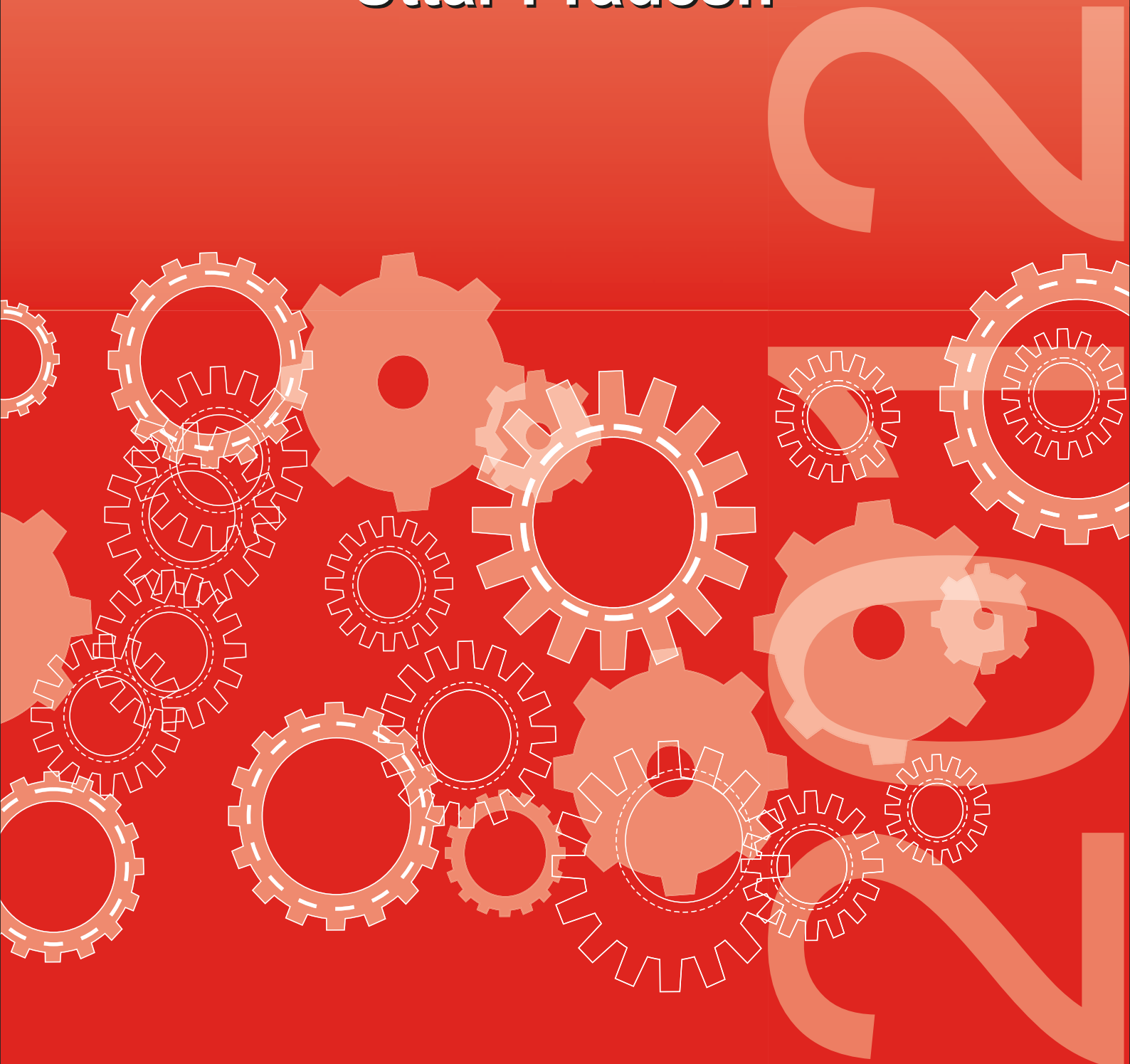
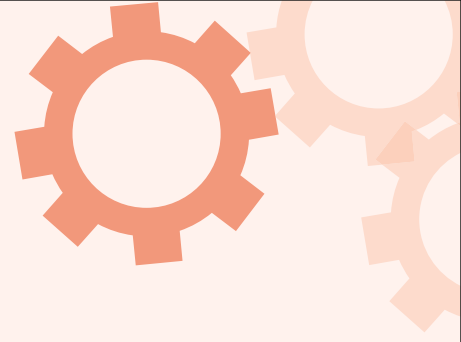




Infrastructure & Industrial Investment Policy Uttar Pradesh



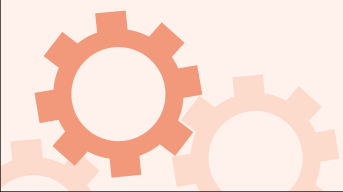


Contents

Introduction

1. Vision, Objectives & Strategy	03
2. Development of Infrastructure Facilities	07
3. Improvement in Industrial Environment	19
4. Micro, Small & Medium Enterprises	27
5. Fiscal Subsidy and Exemption	33
6. Skill & Capacity Development	41
7. Special Policies for Encouragement of Priority Sectors	45

Annexure – Region-wise Division





Introduction


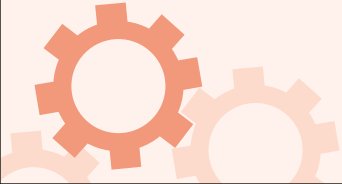
For all round development of any state it is necessary that resultant economic and social benefits of development reach all sections of society. The policies and planning of the state should be such that there is improvement in the living standard of people across all sections to enable them to lead a dignified life. Based on this principle, the state government will strive to create an environment that is conducive to development of infrastructure, industry as well as trade.

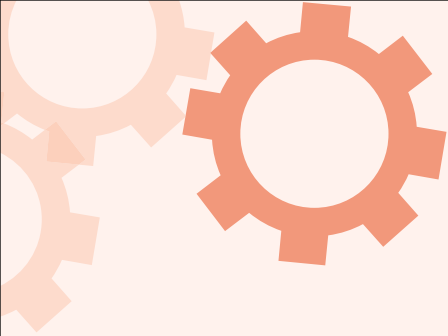
Infrastructure and Industrial development is key to the development of the State. Therefore the state government will accord the highest priority to infrastructure and industrial development by creating an enabling environment for industrial development and investment attraction. In addition to this, the state government will partner with private sector in the implementation of various infrastructure projects.

To maintain an average growth of 10 per cent in State Gross Domestic Product (SGDP), large scale investments will be required in manufacturing, infrastructure and services sectors, both by public and private sectors. To achieve the objectives set in the Twelfth Five Year Plan, the pace of industrial development will have to be accelerated. To accomplish this, it is necessary that industry-friendly reforms are implemented.

Uttar Pradesh, on account of its population of 200 million is not only the largest and most important state of India but also the largest consumer market of the country. All inclusive development of such an extensive state is extremely important for development of the country. Hence, development of the State's economy and resultant purchasing power in turn benefits the industrial establishments of the entire country.

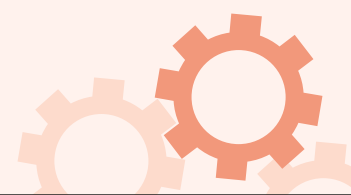
Like most other states of India, U.P. also has a largely agriculture based economy. Agriculture provides employment to 70 per cent of the workforce of the State and its contribution to the State's GDP is around 25 per cent. It is the leading state in the production of various agriculture commodities and raw materials. The basic





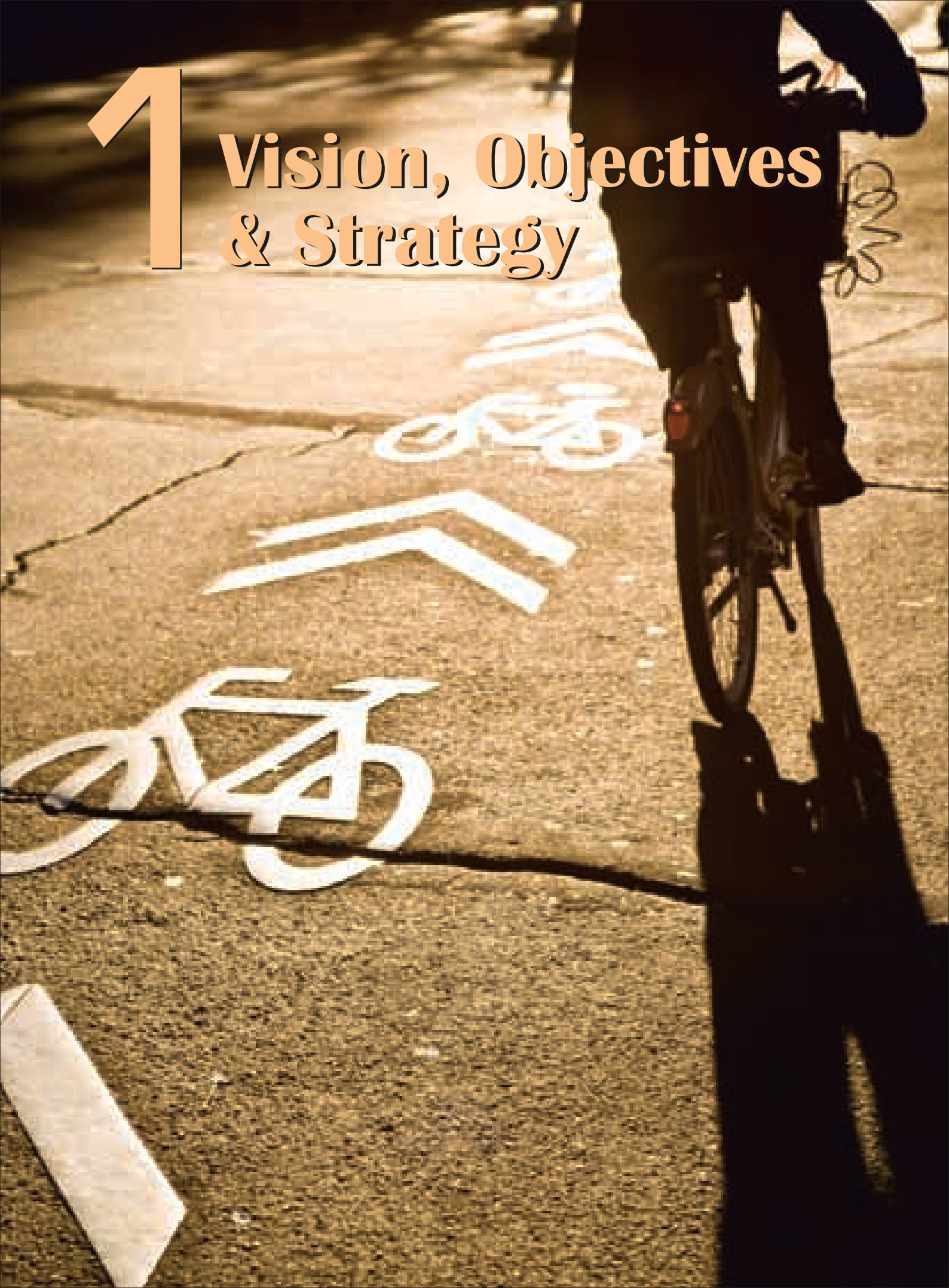
resources of requirement for industries like land and water are present in ample quantity in the State. Minerals and livestock are sufficiently available in the State. As required by the industry, skilled and unskilled human resource is abundantly available in Uttar Pradesh. There is a wide network of roads and railways across the State along with air transport services at various places.

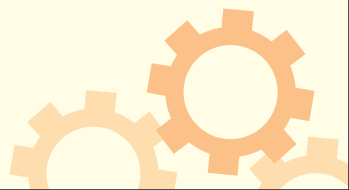
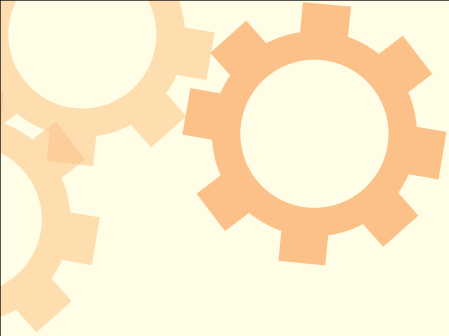
It is an established principle that for advanced development, structural changes in the economy are required from Agriculture (primary sector) to Industry (secondary sector) and thereafter from Industry to Services (tertiary sector). Therefore, the policy of any development-oriented state should give impetus to promotion of industry as well as infrastructure facilities and employment generation. Accordingly, in the new policy, special emphasis has been laid on encouraging investment both in Infrastructure and Industry.

