

INDUSTRIAL POLICY 1999

PREAMBLE

The Indian Government's liberalization and economic reforms programme aims at rapid and substantial economic growth and a harmonized integration with the global economy. The changing global and domestic environment requires reorientation of the development vision in recognition of the new paradigms that put the industrial policy initiatives in the context of an overarching economic development policy.

The industrial policy statement of 1992 had focused on providing incentives for attracting investment in the industrial sector at a time when the delicensing and reduction in controls had unleashed growth momentum in the national economy. The Industrial Policy of 1997 adopted infrastructure led growth.

This industrial policy initiative seeks to consolidate the past progress and lay the foundation of a vibrant economy that focuses on improving the quality of life of its residents. It aims at promoting industrial growth in the context of overall economic development of the State by creating an investor friendly enabling environment that facilitates the industry to move strongly to the front ranks of global competition. The policy further seeks to promote integration of private initiative in the developmental process of the State.

OBJECTIVES

The Industrial policy has the following objectives:

- To increase the share of industry in the Net/Gross State Domestic Product by attracting new investments and growth of existing industry.
- To increase the employment in Industrial and Allied sector by 20% in the next five years.
- To attain sustainable economic development through catalysis of investments in all sectors of the economy.
- To achieve larger value addition within the State thereby contributing to a higher quality of life.

APPROACH

The State Government proposes to achieve the stated objectives by:

1. Adopting a co-ordinated approach to the development of all sectors of economy that comprehensively addresses Economic Value Addition.
2. Focusing on creation of enabling mechanisms for higher levels of co-ordination between the various arms of the Government.
3. Revamping the institutional mechanisms and reorienting their role to ensure fast track clearances and investor friendly environment.
4. Simplification of rules and procedures by adopting a facilitation role that enables smooth and successful operation of industries.
5. Instituting an effective Monitoring and Grievances Redressal mechanism.
6. Modernization of administrative processes.
7. Strengthening and expanding the existing infrastructure through its own resources and by encouraging private sector participation in infrastructure development.
8. Planned development of human resources through greater co-ordination between industries and technical institutions generating higher employment for its residents.
9. Focusing on Small and Medium Enterprise (SME) renewal and channelling new investment into emerging sectors of economy.

10. Growth in the Services sector recognising its critical role as the driver of future economic growth.
11. Exercising fiscal prudence in prioritising public investment and through reforms in taxation.
12. Rationalising the package of incentives making it more effective and meaningful for speedy development of the State.

ECONOMIC DEVELOPMENT VISION FOR INDUSTRIAL POLICY

ROLE OF THE STATE

The State Government will set up an **Economic Development Board** (EDB) under the chairmanship of Chief Minister for overall and integrated development of the State. The EDB will provide policy directives and oversee implementation of the sectoral components of economic development plan of the State for achieving Economic Value Addition through co-ordinated development of Agriculture, Industries and Services. It shall also act as the supreme body for overseeing infrastructure initiatives.

REVAMPING INSTITUTIONAL MECHANISM

- An Empowered Committee shall be constituted under the Chairmanship of the Chief Secretary to suggest policy initiatives, to monitor implementation of the policy and for co-ordinating with various departments of the Government to achieve the objectives set forth in the policy.
- Industrial Assistance Group(IAG) will be suitably strengthened and restructured to act as the nodal institution for providing assistance to investors, escort services for venture location, information on investment policies, procedures and clearances.
- The Government will constitute a "Standing Committee" wherein representatives of industries associations will be associated to study the existing laws and procedures relating to setting up of new industries and to suggest modifications and alterations that eliminate delays and expedite clearances. This group will also recommend amendments to and deletion of various laws and enactments which have outlived their utility.

MODERNISATION OF ADMINISTRATIVE PROCESSES

The Government will take initiative to introduce modern management practices in its departments through extensive use of information technology to concurrently change its administrative processes in step with the modernisation in the private sector. Transaction automation and information databanks will be created to bring about transparency, accountability and efficiency in administration. IT plan for the state shall be prepared covering critical areas and implemented in a time bound schedule.

