

## **Uttar Pradesh Government to enact Industrial Services Guarantee Act**

### ***Proposed law is aimed at improving doing-business environment in the State: Chief Secretary***

**Lucknow: May 13, 2013**

In a pioneer initiative towards ensuring time-bound issuance of clearances to industries, Government of Uttar Pradesh has decided to frame an exclusive law. In this regard, a high-level meeting was held under the chairmanship of Chief Secretary, Jawed Usmani here today.

On this occasion, a detailed presentation was made by Special Secretary, Industrial Development – Kaushal Raj Sharma in the presence of Principal Secretary, Infrastructure & Industrial Development – Sanjay Agarwal, Principal Secretary, Small Scale Industries – Mukul Singhal, Principal Secretary, Home – R M Srivastava, Principal Secretary, Labour – Shailesh Krishna, Secretary, Industrial Development – Dheeraj Sahu and senior officials of departments of Electrical Safety, Pollution Control, Public Services Management, Law, etc.

To be drafted by Udyog Bandhu, mandate of the proposed "Uttar Pradesh Industrial Services Guarantee Act" includes provisions for delivering notified services within stipulated time limits and fixing the accountability of licensing authorities for delay. Significantly, imposition of penalty on erring officers has also been proposed under the new law.

In the first phase, 14 services of seven departments will be included under the proposed Act. These departments are Directorate of Industries, Electrical Safety, Fire Safety, Power, Pollution Control, Labour and Factories.

As per the proposed draft, officers directly responsible for issuing approvals, No-objection Certificates and other clearances will be nominated as 'Designated Officers', whereas, 'First Appeal Officers' of the department will admit the appeals of entrepreneurs against non-issuance of clearances within the time-period stipulated in the new law. In case, the 'First Appeal Officer' finds lapse on the part of 'Designated Officer, he/she will be empowered to impose penalty on the erring 'Designated Officer'. Second appeal will lie with Second Appellate Authority, which will examine the case and will decide the issue. Pecuniary penalties proposed will be a maximum of Rs 50,000.

Terming this step crucial for improving doing-business environment in the State, Chief Secretary, Jawed Usmani said, "Uttar Pradesh Industrial Services Guarantee Act will be a new and separate Act catering exclusively to industries and enterprises in Uttar Pradesh." "Following the objectives defined in the

recently announced Infrastructure & Industrial Investment Policy, this law will prove to be a potent tool to ensure time-bound clearances for the industries in the State," he added.

Directing the officials to draft the bill within a period of one month, Chief Secretary said that 'Designated Officers' and 'First Appellate Officers' should be nominated in consultation with the departments concerned.

The draft bill is expected to be placed before State Cabinet for approval by the end of next month.

Principal Secretary, Infrastructure & Industrial Development, Sanjay Agarwal said that under the web-based online application submission system of Nivesh Mitra for entrepreneurs, it has been observed that around 25 % applications are being disposed off beyond timeline. The new measure is aimed at mitigating this delay.

It may be noted that Nivesh Mitra, the web-based system of application submission and fee deposition provides 36 services of 12 state departments. It has been made mandatory for setting up all enterprises in the State excluding micro industrial units.

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