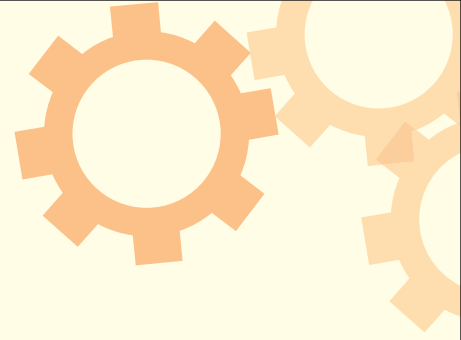


1

Vision, Objectives & Strategy







1.1 Vision

To establish Uttar Pradesh as the most preferred destination for investment by attracting investors, thereby accelerating the economic growth and creating vast employment opportunities, resulting in qualitative improvement in the living standard of people.

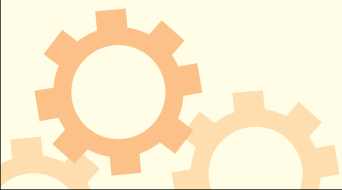
1.2 Objective

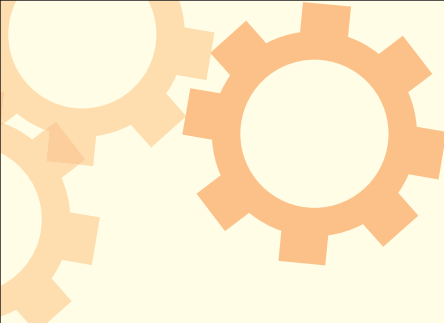
It is proposed to achieve the following objectives through the New Infrastructure and Industrial Investment Policy:

- To achieve industrial development growth rate of 11.2 per cent per annum, aligned with the target of 10 per cent per annum growth in State Gross Domestic Product (SGDP) as envisaged in the Twelfth Five Year Plan
- To accelerate industrial development in the State
- Creation of congenial industrial environment and high-end infrastructure facilities to attract investment in the State
- To further strengthen the existing industrial capacity in the State
- To create new employment opportunities across all economic sectors
- Eradicating regional industrial imbalance by uniformly extending the benefits of investment to all geographical areas of the state
- Qualitative enhancement of skill and capacity of human resources of the state

1.3 Strategy

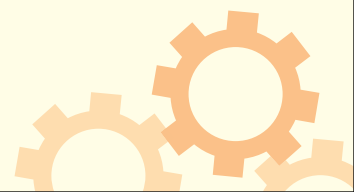
- Developing the infrastructure facilities
- Improving the industrial environment
- Encouraging Micro, Small and Medium Enterprises (MSMEs)
- Financial incentives and exemptions to attract investment



- 
- Developing skill and capacity of human resources to enhance their employability
 - Formulation of special policies for promotion of thrust areas

1.4 Implementation and Monitoring of the Policy

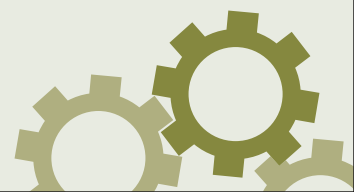
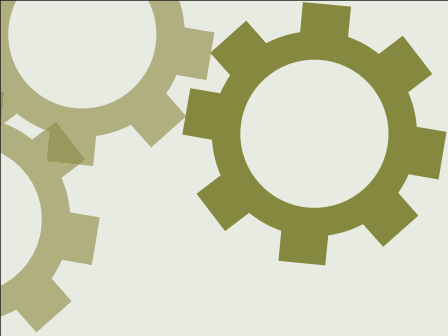
- Time bound implementation of the policy will be ensured by issuance of required Government Orders and rules etc. by the departments concerned.
- Implementation of the policy will be regularly monitored by a High-Level committee constituted for this purpose.

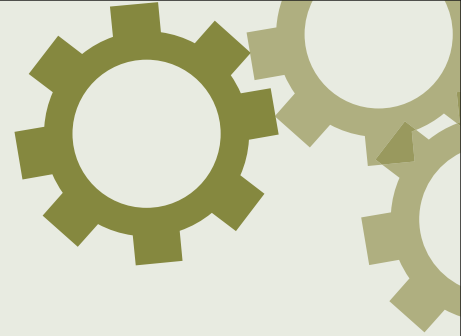


2

Development of Infrastructure Facilities





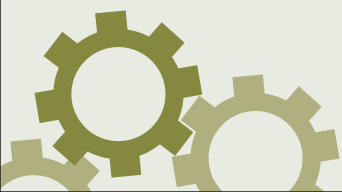


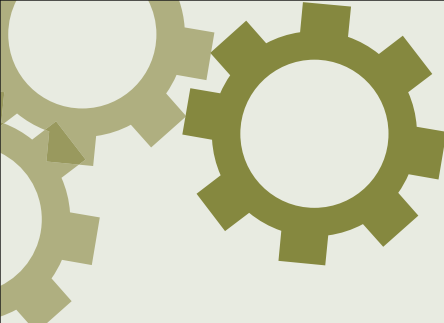
High-end quality infrastructure facilities are absolutely essential for industrial development of the State. As a result of availability of quality infrastructure, industries get established with less capital investment and can function without impediments. These infrastructure facilities assist in growth of business and industry along with promoting fair competition. In addition to social development and generation of new employment opportunities, it helps in attracting indigenous and foreign investment. In this regard, following infrastructure facilities will be provided by State government.

2.1 Land Availability

Availability of land is a vital component for setting up industries. To provide land to the industry is key priority of the State government. Therefore, following action plan has been prepared to make available the required land:

- 2.1.1** To provide land for establishment of industrial areas, industrial estates and new industrial units, Uttar Pradesh State Industrial Development Corporation (UPSIDC) and other industrial development authorities will strengthen and expand their land bank by identifying barren, un-irrigated land and unutilized land of government departments and corporations in their respective areas. As far as possible, land of sick and locked out industries will also be included in land bank. Industrial authorities, institutions and Directorate of Industries will systematically compile land availability information to be accessible to potential investors through e-governance.
- 2.1.2** UPSIDC and other industrial agencies will identify the land up to Tehsil (Sub Division) level in the State to develop Mini Industrial Areas, as per the demand of Micro and Small industries.
- 2.1.3** A specific policy will be formulated for setting up Integrated Industrial Townships along the expressways being developed and along the state highways being strengthened.
- 2.1.4** All steps in the process of land acquisition for the industries would be completed in a time bound manner to enable the timely execution of industrial projects. The resumption of land for industrial purpose would be done on priority basis.

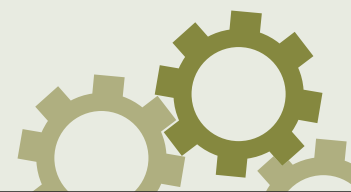


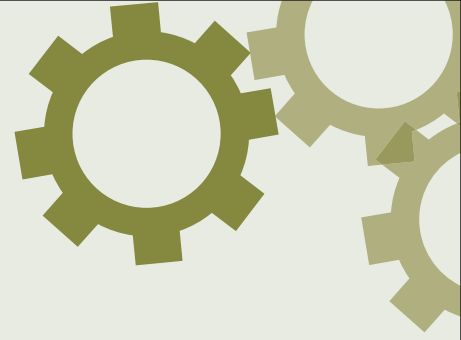
- 
- 2.1.5 Greater transparency would be introduced in the land allotment procedure of UPSIDC and other industrial authorities.
 - 2.1.6 The existing system of maintenance of industrial estates and industrial areas of UPSIDC, Directorate of Industries and other Industrial Development Authorities will be reviewed to institute a more effective system.
 - 2.1.7 Keeping in view the requirements of industries, industrial areas and industrial estates will also be developed in private sector. State government will act as a facilitator in development of such areas. For establishing industrial areas and industrial estates in private sector, developer shall be given 25% reimbursement in stamp duty paid; subject to the condition that the industrial area or industrial estate has been developed and at least 50% land has been sold within three years from the date of purchase of land.
 - 2.1.8 To ensure the availability of land, industrial units which are in production for 5 years, intend to transfer their excess available land for industrial purpose, to any company or organization, in which they have minimum 51% shareholding, shall be exempted from land transfer charges, sub-division charges and levy charges.
 - 2.1.9 If a parent company transfers land to its subsidiary, in which the parent company has minimum 51% shareholding, then reimbursement on stamp duty on land transfer shall be admissible to the subsidiary company provided the commercial production has been started by the subsidiary company within three years.

2.2 Road Transport

Superior road network is essential for all-inclusive development of any State. Hence, for the development of infrastructure in this area, a comprehensive action plan is proposed for connecting all regions with State highways and other roads.

- 2.2.1 Participation of private sector will be encouraged for the development of traffic and transport services.
- 2.2.2 All district head-quarters will be inter-connected by four-lane roads.
- 2.2.3 Keeping in view the increasing traffic load, the state highways would be widened and strengthened.





- 2.2.4 For the development of high speed transport facilities, the expressways will be constructed as per international standards through Public Private Partnership (PPP).
- 2.2.5 Eco-friendly Metro or Mass Rapid Transport Systems would be introduced in larger industrial cities.

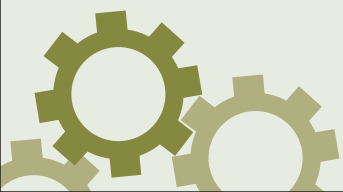
2.3 Rail Transport

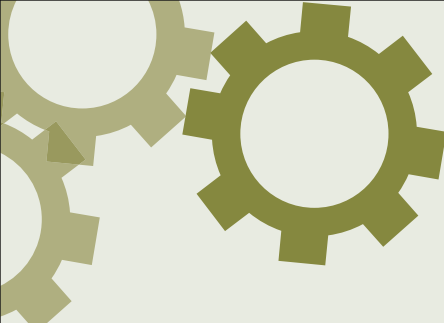
2.3.1 Rail connectivity is vital for industrialization, so that easily accessible and cheap transport is available to the industries. It is of even greater importance for goods to be exported through sea-ports. At the national level, Central Government has commenced the Delhi Mumbai Industrial Corridor (DMIC) project in the year 2007 with the economic and technical co-operation from Japan. The expanse of this project is proposed from national capital, Delhi to Mumbai. Six states, viz. Uttar Pradesh, Delhi, Haryana, Rajasthan, Gujarat and Maharashtra will be covered under this project. DMIC will stretch from Dadri in Ghaziabad to Jawaharlal Nehru Port at Mumbai. Vast industrial areas and zones will be developed, to a breadth of 250 km on both sides along this corridor, to boost export and import.

In this corridor, an Investment Region in Dadri-Noida-Ghaziabad area and an Engineering and Manufacturing Industrial Area near Meerut-Muzaffarnagar have been identified. This project will generate huge industrial opportunities in the State.

A vast area of 36,000 sq. km, extended across 12 districts of the State will be covered by the 1483 km long Delhi Mumbai Industrial Corridor. For development of this area, Bodaki Railway Station in Ghaziabad district and Multi-Model Logistics Hub have been identified as 'Early Bird' projects. Moreover, keeping in view the requirements of the industry, development of other industrial areas and industrial estates will also be promoted in the private sector.

2.3.2 Eastern Dedicated Freight Corridor (EDFC) Project is one of the significant projects of the Central Government; out of its 1839 km total length of rail track, 1011 km (55 per cent) will pass through various districts of Uttar Pradesh. State





Government is committed to provide necessary support to expedite the completion of this project. To avail maximum benefits from this project, appropriate sites will be identified and developed as logistic hubs and investment areas on both sides along this corridor.

- 2.3.3** Above mentioned both Central government projects will converge at Dadri in district Ghaziabad of the State, making it especially beneficial for the State. To avail optimum advantage of this opportunity for industrial development in the State, the State government will coordinate with the Central government to promptly extend whole support for execution of these projects.

2.4 Air Transport

In response to the industrial and tourism development needs, Air Transport facilities will be developed and strengthened in the State.

- 2.4.1** An Airport of international standards will be established near Agra within the vicinity of Delhi Mumbai Industrial Corridor, in which along with the facility of dry cargo, an aircraft maintenance hub will also be developed.
- 2.4.2** To promote industrialization in the eastern region of the State and to attract Indian and foreign tourists, another Airport of international standards will be set up at Kushinagar through Public Private Partnership (PPP) model.

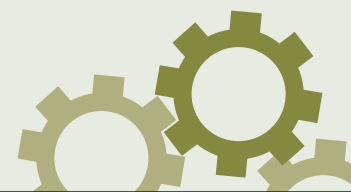
2.5 Gas Pipeline

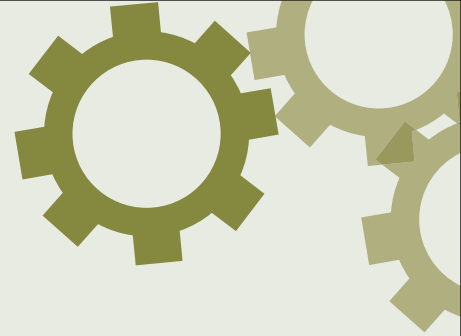
To make available ample natural gas as clean energy for industrial development, a Gas Grid will be developed in the State. Necessary steps will be taken to ensure supply of natural gas according to industrial and domestic demand in the State.