FACILITATION THROUGH SIMPLIFICATION OF RULES AND PROCEDURES

- The State Government will adopt a system of deemed clearance/approval for speedy implementation of projects. Wherever provision for deemed clearance exists, the certificate of deemed clearance shall be issued by the Single Window Service(SWS) for projects having Fixed Capital Investment (FCI) upto Rs. 30 Crore. For projects having FCI of Rs. 30 crore and more, such certificates shall be issued by the IAG.
- Time schedule has been fixed for various departments for giving necessary sanctions/approvals to reduce time frames for project completion (Annexure I).

- Most of the departments have delegated powers to field functionaries. The State Government will consider delegating additional powers for expeditious implementation of projects.
- The visit of Inspectors to industrial units has been reduced to bare minimum statutory requirements. The State Government shall encourage self regulation .The inspection of industrial unit shall henceforth be done after prior intimation to the concerned Deputy Commissioner. Industries Associations shall be kept informed and their help shall be taken in compliance of law .
- The State of Haryana has abolished all physical barriers to trade and commerce. The State Government has taken the bold initiative of abolishing Octroi.
- The procedure governing NOCs and consents from the Haryana State Pollution Control Board (HSPCB) shall be further streamlined.
- Industries other than in 17 highly polluting category , 19 polluting industries and other large and medium industries have been taken out of the consent mechanism. IT industries in large and medium category set up within approved industrial estates and having sewer connection will also be taken outside the consent mechanism.

GRIEVANCES REDRESSAL MECHANISM

The Single Window Services (SWS) will be headed by the concerned Deputy Commissioner. It shall be revamped to act as District Level Industries Grievances Redressal Committee to effectively monitor approvals, facilitate implementation of projects and handle grievances.

A **State Level Monitoring and Grievances Redressal Committee (SLC)** headed by Commissioner Industries will meet at least once in a month and the decisions taken in this meeting shall be binding upon all other departments. The State Level Committee will take up the grievance of the industries either suo moto or on a reference from SWS. The committee will also decide on issues which might create bottlenecks in the smooth process of industrialisation and make reference to the Empowered Committee under the chairmanship of Chief Secretary for considering changes in the policies and making its recommendations to the Economic Development Board.

INFRASTRUCTURE DEVELOPMENT INITIATIVE

INFRASTRUCTURE DEVELOPMENT FUND

The State Government recognises the partnership role of private sector in the developmental process. It proposes to follow a focussed approach for attracting private sector investments into infrastructure. The State Government will set up an **Infrastructure Development Fund (IDF)** which will act as a Catalyst for mobilising and channelising private resources into infrastructure development of the State.

The EDB will act as the apex empowered body responsible for overall development planning, policy formulation and a single window for approvals and award of concessions while considering application of the IDF to State infrastructure projects.

The IDF will be constituted out of resources to be raised by the Government and will have the option for institutional and private sector participation. The fund shall be professionally managed with advisory assistance from an independent professional body to be engaged for the purpose. Individual viable infrastructure projects will be considered as referred to it by EDB on user charge basis for funding through Special Purpose Vehicles (SPVs).

The State Government would consider establishing an Infrastructure Development Authority to effectively co-ordinate private and State efforts for infrastructure development in line with the developmental needs of the State.

INDUSTRIAL INFRASTRUCTURE DEVELOPMENT POLICY

The State has already developed 82 industrial estates through its development agencies. Industrial Model Township at Manesar (district Gurgaon) on an area of 1749 acres, Growth Centre at Bawal (district Rewari) on an area of about 1200 acres (Phase-I of the Growth Centre has already been developed), Hosiery & Textile Complex at Barhi near Gannaur (distt. Sonapat) on an area of 270 acres in phase-I, expansion of industrial estate at Kundli on an area of about 400 acres are being developed. A hi-tech park at Gurgaon on an area of about 70 acres and Integrated Infrastructure Development Centre at Sirsa are also being put up.

