any of the provisions of the Acts or rules or bye-laws applicable to such clearances.

20. Grant of customized packages, concessions, exemptions or relaxations:-

The government may, with a view to facilitate investment in the State, grant customized packages, concessions, exemptions or relaxation to any enterprise or category of enterprises in the State, subject to such conditions as it may deem fit, where the Government, or any other authority subordinate to it is empowered under

any State Law to grant such customized packages, concessions, exemptions or relaxations.

(21) Appeal.

(1) Any entrepreneur aggrieved by the decision of :-

- (i) the State Level committee, may appeal to the State High Level Committee and,
- (ii) the District Level Committee, may appeal to the State Level committee.

Within thirty days from the date of receipt of communication by the entrepreneur the of the decision appealed against.

(2) The Appellate Authority shall after following such procedure as may be prescribed dispose of the appeal within a period of one month from the date of its receipt.

21. Penalty and Cognizance of offence:-

(1) Any entrepreneur who fails to comply with the conditions or undertaking or furnishing false information in the self certification or affidavit or both given to the Nodal Agency or other department or authorities shall on conviction be punishable with fine which may extend to rupees fifty

12

thousand for the first offence and for the second or subsequent offence with fine which may extend to rupees one lac for each offence.

(2) No Court shall take cognizance of any offence under sub- section (1) except with the previous sanction of the State Government.

23. Offences by companies etc:-

(1) Where as well under this Act is committed by a company, the company, as well as every person in charge of and responsible to, the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that, nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercises all due diligence to prevent the commission of such offence.

- (2) Notwithstanding anything contained in sub-section (1) where an offence under this Act. has been committed with the consent or connivance of, or that commission of the offence is attributable to any neglect on the part of any director, manager, secretary or other officer such Director, Manager, Secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation:- For the purposes of this section;

- (a) “Company” means any body corporate established under Companies Act, 1956 and includes a firm, society or other association of individuals established under law, and
- (b) “director” means any person occupying the position of director in the company and includes a partner in the firm or president of the society or head of the Association of Individuals.

24. Power to make rules:-

- (1) The State Government may, by notification, make rules for carrying out the provisions of this Act.
- (2) Every rule made under this Act shall be laid, as soon as may be, after it is made, before each House of the State Legislature.

25. Protection of action taken in good faith:-

No suit or legal proceedings shall lie against the Chairman or other members of the State High Level Clearance committee or State Level single Table Clearance Committee or district Level Single Table Clearance Committee or any employee of such committee in respect of anything which is in good faith done or instead to be done under this Act or any rule made thereunder.

26. Power to remove difficulties:-

If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order not inconsistent with the provisions of this Act remove the Difficulties.

Provided that no such order shall be made after the expiry of the period of two years from the date of commencement of the Act.