Industries would be promoted by providing more gas to them through existing gas pipelines. Prominent industrial areas will be identified and included in the gas grid map, by coordinating with Gas Authority of India Ltd (GAIL) and other oil companies engaged in laying the proposed natural gas pipeline network from east coast of the country. Efforts would be made to make gas available through pipeline to maximum areas, especially industrial locations.

2.6 Energy

State government has accorded high priority to the development of energy





sector, so that uninterrupted power supply is ensured to the industries and State is developed as power-surplus during the Twelfth Five Year Plan.

2.6.1 Effective implementation of provisions of the Energy policy of the State and its successive modifications will be ensured. State government will encourage power generation through Public, Private sectors and Public-Private Partnership (PPP). Besides Micro Hydro-electric power generation through Non-conventional energy, other power generation sectors like solar, biogas, biomass, and garbage will be specially promoted.

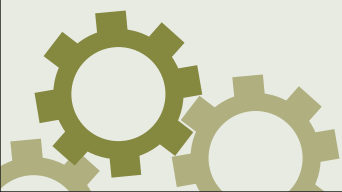
The plants installed for the generation of electricity from solar energy will be accorded the status of 'industry' and all the benefits under this policy will be available to solar power plants.

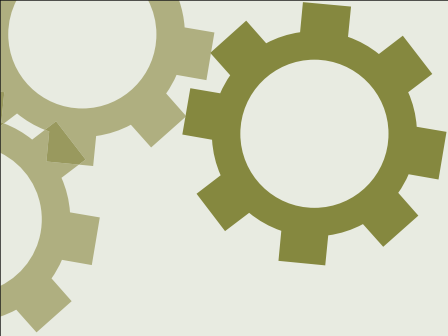
State government is taking necessary steps for the generation of power from solar energy. Efforts would be made to provide necessary incentives and facilities to the private sector for establishment of electricity generation projects based on solar energy. The department concerned would formulate a separate comprehensive policy for this purpose.

2.6.2 Captive power generation would be encouraged for partial power supply to the industries.

2.6.3 Efforts will be made for ensuring 24 hours uninterrupted power supply to the industries situated in all industrial areas of the State government. All the industries getting electricity supply from 132/220 KVA feeders, will be exempted from power cuts, until it is necessary for safety of the grid. For this purpose, generation and distribution systems will be adequately upgraded.

2.6.4 All such feeders of 33/11 KVA substations, which have more than 75 per cent industrial load, will be recognized as industrial feeders and exempted from power cuts. If consumers of other categories are connected to these feeders, then steps would be taken to separate them. Dedicated feeders constructed by the industries at their own cost will in no case be tapped for other purposes. It will be allowed only if, the industry concerned permits tapping by mutual agreement with any other industrial unit under the existing rules.





2.7 Water Supply & Drainage

Of all the critical factors for industrialization, water is an essential. Sufficient water is available in the state; therefore to supply water according to the demand of industries and to strengthen the drainage system for water and waste, efforts will be made to ensure private participation. Water would be made available to the industries on priority basis. For this purpose, rain water harvesting, recycling of used water by industries, laying of separate pipeline for industrial water use will be promoted as per ground-water policy. Additionally, a rebate of 5 per cent will be provided on interest rate applicable on loan taken by industrial associations or group of industries for establishing water drainage and waste and sewage disposal system in industrial estates and areas.

2.8 Telecommunication

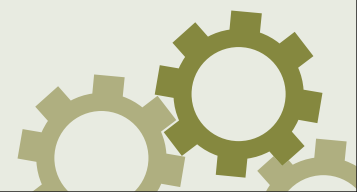
It is extremely important to further strengthen telecommunication system in the state. This sector has been identified as priority for the state, so that its benefits are available to the rural and urban areas in addition to industries.

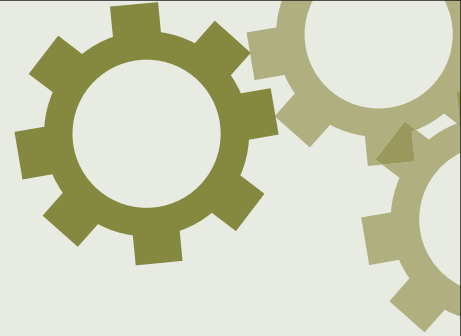
State government shall promptly provide necessary administrative assistance to agencies related to the development of broadband, high speed communication and data connectivity, 4-G and similar new technologies for transfer of information and data at high speed.

2.9 National Investment & Manufacturing Zones

The Central Government has announced the National Manufacturing Policy aimed at ensuring maximum participation of the manufacturing sector in the national economy, so that additional employment opportunities may be generated and economic growth rate may be increased. Under this policy, provision has been made to establish National Investment and Manufacturing Zones, which will be developed in an area of 5000 hectares. In these zones, it has been stipulated to allot plots to micro, small & medium industries on priority basis.

In the State, under the National Manufacturing Policy, facilities will be provided in the National Investment & Manufacturing Zones (NIMZ) as per the policies of the Central government. In the first phase, one NIMZ will be established in Eastern U.P.,





Bundelkhand and Central U.P. each. Subsequently, based on requirements, more such zones would be developed.

2.10 Special Economic Zones

In the context of changing global economic scenario, Special Economic Zones (SEZs) have an important place. At present, 23 SEZs have been notified in the State, of which 8 SEZs have been established.

Amendments in SEZ Act-2005 and SEZ Rules-2006 have been proposed by the Central Government. The State's SEZ Policy would be reviewed and implemented in the light of these amendments.

2.11 Special Area Specific Industrial Parks

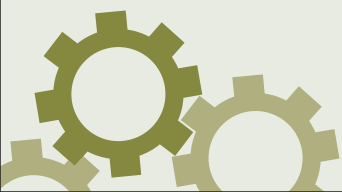
State is endowed with ample raw material for area specific industries; to enable maximum utilization of these raw material by setting up area specific industries, Special Area Specific Industrial Parks hold particular significance. Hence, great emphasis is being placed on establishment of such parks by the State government.

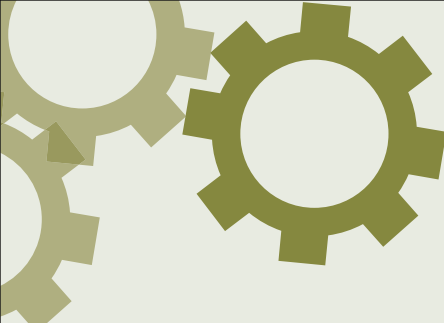
2.11.1 The first Bio-tech Park in the State has been set up at Kursi Road in Lucknow. Similarly, to encourage the establishment of other Bio-tech Parks, Information Technology Parks, Pharmaceutical Parks and Dairy farms, the concerned departments would formulate separate policies to provide necessary facilities. These facilities will be in addition to those proposed in this policy (IIIP 2012).

2.11.2 In order to avail maximum benefits of the ample availability of polymers, being produced by Gas Authority of India Limited in its plant at Auraiya, an extensive Plastic Park based on the polymer as raw material, will be set up through U.P. State Industrial Development Corporation.

2.12 Public Private Partnership (PPP)

Improvement in infrastructure facilities is an integral factor for industrial development. To cater to the infrastructure needs of the State, it is not possible to meet the financial requirements with budgetary provisions of the government alone. Additionally, to develop high end infrastructure facilities, large scale capital investment along with high quality management and competence is required. Therefore, to encourage large scale investment in the State, private sector partnership





is being ensured in the execution of various infrastructure projects. Introduction of international level access controlled expressway network, high capacity power stations and world class airport projects under Public Private Partnership will enable all round development of the State.

2.12.1 There will be continuous encouragement to private participation in the development of infrastructure facilities in the State. State government will ensure development of infrastructure facilities through private or joint ventures as much as possible, but if it appears that in certain sectors private or joint venture investment is not possible, State government will establish such infrastructure facilities by itself.

2.12.2 Apart from Viability Gap Funding (VGF), Annuity based model and other models will also be encouraged for Public Private Partnership (PPP) projects.

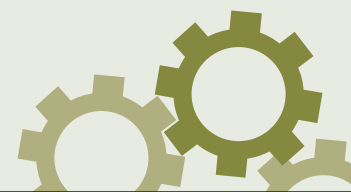
2.12.3 Under the Viability Gap Funding scheme, State government, as required, will make available a grant from central government, which will be maximum 20% of project cost and according to the requirement, a maximum of 20% from its own resources, to make the project viable.

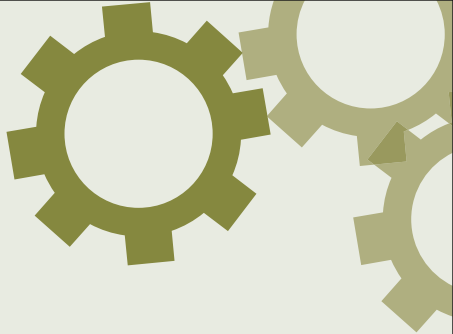
2.13 Cluster Development

The fundamental objective of cluster development scheme is to develop the micro, small & medium units in the form of a cluster, so that the units may improve their capacity and product quality in an era of global competition. Micro, small & medium units play an important role in employment generation, regional development and exports in the context of national economy. This scheme is based on the objective of Public Private Partnership, so that the responsibility of development and management of clusters is undertaken by the beneficiaries. In the State, till now 9 clusters for soft intervention and 5 clusters (Carpet cluster Bhadohi, Glass beads cluster Varanasi, Pottery cluster Khurja, Scissors cluster Meerut and Leather cluster Chauri Chaura, Gorakhpur) for hard intervention have been approved.

2.13.1 Cluster based industrial development will be promoted in the State and in this regard, maximum possible facilities will be made available to the industries under the Central government schemes.

2.13.2 Association of MSME entrepreneurs will be encouraged to establish industry



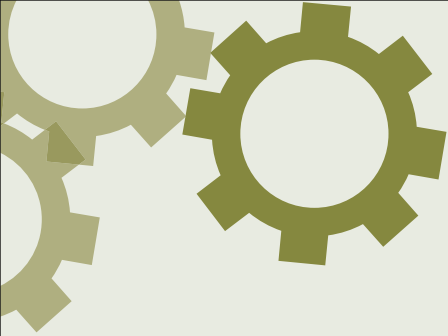


specific clusters in the State through Special Purpose Vehicles (SPVs) so that basic facilities like sewage treatment plant, common effluent treatment plant (waste treatment plant, pollution control plant) and testing labs etc. are developed swiftly as per the requirements of the entrepreneurs.

- 2.13.3** The State is major contributor to the total handicraft exports of the country. Comprehensive development of industrial handicrafts and services clusters will be ensured in cities and towns which are leading in handicrafts and exports; and infrastructure, marketing, design and packaging facilities, etc. will be developed under various schemes, such as- ASIDE (Assistance to States for Infrastructure Development and Exports) scheme, Micro and Small Cluster Development scheme, and Micro and Small Technology Upgradation Scheme.
- 2.13.4** For carrying out activities necessary for cluster development like surveys, diagnostic studies, preparing detailed project reports, formulating principles for determining service fee for common facility centers and impact study etc., a separate cell will be constituted in the Directorate of Industries, which will also be able to engage private consultants if required.
- 2.13.5** To make small industries viable in competitive scenario, the State government will provide assistance for setting up modern machines, purchasing advance technology, obtaining BIS (Bureau of Indian Standards) certification and quality certification, branding and obtaining trade mark and intellectual property rights.
- 2.13.6** A scheme will be formulated to provide support to connect the clusters set up by industrial associations and private developers, to other infrastructure facilities, such as- approach road, power supply and water supply.

2.14 Commercial Resources

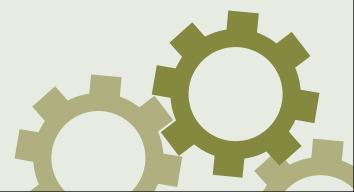
For industrial development in the State, it is necessary that commercial resources, viz. inland freight transport, storage, material management, safety packaging, inventory control, order processing and marketing, estimation, customer services etc. be developed as multi modal logistics hubs.



Special Multi-modal logistics hubs, wholesale markets, transport cities and integrated transport-cum-business centres will be developed for State's product distribution and marketing services.

2.15 Medical facility for workers in Industrial Areas

To provide quality medical facilities to workers and their families, established hospitals will be upgraded to the level of model ESIC (Employees' State Insurance Corporation) hospitals being run by the Central government.