INDUSTRIAL ESTATES

The Industrial areas/estates in the State shall be developed in the State sector exclusively by Haryana State Industrial Development Corporation (HSIDC) or by HSIDC in joint venture with private sector or by the private sector. Suitable licensing policy to regulate and encourage private sector investment in industrial infrastructure including integrated industrial townships and software technology parks will be notified. Investment will be encouraged also for augmentation of existing infrastructure to fill the felt gaps in developed industrial estates.

The industrial estates to be developed by HSIDC shall be categorised according to level of infrastructure and shall be priced accordingly.

High Intensity Infrastructure Industrial Estates

These Estates shall have constructed sheds, industrial plots, internal roads and parking facility, water supply, sewerage and storm water disposal systems, internal electrification, telecom facilities, solid waste disposal system, recreation centres and parks, Banks, Post offices and medical facilities etc.

Medium Intensity Infrastructure Industrial Estates.

These estates shall have industrial plots, internal roads, water supply, open drainage system and power supply at external source.

Low Intensity Infrastructure Industrial Estates.

These estates will be built primarily for large scale units and will be provided only approach roads and power supply at external source. The price of land in such estates will be kept very low and the units will be permitted to develop their own internal services.

In medium and low infrastructure estates plots will be carved out after following prudent principles of estate planning and need based augmentation of infrastructure will be considered as the estates get populated.

The development of Industrial Model Township, Growth Centres, Technology parks and Integrated Infrastructure Development Centres with modern facilities shall get special attention of the Government. Specialised industrial areas which cater to the requirements of typical industries will also be promoted in the State and private sector.

Suitable mechanisms will be developed for upkeep and regular maintenance of industrial estates developed by the State agencies. Possibilities of privatising services and developing regulatory framework will be explored in consultation with the industry.

SIMPLIFICATION OF ESTATE MANAGEMENT PROCEDURES

In order to ensure better utilisation of infrastructure and speedy industrialisation it will be the endeavour of the State to provide land to the entrepreneurs for setting up the units at a reasonable price. The plot allotment policy will be simplified and liberalised to allot the plots to the entrepreneurs on an ongoing basis and payment terms will be rationalised and made softer. Reservation will be done for Non Resident Indians(NRIs), Export Oriented Units (EOUs) with at least 33% export orders and units having foreign equity of minimum 33%. Allotment of land for prestigious projects having fixed capital investment of Rs.30 crores and above will be done across the table by a committee under the chairmanship of Secretary Industries. Allotment of plots reserved for NRIs shall be made by the IAG. Suitable rebate on land cost shall be given to those entrepreneurs who start commercial production in their units within 3 years of offer of possession of industrial plots. The present restrictive procedures of transfer/leasing etc. of industrial plots in industrial estates will be simplified to achieve optimum utilisation of industrial infrastructure created by HSIDC, HUDA and the Industries Department.

FACILITIES TO INDUSTRIES SET UP OUTSIDE INDUSTRIAL ESTATES

Only 9.5% of the areas are Controlled Areas and Urban Areas, leaving more than 90% area of the State free from any of the controls of Acts enforced by the Government.

The land purchased outside the controlled area does not require any change of land use. However, the procedure for change of land use(CLU) wherever required would be simplified and decentralised with a time bound system of deemed approvals.

A task force of Industries and Town and Country Planning Departments shall be set up to identify areas in the State which shall be notified as industrial zones to facilitate the setting up of industrial units. Such areas will be planned out for providing infrastructure at a future date either by the State or by private initiative.

Henceforth all cases for change of land use for industrial purpose shall be dealt with in the Industries Department. The permission of CLU in designated industrial zones shall be given by Director of Industries with a provision of appeal to Commissioner Industries.

POWER

The State Government shall endeavour to provide adequate and quality power to the industry .

The State's installed capacity has gone up from 343 MW at the time of its inception to 2392.7 MW registering almost 700 percent increase. Additional power generation capacity to the tune of 1800 MW is being created within the next 2-3 years. A massive investment of about Rs.8000 crores has been planned towards rehabilitation and expansion of the power transmission and distribution over next eight to ten years.

