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# UTTAR PRADESH INDUSTRIAL INVESTMENT AND EMPLOYMENT PROMOTION POLICY 2022

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Government of Uttar Pradesh



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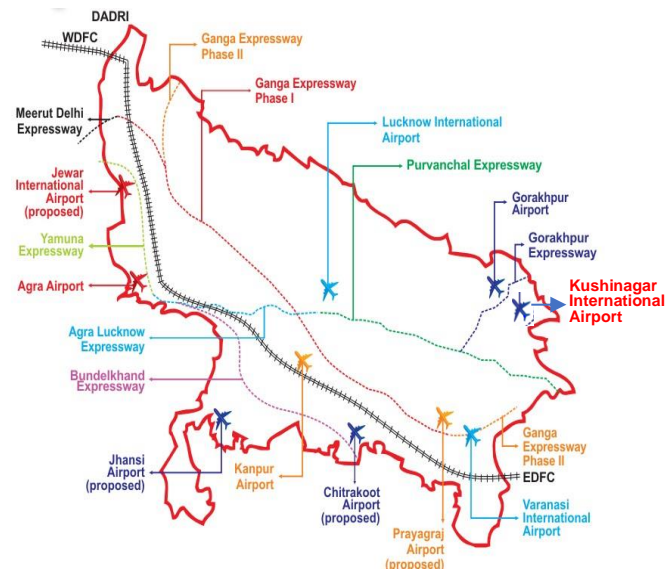
## 1. Preface

- 1.1 Uttar Pradesh occupies a significant place in the Indian economy. It contributes to around 8% to the nation's GDP and offers one of the largest consumer markets. It hosts the highest million plus urban agglomerations in India with seven cities having more than one million population and 7-others having over 0.5 million population.
- 1.2 As India surges ahead towards achieving its vision of becoming a US \$5 trillion economy and a global economic powerhouse, Uttar Pradesh plans to contribute by boosting the size of its GSDP to **US \$1 trillion**.
- 1.3 In a rapidly changing global economy, amidst the emergence of new technologies, it is imperative for Uttar Pradesh to support an industrial ecosystem built on a strong and balanced policy, legal and regulatory framework, and internationally connected business environment.
- 1.4 This policy is a vital step in delivering that vision. More than just a set of announcements, it heralds a new approach to how the Government and businesses can work together to shape a stronger, balanced, and sustainable economy for all citizens of the State while contributing to build the envisioned 'Atmanirbhar Bharat'.
- 1.5 At its heart, this policy epitomises the belief of a strategic State that enables private sector investment and intervenes decisively wherever it can make a difference.
- 1.6 It is rooted in the conviction that a successful economy must be built on firm foundations - the skills of its workers; the quality of the infrastructure; and a fair, secure, and predictable business environment.
- 1.7 And it prioritises synergy and partnership between the Government and the private sector.
- 1.8 The policy also realises that expanding the State's intervention in the economy should not be the sole aim. It also has to ensure a responsible & sustainable growth that percolates to the most vulnerable people of the society and occurs in the areas where they live.
- 1.9 The policy sets out how the Government will build on the strengths of the State and extend them into the future while capitalising on the opportunities to ensure that the State achieves its full potential.
- 1.10 A strong collaborative culture will be a key driver of the State's new industrial landscape and will support the industrial growth and transformation across sectors, value chains and supply chains, positioning the State at the global & national forefront as a preferred industrial destination.
- 1.11 This umbrella Policy provides a strategy framework for the State **over the next five years** against which major private and public sector investment decisions can be made with confidence.