3 Improvement in Industrial Environment

Nivesh Mitra

Select Language

Powered by Google Translate



MEMBERS LOGIN



Login Type

Entrepreneur

User ID

Password

login

[Forgot your password?](#)



*Welcome
to Nivesh Mitra*

*(A Single window system for online
clearances & Approvals)*

Help for Entrepreneur



General Guidelines



How to work on Nivesh Mitra



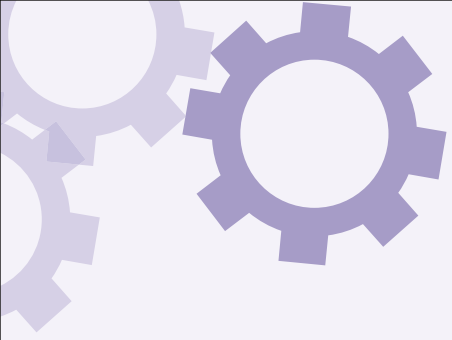
• [How to retrieve your password](#)

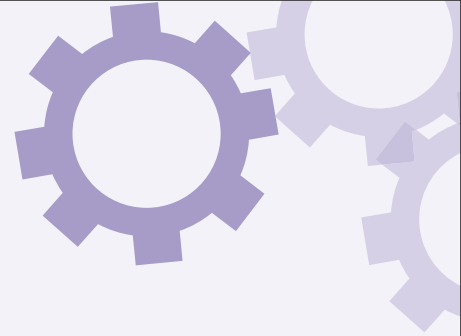
• [How to Setup Industry In U.P.](#)

• [How to work on Nivesh Mitra](#)

• [Definition of Micro, Small and Medium Enterprises](#)

• [Registration](#)



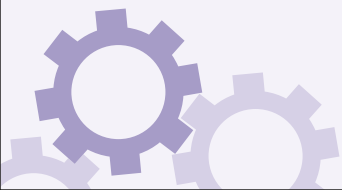


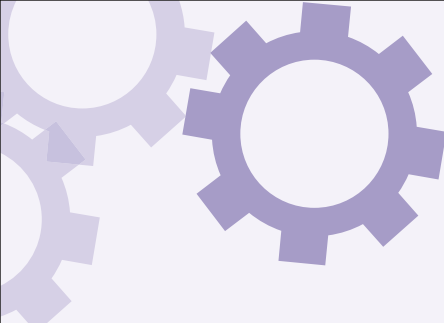
State government is conscious of and sensitive to the needs of entrepreneurs. With a view to steer rapid economic reforms and to promote investment in the State, it is imperative to create an environment which is congenial to entrepreneurship development. In order to attract substantial investment in Uttar Pradesh, State Government will continue its current endeavours to improve industrial environment along with simplification and rationalisation of business entry and operational procedures to mitigate the delays and business costs. To improve the industrial environment, effective measures would be taken for comprehensive reconstitution of trade regulatory process and for fortifying the supporting institutional framework. In this regard, e-governance measures would be adopted to a larger extent and existing institutional mechanisms, such as- *Udyog Bandhu* and U.P. Investment Centre would be strengthened further. Special provisions would be made to instill a sense of security in the entrepreneurs. For attracting new investment, extensive arrangements would be made to ensure easy accessibility of investment related information and time bound redressal of complaints of the investors. As a result of these steps, time required to set up an industry in Uttar Pradesh would be reduced, which eventually will save precious time and resources of the entrepreneurs. These initiatives will prove to be significant milestones in establishing Uttar Pradesh as the most preferred destination for investment.

3.1 Simplification of Rules and Procedures

3.1.1 Labour Department

1. Number of records and documents to be maintained by industrial units under various Acts and returns to be filed will be reduced to a minimum possible figure by rationalisation and integration. State administrative machinery would be made more amenable to the entrepreneurs.
2. For smooth implementation of the regulatory measures, the process of self-certification and accredited third party inspections would be continued and encouraged further.
3. Inspection based on complaints will be conducted by the departments concerned, like- Labour, Environment, Tax and Food & Drug Administration etc. only after the prior permission of District Magistrate.
4. With a view to promote industrial development, necessary modifications will be identified in 'Industrial Disputes Act, 1947', 'Contract Labour





(Regulation & Abolition) Act, 1970, 'Factories Act, 1948' and other labour laws. Efforts would be made to get the Central Government to amend these Acts accordingly.

3.1.2 Department of Energy

Procedure to provide facility of surrender, enhancement and reduction of electricity load to entrepreneurs shall be simplified.

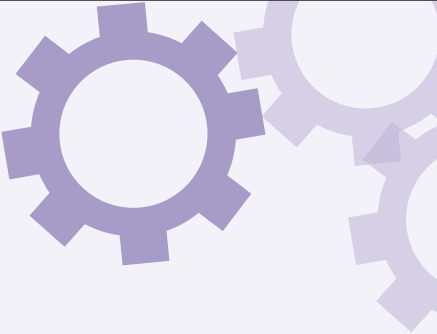
3.1.3 Environment Department

1. To facilitate new entrepreneurs in the site selection for enterprise, the atlas indicating the pollution zones of the State will be periodically prepared and uploaded on the website of Uttar Pradesh Pollution Control Board (UPPCB).
2. Non-polluting industries will be specially identified and permitted to commence work without completing the formalities required by UPPCB. For these units, the completion of formalities for getting the No Objection Certificate (NOC) from UPPCB could be carried out during the course of their production. In case, UPPCB has any objection to the application of such industries, then any action against them could be initiated only after due approval of the State government.
3. Procedure of obtaining approval from UPPCB will be simplified for non-polluting or minimum polluting industries which belong to green list.
4. Non-polluting industries using generator up to a capacity of 5 KVA as a standby arrangement are exempted from obtaining pollution NOC. Under the new policy, exemption from pollution NOC will also be available to such units which use generator with more than 5 KVA capacity.

3.1.4 Department of Commercial Tax

1. Provision of filing annual return (Form 26) as prescribed in U.P. Value Added Tax Rules will be replaced by a simplified arrangement. New provision will come into effect after amendment in U.P. Value Added Tax Act/ Rules.
2. Form-C, Form-F, Form-H, Form-E-1 prescribed in Central Sales Tax (Registration & Turnover) Rules will be made available on the website of department of Commercial Tax, so that these can be easily downloaded for use.



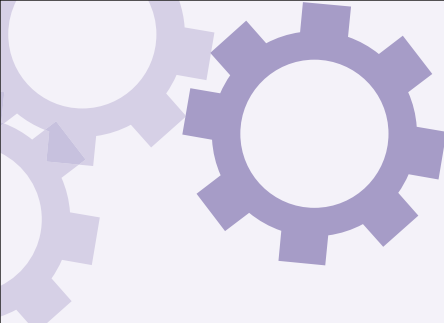
- 
3. Manufacturing units established under the Infrastructure and Industrial Investment Policy-2012 will be entitled to the benefit of Input Tax Credit (ITC) on the tax paid on purchase of capital goods from inside the State, during the applicability of this Policy or for a period of five years from the date of first purchase of plant and machinery, whichever is earlier. The entitlement to ITC would be admissible on the return for the first tax period of the year subsequent to the assessment year in which the purchase has been made. This provision will come into effect after the corresponding amendment in U.P. Value Added Tax Rules.

3.1.5 Agriculture Marketing and Agriculture Foreign Trade Department

1. For the units availing exemption from Mandi Fee on purchase of raw material under Section 17-A of Uttar Pradesh Krishi Utpadan Mandi Act 1964 (UP Agriculture Produce Marketing Act), the existing procedure of exemption will be replaced by the constitution of a division level committee under the chairmanship of the Divisional Commissioner. This committee after duly considering the recommendations presented by the District Magistrate, will dispose off the applications submitted on prescribed format for exemption of Mandi Fee, in a time bound manner.
2. Any application for license will be approved or rejected by the competent authority through a reasoned order within 30 days of receipt of completed application form along with desired documents and license fee prescribed under Uttar Pradesh Krishi Utpadan Mandi Act 1964. The failure to pass an order within 30 days shall be treated as deemed approval of the license.

3.1.6 Other Departments

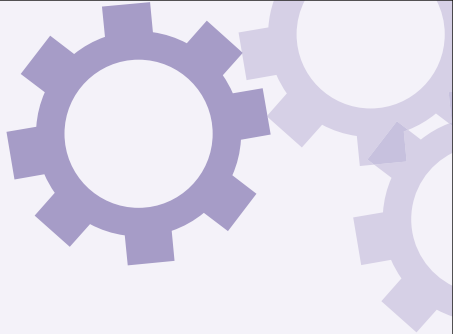
1. The procedure of land use change will be simplified and the time taken in it will be minimised. The procedures of various Industrial Development Authorities for charging fees for land transfer and change of land use shall be simplified and further rationalised to accelerate the pace of industrial development.
2. The recovery charges levied by the financial institutions for the recovery of loan and interest would be prescribed rationally. Under this, provision will be made for levying recovery charges only on the amount received as One Time Settlement.

- 
3. Stamp duty and Registration fee will be levied only on the sale price of the property sold by financial institutions to recover loan and interest, under Section 29 of the State Financial Corporation Act 1951. Circle rate of the district will not be taken into account for the sale of such properties. This provision will continue to be applicable as earlier and will be made more effective.
 4. In order to ensure prompt disposal of works and problems of the entrepreneurs in the Regional Offices of the UPSIDC, centralized powers will be delegated to the Regional Managers at the local level.
 5. Various types of rates prescribed in respect of cost of plots, transfer fees, penalty on late construction etc. in the Industrial Areas and Industrial Estates will be rationalised and made industry friendly.
 6. Many approvals and clearances related to industrial production are for short duration viz. three months, one year, two years; Rules will be framed by the regulatory departments for granting them for the maximum possible period in the first instance itself, so that entrepreneurs are spared from the effort of making frequent applications to the departments concerned.

3.2 E-governance

- 3.2.1 Single Window Clearance system will be improved and strengthened by *Udyog Bandhu* to provide prompt online issuance of all required licences, no objection certificates, approvals, permissions, sanctions, etc. to industries throughout the State.
- 3.2.2 Soon e-Biz mission mode project (customer centric single window platform) will be launched in the State, by which all industry specific services of Central, State governments and local bodies will be made available through a single web-portal.
- 3.2.3 Computer centres established at Directorate of Industries, Regional Industries Offices and District Industries Centres will be strengthened for smooth transaction of information through internet and to make all relevant information available to entrepreneurs at a single point. There will be arrangements at these offices to provide application forms for schemes, miscellaneous information and other material details.



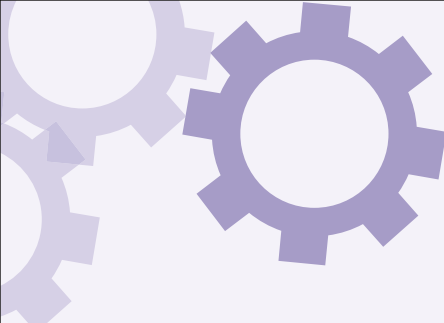
- 
- 3.2.4** Web portals will be developed to provide information to investors regarding appropriate site selection for setting up projects, to provide them investment related information and also for investor tracking system and complaint redressal mechanism.

3.3 Udyog Bandhu

- 3.3.1** *Udyog Bandhu* will be strengthened further to address the problems faced by entrepreneurs and its scope of work will be expanded. Departmental and domain experts will be appointed in *Udyog Bandhu* to provide technical know how on departmental and area specific issues pertaining to industry and business. *Udyog Bandhu* will act as advisor to State level monitoring committee. Towards this end, *Udyog Bandhu* will collate, compile and analyse information received from district and division level committees and will present to the State level committee for decision.
- 3.3.2** Prompt and effective disposal of problems of entrepreneurs will be ensured by holding regular meetings of district and division level *Udyog Bandhu*.
- 3.3.3** To effectively address the problems along with formulation and amendment of policies, meetings conducted at State level viz Tripartite forum, Working Group, Monitoring Committee and Empowered Committee, will be held regularly.
- 3.3.4** The arrangement to nominate representatives of industrial associations in various committees of *Udyog Bandhu* will be continued as before.

3.4 Investor Assistance Mechanism

- 3.4.1** With the objective of timely resolution of problems of entrepreneurs on a single table, one senior officer will be nominated as Nodal Officer for each new mega project. Depending on the scale and importance of the project, these nodal officers will be of the rank of principal secretary to special secretary. Nodal officer will be responsible for swift disposal of issues of the entrepreneurs by effectively putting their requirements before the departments concerned.
- 3.4.2** Human resource base at District Industries Centres of Directorate of Industries, will be broadened for prompt issuance of approvals and sanctions to the industries.
- 3.4.3** 'Golden card' facility will be provided to reputed entrepreneurs and state level



prime office bearers of prominent industrial associations to provide them priority and access to all government offices.

3.4.4 A scheme to reward and recognise entrepreneurs making exceptional contribution to industrial development of the State will be introduced.

3.5 Industrial Security

3.5.1 Considering special security needs of industries, a 'Fast track Grievance Redressal Cell' has been established under an Inspector General of Police in the office of Director General of Police. This cell will be strengthened further.

3.5.2 For secure industrial environment of industrial areas and estates, provision will be made for special arrangements as per the need, under which new police posts, reporting police posts and fire stations will be established.