Power generation which was hitherto being done only in the State sector has been thrown open to private sector. Forty three Liquid Fuel based small captive stations of 25 MW each are proposed to be set up in private sector at different load centres. The State Government shall facilitate setting up of such private sector generation stations.

The State Government has initiated a number of projects to increase the power generating capacity. These include coal based thermal projects, Gas based thermal projects and hydel projects and hydrocarbon based mini combined cycle power projects. Private sector participation shall be encouraged to meet massive investment in these projects.

FACILITATION

The following steps shall be taken to improve the interface of industry with the power distribution agencies:

- The State Government would facilitate acquisition of Distribution and Retail Supply of Electricity licenses to the specific industrial estates . HVPN would treat these licensees at par with other distribution licensees and make available bulk power at the interface points.
- Government would issue the requisite NOCs for installation of captive power plants in industrial estates as and when applied for.
- Necessary amendments in the Electricity legislation shall be made so that no permission for installation of captive generating sets is required and mere intimation is sufficient.
- The Power Distribution Companies shall maintain separate seniority for release of electric connection in industrial estates where the infrastructure is laid by the developers.
- The Government shall endeavour that all industrial units on rural feeder are shifted to urban / industrial feeders in a phased manner.
- Reduction in load and contract demand would be facilitated.
- The Power Distribution Companies shall provide temporary electric connection for the construction period and thereafter for trial production for a period of six months for which condition of monthly minimum charges will not be applicable.
- The process of granting permission for extension of load shall be simplified.
- Decisions taken in the SLC meetings would be implemented on priority .
- Special priority for release of electric connection to 100% EOUs, I T Industries and FDI projects shall be given.
- A time bound schedule for release of electric connections shall be ensured.

TRANSPORT

The State Government will strive to construct Express Highways and free ways for speedier vehicular traffic. Government shall encourage private sector investment in this sector for upgradation of roads, construction of ROB on BOT basis including four lane ROB.

FINANCIAL INFRASTRUCTURE

Haryana Financial Corporation (HFC) and Haryana State Industrial Development Corporation (HSIDC) shall gear their operations to meet the requirements of medium and small scale industries. The State Government shall ensure modernisation of operations of these institutions through reliance on information technology and greater professionalism in tune with the needs of the industry. Reorientation of their role to focus on venture capital, Small and Medium Enterprise (SME) renewal and investor escort services shall be mandated.

HUMAN RESOURCE DEVELOPMENT

Keeping in view the existing pattern and future potential of industrial development, long term human resource development plan is being chalked out in consultation with industrial associations. The industrial units coming to the State are being asked to project the area specific requirements of various skills. They would be associated in finalising the curriculum in ITIs and polytechnic so that suitable orientation programmes could be organised for local youths.

There will a be special emphasis on providing entrepreneurship among member of SC/ST, other backward classes and those living below the poverty line.

THRUST AREAS

The State Government has identified following thrust areas to promote industrial investment in the State :

- Agro based and food processing industry.
- Electronics, Information Technology & Telecommunications.
- Automobiles , automotive components and light & medium engineering.
- Handloom, hosiery , textiles & garment manufacturing
- Export oriented units.

Special cells will be set up in the Directorate of Industries to focus on development of these thrust sectors. These cells shall be given access to outside expert support .

The following steps will be taken to support the thrust areas:

ELECTRONICS, INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

Private sector participation for strengthening the telecom network has already been allowed by Central Government. State Government will encourage setting up of the systems in rural areas. The State Government will also facilitate setting up of other forms of modern communication networks recognising their potential for boosting efficiency in the economy.

- To augment the already existing Hardware Technology Park, Software Technology Park and Electronics City at Gurgaon, the Government shall facilitate private sector investment for creation of suitable infrastructure.
- The working of Haryana State Electronics Development Corporation (HARTRON) shall be suitably re-oriented to meet the emerging needs of this sector.
- Specialised training courses will be started in Polytechnics in the State.
- Three shift would be allowed for software industries.
- A dedicated earth station would be set up at Gurgaon to provide high speed data communication facilities.