3.5.3 Police patrolling arrangement will be strengthened in industrial areas and estates.

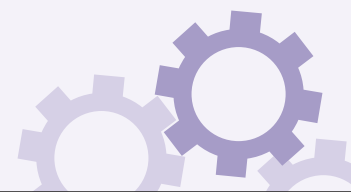
3.5.4 In order to further improve the security of entrepreneurs and business persons, 'Industry - Business Security Forum' constituted under the chairmanship of District Magistrate at district level will be made more effective.

3.5.5 Persons nominated by industrial associations will be appointed in 'Industry - Business Security Forum' as special status members.

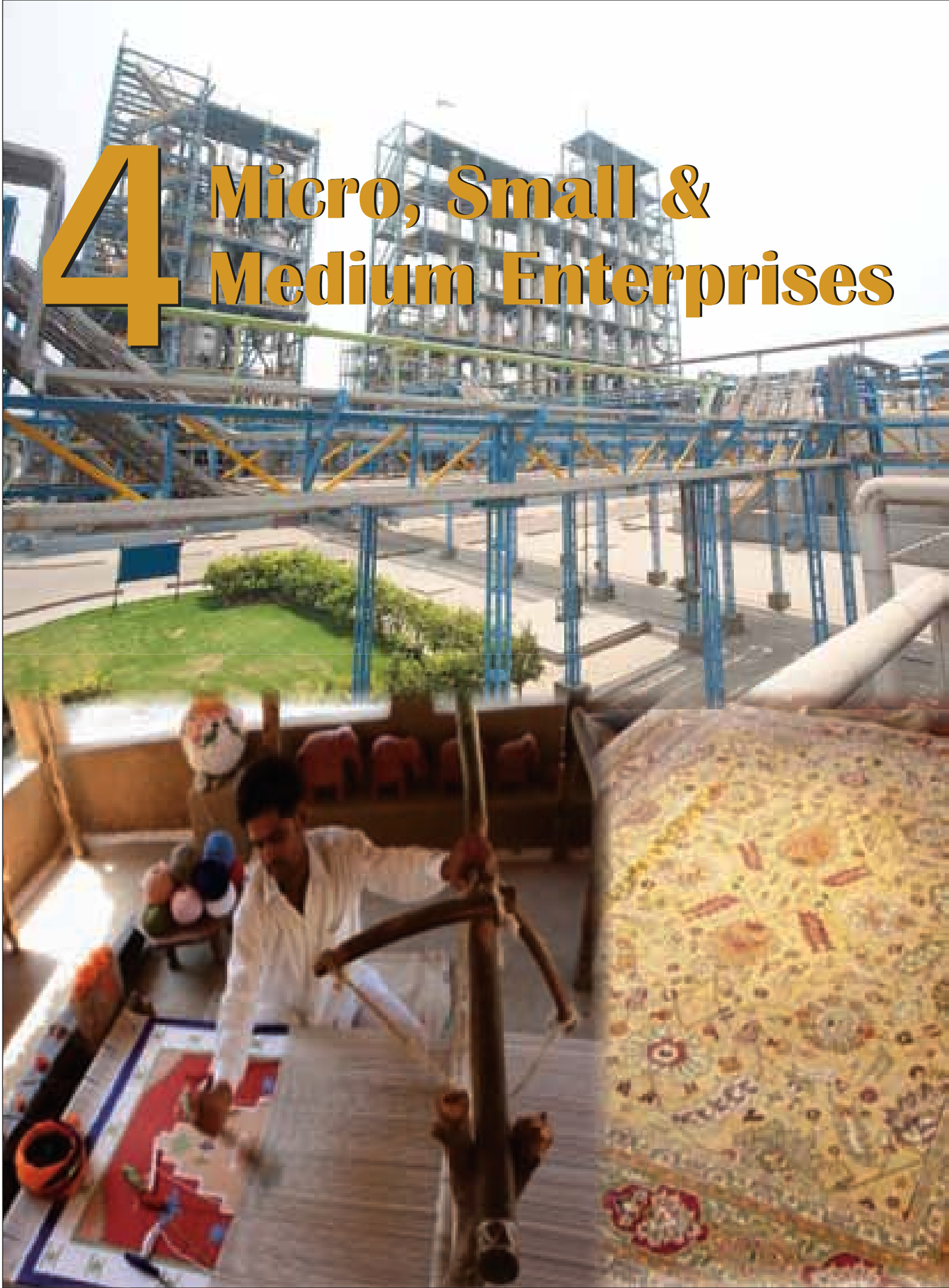
3.6 Uttar Pradesh Investment Centre

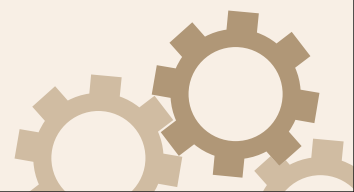
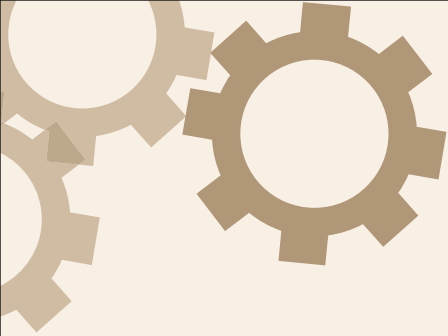
3.6.1 Uttar Pradesh Investment Centre at New Delhi will be spruced up to attract investment into the State. If the need arises, more such centres will be established in other States or cities of the State.

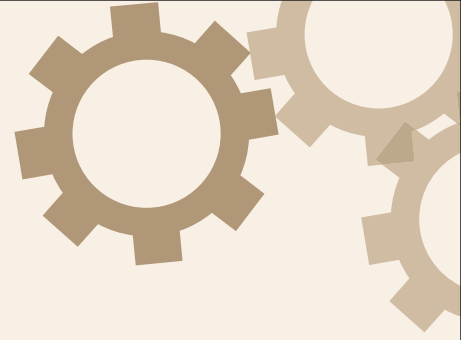
3.6.2 Uttar Pradesh Investment Centre at New Delhi will co-ordinate for encouragement of Non Resident Indians for more investment in the State.



4 Micro, Small & Medium Enterprises





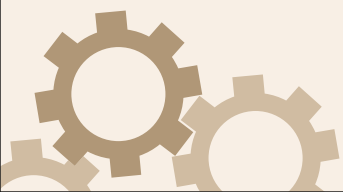


To effectively enforce Micro, Small and Medium Enterprises Act, 2006, Department of Small Scale Industries will be rechristened as Micro, Small and Medium Enterprises Department. Micro, Small and Medium Enterprises (MSME) have a vital role in employment generation. Moreover, these enterprises deliver multiple kinds of goods and services that are essential for society. State government will nurture this sector in consonance with heavy industries in a balanced manner. Both sectors will be developed as complementary to each other.

Traditional industries have existed in the State for centuries and they have significantly contributed towards conservation and expansion of entrepreneurship in rural areas. Not only are they backbone of provincial economy, they also contribute a large share to exports from the State. These industries will be strengthened and made competitive by providing active support in management, product branding, quality certification, research & development, technology, packaging, benchmarking, designing and marketing.

Responsibilities of the Small Scale Industries / Micro, Small and Medium Enterprises Department will be defined in a way, so that it help in smooth implementation of schemes and acts as a partner for resolution of entrepreneurs' problems.

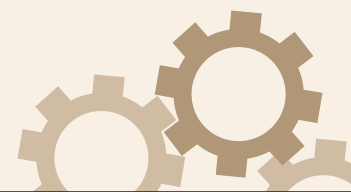
4.1 It will be ensured that the State avails utmost benefit of the Central government schemes. Holders of Memorandum -1 or Memorandum -2 will be provided with optimal advantages of the Central government schemes, like Cluster Development, Prime Minister Employment Generation Programme (*Pradhanmantri Rozgar Srijan Karyakram*), ASIDE, Industrial Infrastructure Up gradation Scheme, Quality Improvement, Scheme for establishing Pollution Prevention Plants, registration of Intellectual Property Rights and Geographical Indicators, Credit Guarantee, Marketing Assistance, Skill Development, Management Development, Bar Coding etc; and in the area of classified industries, such as textile, hosiery, leather footwear, food processing, etc, maximum benefits of the Central government schemes will be channelised to the entrepreneurs in the State. Through this, it will also be ensured that MSME sector

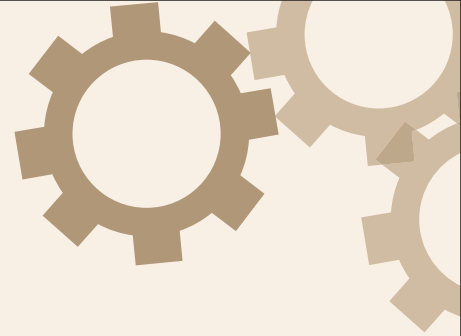




of Uttar Pradesh gains a competitive edge in exports. A special cell will be created in the Directorate of Industries for the implementation of the Central government schemes, under which an officer in-charge will be appointed for every scheme. In this cell, as and when required services of external experts would be obtained for financial management, project management and monitoring.

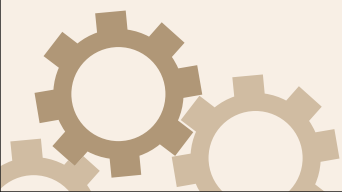
- 4.2 To augment the effectiveness of the marketing system of handicrafts sector, direct purchasing schemes under the arrangement of exhibition of manufactured goods will be implemented by corporation and private sector. Skills of handicraft artisans will be improved and new designs would be made available to them. Under the State scheme, based on proper valuation of handicraft products, their selling price would be determined and they would be sold on the basis of commission. Under this scheme, provision will be made for artisans to provide advance amount proportionate to their goods produced so that they do not face working capital scarcity.
- 4.3 Assistance will be provided to artisans for the marketing of their handicrafts. Various kinds of handicrafts are produced in the State but due to lack of proper marketing mechanism they do not get profitable price. Therefore, support would be extended to artisans for participation in different fairs by reimbursing the rent charges of stalls and assisting them in ferrying their exhibits to such expositions. This will enable the handicraft artisans of the State to smoothly market their products.
- 4.4 Scheme to develop city *Haat* kind of markets in Kanpur, Allahabad, Varanasi, Agra and Lucknow (KAVAL towns) will be implemented where both display and sale facilities will be made available to industrial units particularly to micro, small and medium enterprises. These *Haats* would be developed under the management of private sector.
- 4.5 Modernisation and technological development of micro, small and medium enterprises would be encouraged. In this regard, schemes will be implemented to provide loans at lower interest rates to entrepreneurs. Arrangements will be

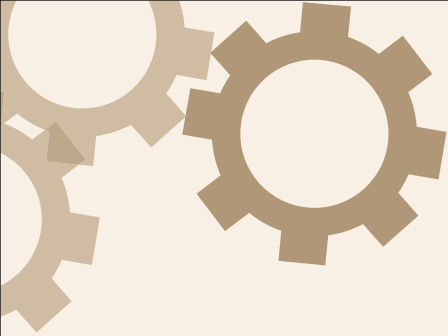




made to provide maximum benefit of Central government run Technology Up gradation Scheme and other such schemes to the entrepreneurs of the State.

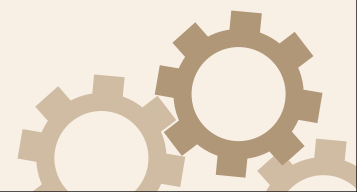
- 4.6 Efforts would be made to obliterate regional imbalance in the State and to provide more employment opportunities to young men and women of less developed regions. *Poorvanchal* (Eastern U.P.), *Madhyanchal* (Central U.P.) and Bundelkhand regions will be given special concessions, such as Capital Investment Scheme for small enterprises, Interest Subsidy Scheme and other Capital Subsidy Schemes. Implementation of such schemes would lead to eradication of regional imbalance in the State, increase in the productivity of these regions and availability of employment opportunities for the workforce.
- 4.7 Stamp duty on registration of lease deed of industrial plots will be levied on the actual amount payable to the government department or agency. On such sale deeds, in which a government department or any quasi-government organisation is the seller, stamp duty on registration of lease deed will be applicable only on the actual selling price that is mentioned in the sale deed provided that its actual transfer of possession should not be older than one year.
- 4.8 The Purchase policy of the State will be implemented according to the corresponding policy of the Central government.
- 4.9 Memorandum Part-1 and 2 of Industries will be issued online on the basis of self declaration. Under the Micro, Small and Medium Enterprises Act, arrangements will be made for District Industries Centers to deliver receipts with auto-generated number, for forms submitted online. In this manner, after the receipt of Memorandum-1, the industry related recommendations and approvals of related departments will be issued on a weekly basis within the stipulated time through a single table system and all Memoranda -1 will be monitored regularly. Likewise, resolution of problems, providing facilities under different schemes and regular monitoring will be ensured for units obtaining Memorandum -2.
- 4.10 State level financial institutions will be revived for financing Micro, Small and Medium Enterprises (MSMEs), through which implementation of the Central government and the State government schemes will be ensured.