AUTOMOBILES AND AUTOMOTIVE COMPONENTS etc.

“ A specialised industrial estate within IMT Manesar will be developed.

“ A Research & Development Centre would be set up at Gurgaon/Faridabad in collaboration with the industry for providing specialised facilities.

“ Quality Marking Centres, and Heat Treatment Centres at Faridabad and Gurgaon would be set up in the private sector to provided testing/common facilities according to the latest technological designs.

AGRO BASED & FOOD PROCESSING INDUSTRIES

Specialised industrial estates having infrastructure facilities of cold storage, post harvest storage facilities and facilities of air freighting of fruits and vegetables will be developed. Cold chains for storage and transportation of farm produce will be encouraged in the private sector also.

HANDLOOM, HOSIERY, TEXTILE & GARMENTS

“ A specialised industrial estate for this sector is being developed at Village Barhi, Gannaur. Government will ensure that this estate is developed on priority basis.

“ An Apparel and design training Centre will be established.

- “ Special EDPs programmes shall be organised.
- “ Private sector will be encouraged to create computerised global market information data `and design centre for the garment industry.
- “ Technical institutions in this area will be suitably upgraded & expanded to provide skilled labour for garment industry.

EXPORT ORIENTED UNITS

- “ Government of India will be approached for setting up Satellite Freight City near International Airport, Delhi. The City will be developed in collaboration with Airports Authority of India and foreign airlines. This will further facilitate faster clearance of Air Cargo from the Northern region.
- “ It will be the endeavour of the State Government to set up Inland Container Depot at different locations through Warehousing Corporation and through private sector to facilitate transportation of export items to Cargo complexes/ports. This shall supplement the already existing facilities at Rewari and Faridabad and the planned venture at Murthal.
- “ Warehousing Corporation is also setting up a Cargo Handling facility at Kandla port in collaboration with APEDA.
- “ 10% plots will be exclusively reserved for export oriented units, NRI and units having foreign equity participation.
- “ Preference will be given for release of electric connection and to provide the electricity without any cuts as per the availability in the region.
- “ The State will consider that the negative list is not made applicable to 100% EOUs.
- “ Haryana State Small Industries & Export Corporation (HSSI&EC) has been given the status of Export House. This Corporation will make efforts in boosting export from the State especially for the items like, rice, handloom, handicrafts, auto parts etc. The Corporation would also actively participate in the foreign fairs and project the industrial image of the State for boosting exports.
- “ In order to prevent strikes in 100%EOUs, the State Government has issued notification bringing all the 100%EOUs under Public Utility.

SCHEME OF INCENTIVES

CUSTOMISED PACKAGE OF INCENTIVES

Customised package of incentives and concessions will be provided for prestigious projects having an investment of Rs. 30 crores and above. A High Powered Committee will be constituted under the chairmanship of the Chief Minister to decide the package in individual cases.

SALES TAX CONCESSIONS

The benefit of sales tax concessions would be available to new units on graded scale or on fixed slab scale at the option of the eligible unit

For the purpose of granting sales tax concession incentive, the State shall be divided in 3 categories:

Category 'A' Areas within the municipal limits of Gurgaon, Town, Gurgaon Block of Gurgaon district (except Manesar), the municipal limits of Faridabad Municipal Complex, Faridabad and Ballabgarh Blocks of Faridabad district.

Category 'B' Controlled areas of Kundli, Bahadurgarh and Panipat towns, IMT Manesar and Panchkula urban estate.

Category 'C' Rest of the State except those mentioned above.

The maximum limit of sales tax concession to new units in SSI units and L&M units and the maximum period of exemption for which the benefit would be available is as under:-

| CATEGORY | EXTENT OF CONCESSION | | TIME LIMIT | SCALE OF CONCESSION |
|----------|-----------------------------------|-----------------------------------|------------|--|
| | SMALL SCALE | MEDIUM/ LARGE SCALE | | |
| A | 125 % of fixed capital investment | 100 % of fixed capital investment | 9 years | 50 % exemption from 1st year to 9 th year |
| B | 125 % of fixed capital investment | 100 % of fixed capital investment | 10 years | 1st year 80% 2 nd year 60% 3 rd year 60% 4 th year 50% 5 th year 50% 6 th year 50% 7 th year 50% 8 th year 40% 9 th year 30% 10 th year 20% |
| C | 150% of fixed capital investment | 125% of fixed capital investment | 11 years | 1st year 80% 2 nd year 60% 3 rd year 60% 4 th year 50% 5 th year 50% 6 th year 50% 7 th year 50% 8 th year 40% 9 th year 30% 10 th year 30% 11 th year 20% |

Note 1: The benefit of sales tax concession will not be admissible to units falling in the negative list. **(Annexure II).**

Note 2: All new industrial units in category 'B' and 'C' after availing the benefit of sales tax exemption shall continue their production atleast for the next five years not below the level of average production in preceding five years.

Note 3: New industrial units falling in category 'B' & category 'C' can opt for the scale of concession on fixed slab scale as applicable to units in category 'A'. In case of this option the condition in Note 2 above shall not apply.

Note 4: The eligible units will be allowed to collect applicable sales tax and retain the permissible benefit as State subsidy.

Note 5: The investment in land and building shall not exceed the investment made in plant and machinery for the purpose of calculating fixed capital investment.

Note 6: The maximum extent of concession to agro based units shall be 250% of fixed capital investment and for information technology / software / electronics will be 300% of fixed capital investment.

Note 7: The existing industrial units availing sales tax exemption / deferment under previous policies would have the option to avail tax incentives as per this policy for the balance entitlement/period.

SALES TAX CONCESSIONS ON EXPANSION/ DIVERSIFICATION

Industrial units under going expansion/diversification would be given the benefit of sales tax exemption as per the above scale only on the investment in plant & machinery .The benefit will be restricted to the 50% fixed slab scale and will be given for five years.

EXEMPTION FROM PAYMENT OF ELECTRICITY DUTY

All new industrial units except those in the negative list of industries are exempted from the payment of electricity duty for a period of 5 years throughout the State.

INCENTIVES TO TINY UNITS IN RURAL AREAS

The industrial units set up under Rural Industries Scheme shall be eligible for the following benefits:

- a) Electricity duty exemption and sales tax concessions at par with other units in small scale sector.
- b) Price preference of 10%.
- c) Marketing assistance.

PROMOTION OF INVESTMENTS BY NRIs

To encourage investments from NRIs, following special facilities would be offered:

- Reservation in allotment of industrial plots.
- Escort Services.
- Preference in joint venture/assisted sector projects by HSIDC, HARTRON and HSAIC.
- Single Contact Point Services and time bound clearances through IAG.
- Priority in allotment of residential plots.

DEVELOPMENT OF SMALL SCALE SECTOR

It shall be the endeavour of the State Government to give over riding importance to the development of Small and Medium Enterprises.

- > Development of ancillaries would be a priority area to ensure healthy and balanced growth.
- > The role of the HSSI & EC and CONFED would be streamlined so as to provide effective marketing support to SSI/RI sector.
- > Provisions regarding timely payment to the small scale units will be strictly enforced.

- > Testing and common facilities will be provided at reasonable cost to SSI units to enable them to produce quality products.
- > Seminars and Workshop will be organised on different subjects to provide technical information on latest marketing trends.

SMALL & MEDIUM ENTERPRISES(SMEs) RENEWAL FUND

The Small and Medium enterprises have faced maximum challenge in the post liberalisation scenario. The Government would initiate steps to improve the performance of SMEs and to enable them to compete globally. SMEs Renewal Fund shall be set up for :

- **Technology upgradation**
- **Creation of quality consciousness**
- **Promotion of branding for improved marketing**
- **Adoption of improved management practices**
- **Capacity Building**

The SME Renewal Fund shall be instituted by levying a charge of 5% on the sale price of industrial plots sold by State agencies. The fund shall address improving financial and managerial capability, technology upgradation, promotion of branding and capacity building needs of small and medium enterprises. The Fund shall act as an interface between SMEs and sources of inputs at the national, bilateral and multi-lateral support institutions.