4.11 Non-polluting micro and small enterprises, which operate without deforming or harming the form of buildings and which do not pollute land, water and atmosphere, will be allowed to be run in residential areas. In this respect, Pollution Control Department, in consultation with Small Industries Department, will declare the list of such non-polluting enterprises.

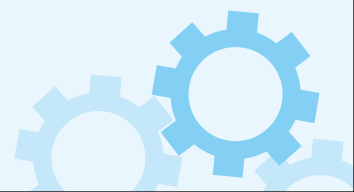
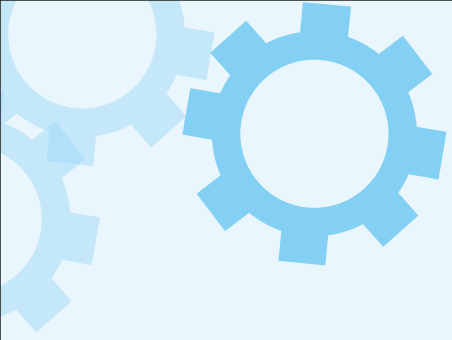
4.12 Enterprises, which are non-polluting and which do not cause damage to buildings, will also be allowed in multi-storey apartments. As is the case for residential apartments, rules will be framed for sale and renting of industrial buildings. Necessary provisions will be made in building by-laws/ regulations for the construction of such buildings.

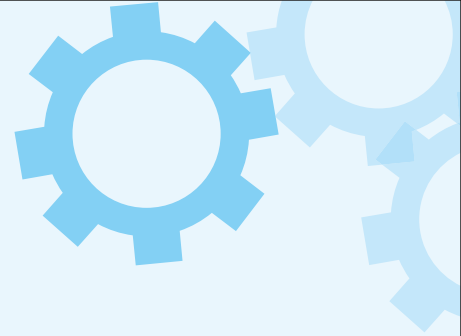


The background of the slide features several stacks of gold coins. The stacks are arranged in a way that creates a sense of depth, with some stacks in the foreground and others receding into the background. The lighting is warm, highlighting the metallic sheen of the coins. The number '5' is overlaid on the top left of the image.

5

Fiscal Subsidy and Exemption



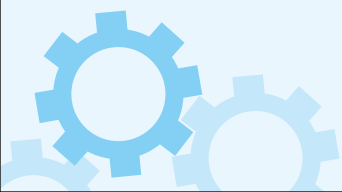


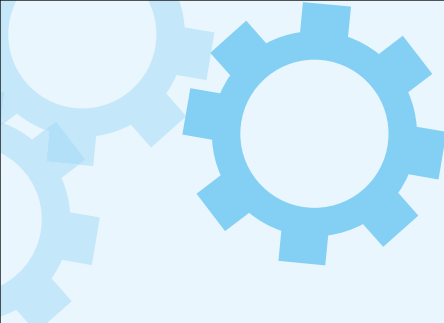
In order to achieve the targets fixed in 12th Five Year Plan, it is essential to provide maximum encouragement to industrial investment in the state. In this regard, state government will take necessary steps including provision of concessions, subsidies and financial incentives for attracting investment, promoting industrial development and maintaining competitiveness of industry in the State.

5.1 Exemption from stamp duty

5.1.1 Exemption from stamp duty to new industrial units or existing units undertaking expansion or diversification, on purchase or lease of land, shed and industrial tenements from State Government or Central Government or from Corporations/ Boards/ Company/ Institutions owned or controlled by them, will be made available in the following manner.

- a) Units to be established in Eastern Uttar Pradesh, Central Uttar Pradesh and Bundelkhand regions will be provided 100% exemption from stamp duty.
- b) Units related to Information Technology, Biotechnology, Agro Processing, Food Processing, Food Park, Solar Energy or alternative sources of energy and BPO Call Centres will be provided 100% exemption from stamp duty in the entire state.
- c) Provision of 100% exemption from stamp duty on purchase of land will be available to units set up by private sector, except those set up through Public-Private Partnership (PPP), for development of infrastructural facilities (like roads, bridges, over bridges, wholesale market, trans-shipment centre, integrated transport and commercial centre, generation/ transmission/ distribution of electricity, water supply, water drainage, exhibition centre, warehouse, cold storage, airport, sewage treatment plant, solid waste management plant, railway commercial centre, cargo hub, fire station, gas booster and feeder station and effluent treatment plant).





d) Units not covered under para (a), (b) and (c) will be provided 75% exemption from stamp duty.

5.1.2 Units mentioned in para 5.1.1 (a), (b) or (c) purchasing land from private sources will be provided 100% exemption from stamp duty but units not covered by para 5.1.1 (a), (b) or (c) will be provided 50% exemption from stamp duty.

5.1.3 Developer of industrial area or industrial estate in private sector will be provided 25% reimbursement from stamp duty paid, subject to the condition that the industrial area or industrial estate has been developed and at least 50% land has been sold within three years from the date of purchase of land.

5.1.4 On the sale of closed units, attached by PICUP, UPFC or Bank, the stamp duty will be payable at the sale price approved by the competent authority, instead of the circle rate.

5.1.5 If a parent company transfers land to its subsidiary, in which the parent company has minimum 51% shareholding, then reimbursement on stamp duty on land transfer will be admissible to the subsidiary company provided the commercial production has been started by the subsidiary company within three years.

Note: 'Unit undertaking expansion' means a unit, which makes additional capital investment in land, building, plant, machinery, spare parts and capital goods, equal to minimum 25% of investment under aforementioned heads immediately prior to expansion and where installed capacity is enhanced by at least 25% of the capacity prior to expansion.

5.2 Concessions related to Commercial Tax Department

5.2.1 The entry tax is applicable on few selected items in the State. On Iron and Steel, included in these items, the high rate of entry tax is adversely affecting the competitiveness of Iron and Steel industry of the state. Therefore in the interest





of the industry, the rate of entry tax on iron and steel to be used as raw material will be made more prudent.

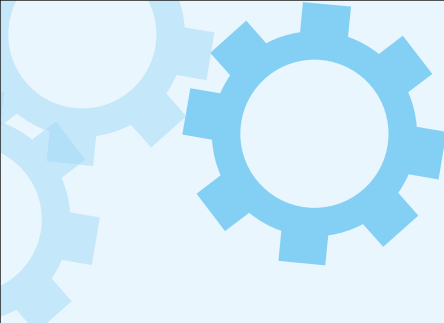
- 5.2.2 Additional raw material, processing material and packing material being used in manufacturing and packing of goods for sale will be included in the category of 4% VAT liability, enumerated in part-C of schedule-II, thus expanding this list.
- 5.2.3 Manufacturers, who export through export houses in accordance to sub section (3) of section 5 of Central Sales Tax Act 1956 in the course of export, will be provided the facility of input tax refund or set-off facility related to the sale to export houses for export outside India.
- 5.2.4 In case of transfer of stock outside the state, deduction from input tax credit will be allowed equivalent to the rate of central sales tax, which is applicable on form-C of commercial tax with regard to interstate sales.

5.3 Exemption from Mandi Fee

All new food processing units having an investment of Rs 5 crores or more in plant and machinery for next 5 years, will be provided exemption from Mandi Fee on purchase of raw material for 5 years.

5.4 Extension of Investment Promotion Scheme

- 5.4.1 All new industrial units to be set up in *Poorvanchal* (Eastern U.P.), *Madhyanchal* (Central U.P.) and *Bundelkhand* regions, with fixed capital investment of Rs. 5 crores or more, and food processing units, live stock based units & IT units to be set up in all districts of the state with fixed capital investment of Rs. 5 crores or more, will be provided the facility of interest free loan, from the date of first sale up to 10 years, equivalent to the sum of VAT and Central Sales Tax deposited by industrial units or 10% of the annual turnover whichever is less, which will be payable after 7 years from the date of disbursement of such loan.
- 5.4.2 All new industrial units with fixed capital investment of Rs. 12.50 crores or



more, to be set up in all districts except those in *Poorvanchal* (Eastern U.P.), *Madhyanchal* (Central U.P.) and *Bundelkhand* regions, will be provided the facility of interest free loan, from the date of first sale up to 10 years, equivalent to the sum of VAT and Central Sales Tax deposited by industrial units or 10 percent of the annual turnover whichever is less, the repayment of which will be made after 7 years from the date of disbursement of such loan.

5.4.3 To provide facility of interest free loan also to units undertaking expansion, provision shall be made similar to para 5.4.1 & 5.4.2 above, consisting of interest free loan equivalent to the sum of VAT and Central Sales Tax paid.

5.5 Energy Related Financial Provisions

5.5.1 The present Exemption in Electricity Duty available to new units for 10 years and to pioneer units for 15 years will be continued.

5.5.2 The Electricity, produced by Captive Power Plant for self use, will be exempted from Electricity Duty.

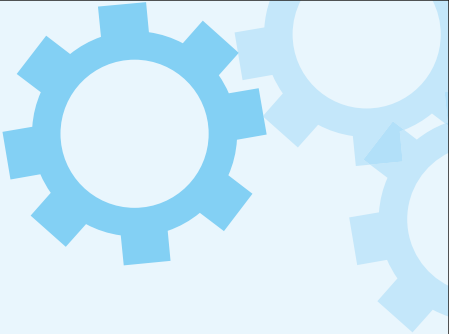
5.6 SUBSIDY SCHEMES

5.6.1 Capital Interest Subsidy Scheme- New Industrial units set up, in *Poorvanchal* (Eastern U.P.), *Madhyanchal* (Central U.P.) and *Bundelkhand*, will for a maximum period of 5 years be reimbursed the amount of interest at the rate of 5% payable on loan taken by them for procurement of plant & machinery from Banks/Financial Institutions. The maximum limit of the same will be Rs.50 lakhs per unit.

Only for new textile units like spinning, weaving, knitting and garments manufacturing units, the maximum limit same will be Rs.1 Crore per unit in *Poorvanchal* (Eastern U.P.), *Madhyanchal* (Central U.P.) and *Bundelkhand*, and in other regions of the state it will be Rs.50 lakhs.

5.6.2 Infrastructure Interest Subsidy Scheme- New Industrial units, being set up in the state, will for a maximum period of 5 years be reimbursed the amount of





interest at the rate of 5 % payable on loan taken by them for developing infrastructural amenities for self use like roads, sewer, water drainage, erection of power line, transformer and power feeder. The maximum limit of the same will be Rs.1 Crore per unit.

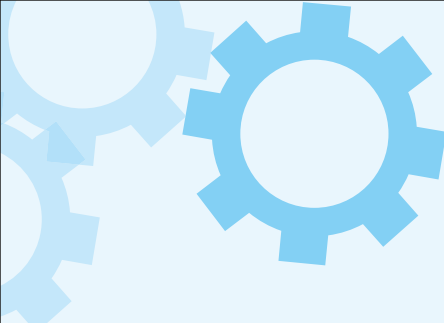
5.6.3 Industrial Quality Development Subsidy Scheme- Industrial Associations and Groups of Industrial Units will for a maximum period of 5 years be reimbursed the amount of interest at the rate of 5 percent payable on loan taken by them for Industrial Research, Quality improvement and development of products by incurring expenditure on procuring plant, machinery & equipments in setting up Testing Labs, Quality Certification Labs and Tool Rooms. The maximum limit of the same will be Rs.1 Crore per Lab/Tool Room.

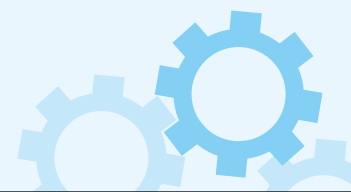
5.6.4 E.P.F. Reimbursement Scheme- All such new Industrial units set up in the state, which provide employment to 100 or more unskilled workers, will be reimbursed the 50 percent amount of E.P.F. deposited by them in favour of workers for next 3 years after 3 years of setting up unit.

5.7 MEGA PROJECTS

Mega Projects mean private or joint sector (in which the equity of government or any public sector enterprise is less than or equal to 49%), industrial units with proposed investment of Rs. 200 Crore or more, which act as anchor units in their respective fields, provide employment on large scale and promote micro and small sector industrial units of their field extensively. A huge capital investment is made by such units which brings indirect benefits to the State. Many times, such units require speedy facilitation by State government for ensuring commencement of production at the earliest by saving time in establishing the units.

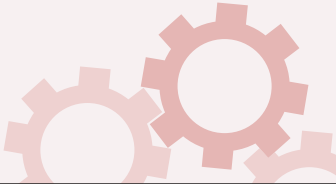
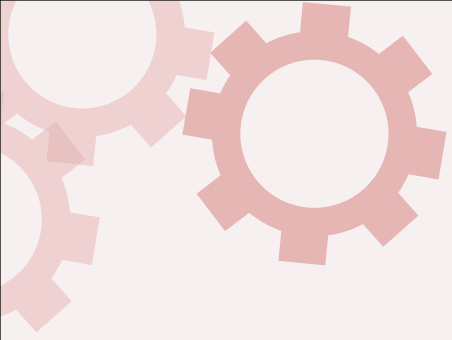
In order to attract capital investment and to transform the State into most competitive investment destination globally, it is imperative to establish more and more mega projects in the State. To achieve this objective, State Government will promote setting up of Mega Projects in the following manner:

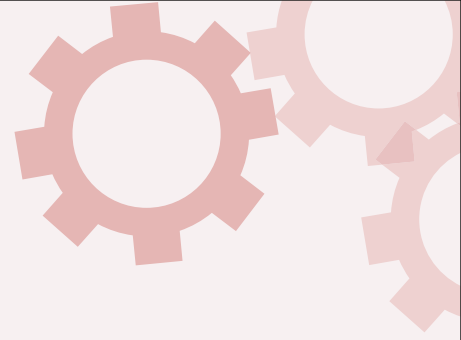
- 
- (a) The projects with an investment of more than Rs.200 Crore but less than Rs.500 Crore will be provided all financial incentives subject to appropriate conditions as mentioned in this Infrastructure & Industrial Investment Policy-2012. The maximum financial limit of such incentives could be relaxed on case-to-case basis after recommendation of Empowered Committee and approval of Hon'ble State Cabinet of Ministers, however, mega projects of this category will not be allowed any incentive which is not covered under Infrastructure & Industrial Investment Policy-2012. Allotment of land, water, power connection, etc. will be made available to these projects on priority basis through fast track mode. In case, infrastructure facilities like- roads, power line, sewer line, water drainage are required for setting up of such projects, the same will be considered to be provided at partial or whole government expenditure.
- (b) Mega projects with an investment of more than Rs.500 Crore, in addition to abovementioned incentives, will be provided even those facilities, which are not covered under Infrastructure & Industrial Investment Policy-2012. These facilities will be provided on case-to-case basis after recommendation of Empowered Committee and approval of Hon'ble State Cabinet of Ministers.



6 Skill & Capacity Development

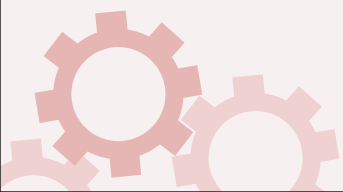






Skill development is an important factor in the industrial development of any state. Therefore, development of skill and enhancement in employability of the people of the State is the highest priority of the State Government. State government is continuously endeavouring to enhance the industry and market based specific skills besides developing employability and competence of workforce. Participation of Industries and Industrial Associations is also being encouraged to undertake this task. For employment opportunities in new industries, there will be a need not only for high-skill and competitive ability, but also for high level of competence across all levels. Apart from promoting the establishment of technical and vocational training Institutes, present ITIs, Polytechnics, Engineering & Degree Colleges will also be equipped with such training facilities through which productivity and employability of the work force could be enhanced.

- 6.1** Arrangements will be made to promote skill and competence and to supply it as per demand of industry through estimating the requirement of work force and development of human resource. For this purpose, specialised institutions in Bridge course specific area will be developed. Such institutions will be established in cluster areas. This will be done with the integrated support of Technical Education Directorate and Training and Employment department. Requisite syllabus will be prepared with the help of local industries, intellectuals and government, so that training to be provided, is designed according to the needs of local trade and industry.
- 6.2** Keeping in view the changing scenario, in order to make youth power of the State skilled in information technology (IT), the State Government would distribute IT instruments such as Laptops & Tablets in schools and colleges from its own resources.
- 6.3** Institute of Entrepreneurship Development, Lucknow will be developed as a State level premier institution for Entrepreneurship and Human Resource Development. Regular programmes will be organised for skill upgradation and capacity enhancement for the officers concerned with industrial development. Moreover, regular training and faculty outsourcing etc. would be carried out with the help of other institutes of excellence in the country.
- 6.4** Schemes will be implemented to provide benefits of the expertise of Technical Training Institutions in the State like ITIs, GTIs etc. to the industry; under these schemes, industrial employees would get training without appearing for entrance examination. A quota of 10% will be reserved for employees of industry.

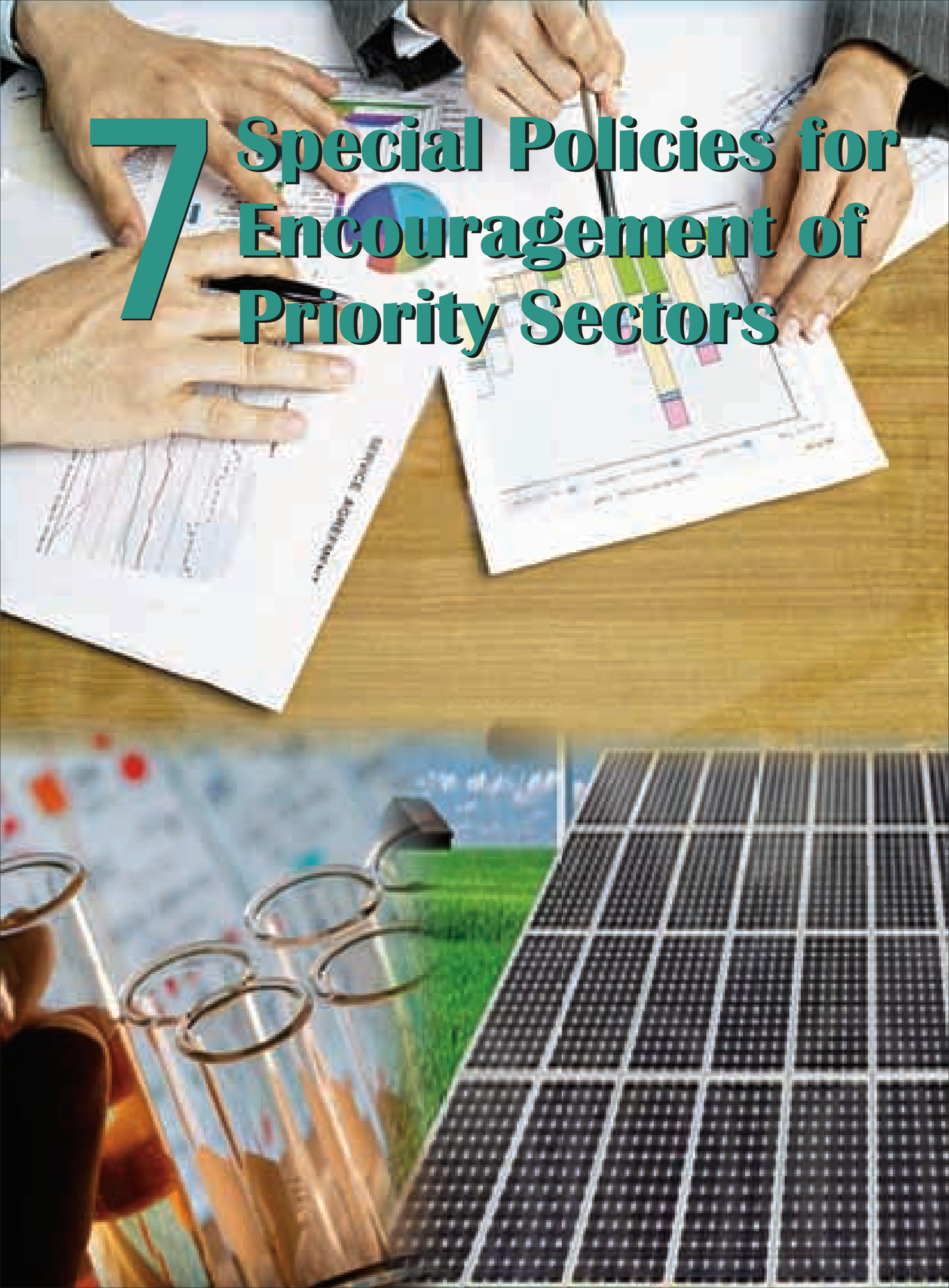


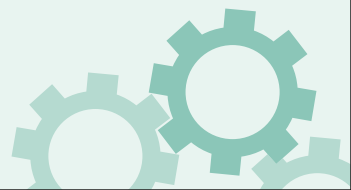
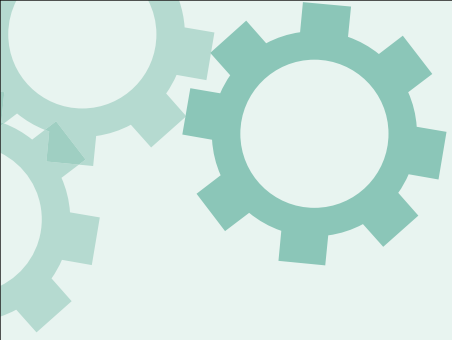


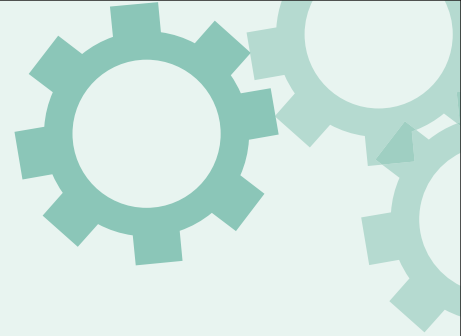
“Learn & Earn” scheme will be implemented effectively in these institutions.

- 6.5 'Industrial Management Committees' will be constituted in ITIs, Polytechnics and other Technical Training Institutes and these committees will be empowered in such a manner that there is no scarcity of resources in these institutions and employment of trained personnel in the industry may be assured. ITIs, Polytechnics and other Technical Training Institutions will also be developed on the basis of Public Private Partnership (PPP). Renowned industrial houses will be allowed to adopt the ITIs, Polytechnics and other Technical Training Institutions in the State.
- 6.6 In case of investment of Rs.500 Crore or more towards skill development and capacity enhancement in the State, all such facilities that are permissible to Industrial Mega Projects with an investment of Rs 500 Crore or more, will also be available to projects with such investment on case-to-case basis, after recommendation of Empowered Committee and approval of Hon'ble State Cabinet of Ministers.
- 6.7 If any business house, industrial group or industrial unit, using its own resources, proposes to introduce any specific course in the Government run ITIs or Polytechnics, then prompt action will be taken for providing permission for the same.
- 6.8 A 'Labour Market Information Cell' will be constituted under the Labour Department which will coordinate between the employers and training institutes. Labour market demands and requirement of technical manpower will be assessed by this cell. Accordingly, guidance will be rendered by this cell for appropriate training.
- 6.9 Vocational Training Institutes will be established under the Labour Department. Special assistance will be provided to industries employing more than 100 unskilled labour and providing industry specific training to convert those unskilled labour to semi-skilled or skilled labour.
- 6.10 To encourage the youth passing out from Technical & Management Institutions for establishing their own enterprise, the State government will provide special facilities in government institutions. Private Sector institutions will also be encouraged to work in this area.
- 6.11 Keeping in view the demands of Industrial and Service Sectors, the State government will establish 'Skill Development Board', which will carry out skill mapping in the State and will take necessary decisions for skill development.

7 Special Policies for Encouragement of Priority Sectors







7.1 Handloom Industry

In order to encourage handloom industry, Integrated Handloom Development Scheme, SCP scheme for development of power looms, Handloom Award Scheme, Weavers Bahubudi Fund Scheme, Health Insurance Scheme, Group Insurance Scheme for Power loom weavers, Mahatma Gandhi Weavers Scheme will be implemented more efficiently.

7.2 Khadi and Gramodyog Industry

Khadi and *Gramodyog* have an important role in generation of self employment in rural areas. More employment will be made available to women spinners, weavers and other skilled labour in the rural areas by promoting *Khadi* products in the State. To make *Khadi* products more modernized, attractive and better-designed, consultancy and support for development of designs will be sought from various National level Institutes including National Institute of Fashion Technology. To popularise *Khadi* among all ages and sections of people, marketing support will be sought from National Institute of Fashion Technology and designs for *Khadi* / readymade garments will be developed according to the demand. Based on design developed by National Institute of Fashion Technology, skilled workers of *Khadi* organizations will be imparted the training for production of *Khadi*. For publicity and marketing of *Khadi*, support will be taken from commercial institutes and agencies.

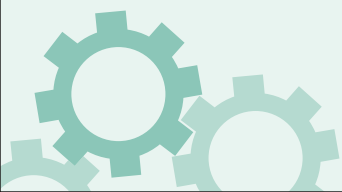
7.3 Information Technology Industry

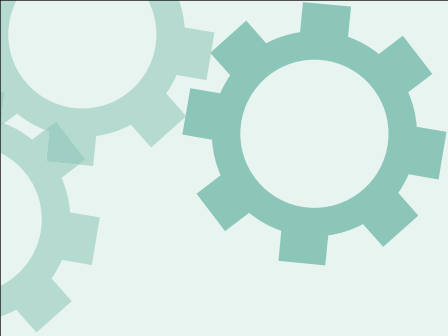
In view of the special importance of the sector, a comprehensive policy is being formulated by the Department of Information Technology and Electronics separately.