INCENTIVE TO SICK UNITS

The State Government shall take steps necessary for revival of sick and potentially sick industrial units which can be assisted to become viable. The Higher Level Screening Committee constituted for sanctioning sales tax concessions shall be empowered to grant sales tax concessions to sick/potentially sick units at par with new units for a period of three years if the units can be made viable.

No industrial unit financed by the State Financial Institutions shall be charged penal interest for default if it satisfies the management that the default was not willful.

ENTREPRENEURSHIP DEVELOPMENT PROGRAMME (EDP)

The State will take effective measures to promote Entrepreneurship for rapid industrialization of the State. Entrepreneurship development programmes will be organised with special focus on rural youth and women. Non Government Organisations and Industries Associations will be fully involved in finalising the curriculum for the training programmes and for organising EDPs.

RURAL INDUSTRIALISATION

Rural Industrialisation would be given significant importance to diversify economic activity in rural areas, to reduce pressure on land and to meet the challenge of unemployment and underemployment. Various agencies like Khadi & Village Industries Board (KVIB), Haryana Handloom & Handicrafts Corporation, HSSI & EC and NGOs would be effectively involved in this task.

Due attention will be given in the areas of technology upgradation, training, design and development and marketing. Efforts would be made to adopt cluster approach so that common services such as design and development assistance, raw material etc. could be effectively provided.

Government will pay close attention to the development of the Handloom sector. Yarn will be made available to weavers at a fair price and the programme of modernisation of handlooms will be expanded. Weavers will be provided training for skills upgrading so that they are able to produce high quality handloom fabrics.

DEVELOPMENT OF THE SERVICES SECTOR

The growth in the services sector in the State has not kept pace with the level of economic development. The Government recognizes the advantage of developing the services sector due to high value employment opportunities and low investment intensity. The State Govt. proposes to give a boost to the development of this sector for developing inter-linkages with agriculture and manufacturer. Development of transport, information technology, trade and marketing would be at the focus of Govt. policies in this sector.

Development of commodity markets , marketing of fruits, vegetables, dairy and poultry products, mass transportation systems and services in electronic data processing shall be facilitated particularly in the National Capital Region . Suitable linkages with the rest of the state shall also be developed.

DIVERSIFICATION IN AGRICULTURE SECTOR

The State Government recognises the importance of value addition in the agriculture sector, which provides the largest contribution to the State domestic product and is the backbone of its economy. The forward linkages from agriculture sector to processing would be developed through a focused approach. The State Government would continue its commitment to diversification of agriculture encouraging research and development to introduce appropriate changes in cropping pattern, introduction of high value crops and modern agricultural practices.

TAX REFORMS AND FISCAL DISCIPLINE

All the Northern States have agreed to bring about uniformity in tax rates in the region and simplify system by reducing the number of slabs by grouping the commodities appropriately. Follow up measures shall be taken to achieve this goal.

Other measures would be considered by the Government like introducing self-assessment scheme for manufacturing units/traders having turnover upto Rs.50 lacs, abolition of certain statutory forms, schemes for settlement of disputes, computerisation of databank etc. to improve the interface between industry and the revenue collecting agencies.

The State Government shall endeavour to prioritise its investment policies in conformity with the developmental needs of the State.

SAVINGS

Any other issue, which has not been specifically covered under this policy or requires any clarification or relaxation shall be referred to the Government for decision/clarification and the decision of the Government thereon shall form part of the policy.