7.4 Bio-Technology Industry

The main aim of the Bio-technology Policy is to percolate the benefits of Bio-technology to all sections of society and to develop entrepreneurship for establishment of industries based on Bio-technology.

The State government will specially encourage such Bio-technology based industries which have high export potential and promote the development of the entire Bio-technology sphere. Such industries will be identified and given special





incentives and facilities. Bio-technology zones/ cities will be established. These zones/ cities will provide required infrastructural facilities and opportunities to the scientists, engineers and consultants etc. who are keen to develop industry in this field.

In view of the special importance of this sector, a comprehensive policy is being formulated by the Department of Science & Technology separately.

7.5 Food Processing Industry

In the entire sector of Food Processing, private capital investment will be promoted along with guidance with assistance to the industry, creating employment opportunities in the State. Encouragement will be provided for establishment of Mega Food Parks in the State. The income of farmers will be enhanced by ensuring reasonable and better price for their agricultural produce. Infrastructure facilities for storage, carriage and processing of agricultural food produce will be developed.

Food Processing Industries will be encouraged and policy support, promotional initiatives and facilities will be provided for enhancing value added exports. Standards of food safety and hygiene prevalent in food processing sector will be ensured in the production.

In view of the special importance of the sector, a comprehensive policy is being formulated by the Department of Food Processing separately.

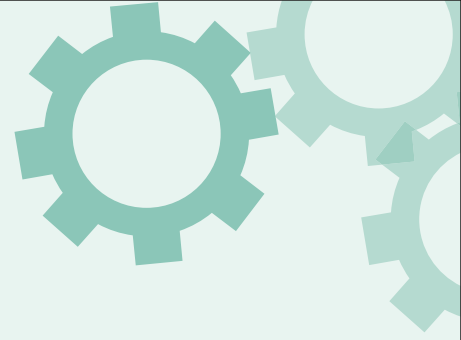
7.6 Tourism Industry

There are enormous opportunities for tourism in the State. In this regard, new hotels and resorts will be encouraged to promote tourism in identified areas. In addition to this, infrastructure facilities viz. Airports, Rope ways, Night Safari, etc. will be developed in the state.

7.7 Sugar Industry

In view of the special importance of this sector, a comprehensive policy is being formulated by the Department of Sugar Industry & Cane Development separately.





7.8 Export Promotion

7.8.1 Strengthening of Export Commissioner Office

- Export Promotion Bureau will be further strengthened as an important central point to assist and provide information to the exporters. Full time posts will be created in the Export Commissioner Office. Participation of the State will be ensured in at least two renowned international trade fairs every year. A detailed manual will be prepared regarding the tasks and processes of the Export Commissioner Office.
- Data related to the exports from the State will be regularly collected and published at the State level and regular coordination will be maintained with societies and other organizations of state level exporters of various industries.
- For the purpose of boosting exports, an extensive seminar or workshop will be organized at least once a year. Services of experts, consultants and renowned educational institutions will be availed to impart necessary information related to exports.

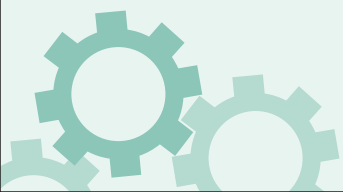
7.8.2 Manufacturers, who export through export houses, will be provided the facility of input tax refund or set-off facility related to the sale of products for export outside India through export houses.

7.8.3 Efforts will be made to establish more offices of Export Promotion Committees in Uttar Pradesh that are related to different types of industries.

7.8.4 For entrepreneurs participating in national and international fairs, the scheme of providing 50% transport cost and rent of stall area by the State government and balance 50% to be borne by the concerned entrepreneur/ unit will be continued.

7.8.5 Representation will be given to associations of exporters in *Udyog Bandhu* meetings organized at local and state level.

7.8.6 No department will check custom sealed consignment for export during transit. If required, checking will be done only at the destination after



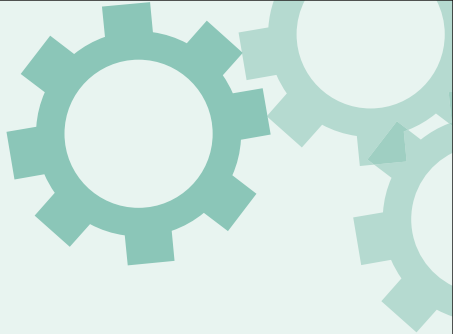


informing the officers of the Customs Department. Any officer violating this rule will necessarily be punished.

7.9 Non Resident Indian Investment

- 7.9.1** Innumerable investment opportunities exist in the State for non-resident Indians. Indians of Uttar Pradesh origin have earned worldwide fame for their entrepreneurial skills and capability. Attractive environment will be created for attracting investments from Non Resident Indians of Uttar Pradesh and other origins. For ensuring ease of investment by them, necessary modifications will be made in systems and procedures.
- 7.9.2** Foreign capital investment will be required for development of energy, roads, bridges and other infrastructure facilities. State Government would attract large scale direct capital investment and create an environment for making Uttar Pradesh the most preferred investment destination.
- 7.9.3** Non-resident Indians of Uttar Pradesh origin will be attracted to maximize investment in the State. They will be invited to invest in land development, infrastructure, mining and service sector.
- 7.9.4** Dissemination of the initial information to Non-Resident Indians and coordination will be done through Uttar Pradesh Investment Centre, New Delhi. Uttar Pradesh Investment Centre, New Delhi will also be made a member of the Overseas Indian Facilitation Centre of Ministry of Overseas Indian Affairs, Government of India.
- 7.9.5** Escort officers will be nominated to expedite the process of obtaining approvals, no objection certificates, licenses, etc. on investment proposals of Non-Resident Indians, to coordinate with various government departments, and to ensure that such proposals materialize within the minimum possible time. Investment proposals of NRI will be processed on top priority basis.
- 7.9.6** At the state level, a Fast Track Grievance Redressal Cell constituted under the Office of Director General of Police, Uttar Pradesh and at the district level, an Industrial Business Security Forum constituted under the chairmanship of the





District Magistrate will be used as a medium for grievance redressal for non-resident Indians and PIO.

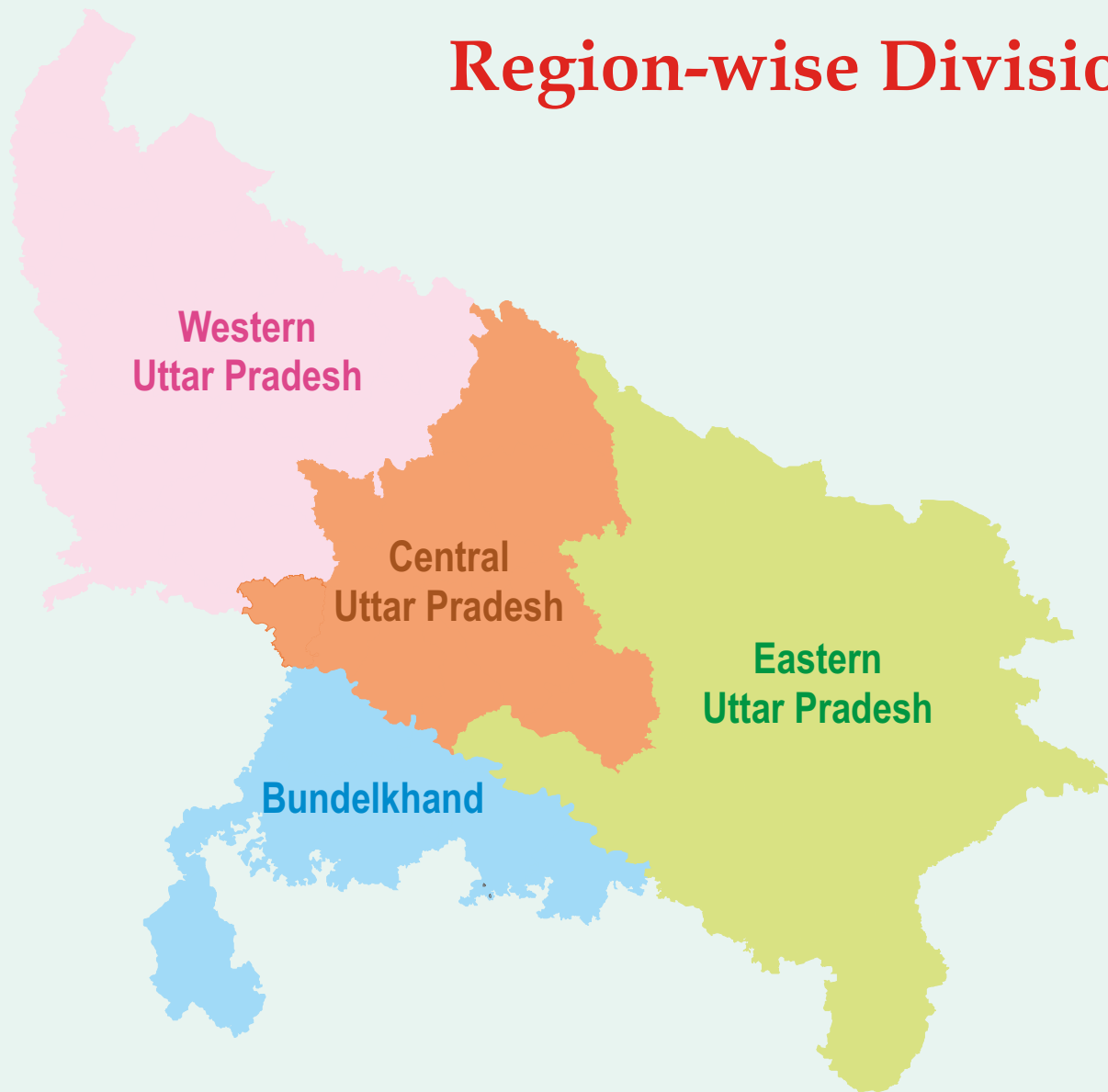
7.10 Rehabilitation of Sick Units:

Increasing incidence of sickness of industrial units in the State is adversely affecting industrialisation. Sickness of an industry also affects other industries. The main factors leading to sickness are non-availability of timely loans to industrial units, non-availability of working capital, irregular power supply and ineffective management etc. Due to sickness, the unit is not able to utilize its full operational capacity and subsequently, closes down on account of losses suffered. As a result, recovery of the loan given by financial institutions is not ensured, workers of the industry face unemployment and capital invested in the unit becomes unproductive. The State government is attentive for the rehabilitation of sick units for which the following arrangements are being made:

- 7.10.1 For rehabilitation of medium and heavy industries, Board of Industrial and Financial Reconstruction (BIFR) has been constituted at the national level. Time limits for implementation of packages decided by BIFR would be specified for the concerned departments.
- 7.10.2 Such units, which are basically viable from an economic perspective but become sick due to several other reasons, will be rehabilitated and revived. Government will continue to provide facilities to the sick units under its present policies. Exit policy and process will be determined for permanently closed units. For the rehabilitation of micro and small sick units, an agency will be nominated at the state level to formulate the rehabilitation & exit policy.

DISCLAIMER: U.P. Infrastructure & Industrial Investment Policy 2012 document has been translated from Original Hindi purely to facilitate non-Hindi users and for wider reach. Although utmost care as been taken to ensure the accuracy of translation, yet in case of any differences in interpretation of provisions provided herein, the 'Original' Hindi version will prevail.

Region-wise Division



Eastern U.P.

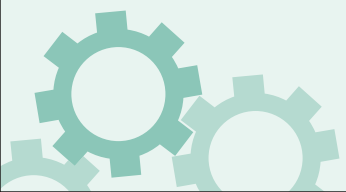
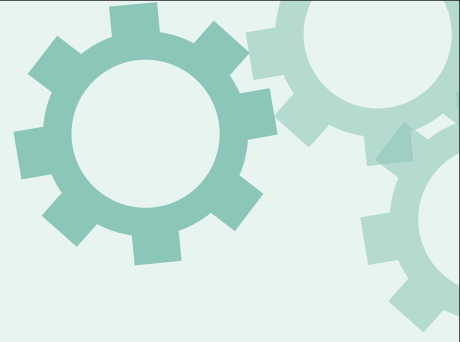
- Faizabad
- Varanasi
- Allahabad
- Gorakhpur
- Mirzapur
- Azamgarh
- Devipatan
- Basti

Central U.P.

- Kanpur
- Lucknow

Bundelkhand

- Jhansi
- Chitrakoot
Dham



Udyog Bandhu

(An IS/ISO-2001 : 2008 certified Nodal Agency of
U.P. Govt. for Investment Promotion)

12-C, Mall Avenue, Lucknow - 226001

Tel. : 91-522-2237582/83

Fax : 91-522-2237345, 2235115

Email : info@udyogbandhu.com

Website : www.udyogbandhu.com