Annexure – I

The time schedule prescribed for approvals/clearance by various competent authorities shall be as follows:

| Sr. No. | Concerned Deptt./ Organisation | Clearance/ Approval/Registration required | Time limit | Remarks |
|---------|--------------------------------|--|---|---------|
| 1. | Industries | i)Recommendation to Govt. of India for LOI / IL ii)Provisional registration as SSI. iii)Permanent registration | 15 days. 24 hours 7 days. 90 days. | |

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|----|--|---|--|--|
| | | as SSI. iv) Grant of benefit of sales tax concessions | | |
| 2. | HSIDC/HFC | i) Sanction at local level 30 days. ii) Sanction at HQ. level. 45 days. iii) Allotment of plot. | 30 days. 45 days. Off the shelf | |
| 3. | HVPNL | a) For loads upto 20 KW. i) Issue of demand notice. ii) Release of connection b) For loads upto 70 KW. i) Issue of demand notice. ii) Release of connection c) For loads above 250 KW i) Issue of demand notice. ii) Release of connection. d) For loads above 1MW i) Issue of approval. ii) Demand notice. ii)Release of connection e)Extension of loads. f) Reduction in load | 15 days. 21 days,30 days in case no augmentation is required. 21 days. 45 days. 30 days. 60 days. 15 days. 30 days. 60 days. 30 days in case noaugmentation is required. 15 days | |
| 4. | HPCB | 4. HPCB. i) Issue of NOC. ii) Consent for trial Production other than 17 highly polluting industries iii)Consent to operate production iv) Permission to storage/ collection of Hazardous Waste. v) Renewal of consent. | 7 days 15 days. 21 days. 30 days 30 days. | |
| 5. | Town and country planning | i) Change of land use in industrial zone. ii) Change of land use in controlled areas other than industrial zone. iii) NOC for establishment of industrial unit under Urban Area Act. iv) Approval of building. | 30 days. 60 days. 15 days 30 days. | Deemed approval after 30 days. Deemed approval after 15 days Deemed plan approval after 30 days. |
| 6. | Environment Deptt. | Site clearance for 17 highly polluting industries identified by Govt. of India. | 60 days. | |
| 7. | Labour Deptt./ Chief Inspector of Factories. | i) Approval of factory plan under Factory Act., 1948. ii) Licence for running factory. | 30 days 15 days.. | Deemed approval after 30 days |

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|-----|---------------------------------|---|---------------------------------|--|
| 8. | Inspectorate of Boilers | i) Registration of boiler. ii) Provisional order for running of boiler. iii) Final order. | 15 days. 15 days 30 days. | |
| 9. | Directorate of Health Services. | Drug licence. . | 30 days | |
| 10. | Sales Tax. | I) Sales Tax registration as dealer. II) Sales Tax concessions to new units | 15 days. 90 days | |

Annexure – II

Negative List

1. Oil Expellers including composite units, Solvent extraction plants, Oil Refinery (edible and non-edible) , Vegetable Ghee.
2. Dal Mills and Rice Mills.
3. Stone Crushers.
4. Bricks except refractory bricks.
5. Lime Kilns.
6. Thinners and Varnishes.
7. Induction and ARC furnace with more than 0.6 MT capacity.
8. Atta Chakki and Flour Mills of all kinds.
9. Cotton Ginning and Pressing.
10. All servicing units not providing service directly to the industry for production.
11. Soft Drinks (aerated water).
12. Ice Plants.
13. Sugar.
14. Sulphuric Acid.
15. Copper Smelter.
16. Repacking of Goods including Medicines, Toiletries, Pesticides, Herbicides and Edible products.
17. Zinc Smelter recovery of Zinc metal from Zinc ash, Dross and Waste.
18. Dyes and Dye intermediates.
19. Cigars and Cigarettes of Tobacco and manufacture of Tobacco including other Tobacco products.
20. Shoddy Yarn.
21. Crude Oil Refining.
22. Refining of used Oil .
23. Secondary processing of Iron and Steel manufacturing of. CR Sheets, Galvanized Sheets and Castings.
24. Manufacture of Ethyl Alcohol/ Distillery / Fermentation /Brewery.
25. Khandsari Unit.

This policy has been notified vide notification No.2/1/22-IBII dated 11.11.1999.