## 2. Context of the policy

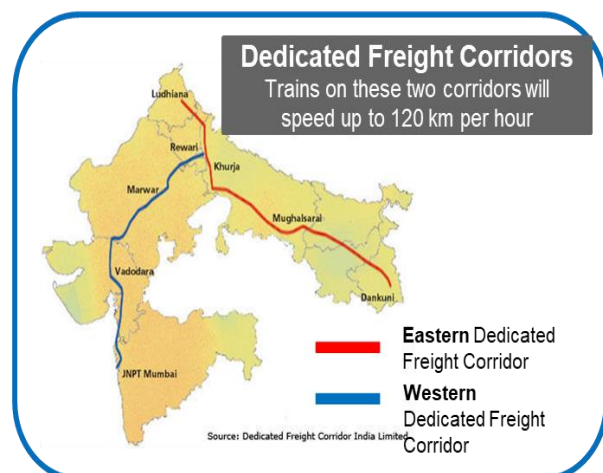
- 2.1 Uttar Pradesh has established itself as one of the leading places to invest in the country amongst not only large investors but also MSMEs. In the years ahead, the State is determined to make itself stronger and more outward-looking than ever.
- 2.2 The major interventions and achievements during the previous umbrella industrial policy – Industrial Investment & Employment Promotion Policy 2017, provides a foundation for this new umbrella policy.
- 2.3 Some of the major highlights achieved during the previous policy period are enumerated below.

2.4 In the last 5 years, the State has rapidly grown its infrastructure and connectivity network. In addition to being home to one of the highest National Highway networks in the country, Uttar Pradesh has established itself as the **State of Expressways** with thirteen existing & upcoming expressways – six expressways have been completed (1225 kms) while seven are under various stages of development.



2.5 In addition to hosting the largest railway network (more than 16,000KM) in the country, the State is home to considerable portion of **Western Dedicated Freight Corridor (WDFC)** and **Eastern Dedicated Freight Corridor (EDFC)**.

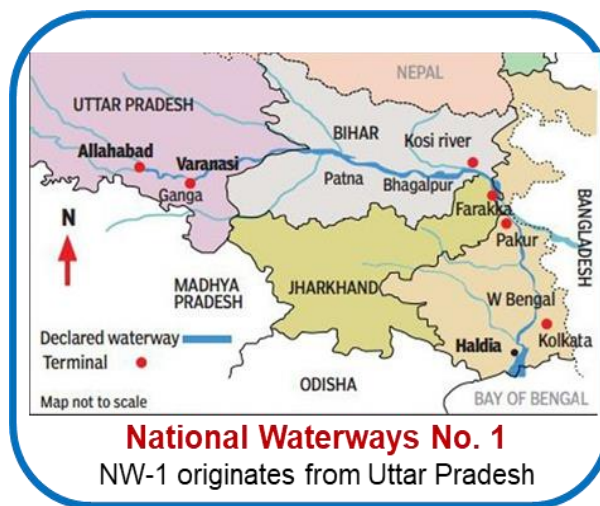
2.6 The WDFC will provide an easy access to the JNPT port at Mumbai (Western India) and 57% of EDFC passing through UP & connecting the Haldia Port at Kolkata (Eastern India), the State has created a strategic framework to leverage both these freight corridors. The efficient governance mechanism of the State Government and an effective



collaboration with Government of India (GoI) has led to a fast-track implementation of various early bird projects linked to these corridors.

2.7 With both the corridors - EDFC and WDFC intersecting at Dadri (located in Gautam Buddha Nagar district), the State has a unique advantage in the logistics sector. A **Multi-Modal Logistics Hub (MMLH)** and **Multi-Modal Transport Hub (MMTH)** are also being developed in the region will further give a fillip to the sector.

2.8 Nearly 1,100KM of the country's **first inland waterway** is already operational in the State connecting Prayagraj to Haldia port. A Multi Modal Terminal at Varanasi and various floating terminals are operational along the NW-1 at Ghazipur / Rajghat, Ramnagar (Varanasi) and Prayagraj terminals. Also, India's first "**Freight Village**", spread over 100 acres is coming up at Varanasi. Connecting the exporting hubs of Eastern UP to the ports of East India, the village will serve as a trans-shipment hub for inbound and outbound cargo.



2.9 With existing international airports at Lucknow, Varanasi and Kushinagar and new airports are coming up at Jewar and Ayodhya, Uttar Pradesh is set to become the only state in the country with **5 international airports**. In addition, 7 airports have been made operational under Regional Connectivity Scheme (RCS) for domestic connectivity, and another 8 airports are in pipeline.

2.10 Categorized as a "Top Improver" in Logistics Ease Across Different States (LEADS) ranking, the State has made a remarkable improvement of 7 positions from 2019 to achieve 6th rank in the country in 2021.

2.11 Under the landmark initiative of PM Gati Shakti National Master Plan, Uttar Pradesh is one of the front runners in developing a State Master Plan with an objective of bringing the 'whole of Government' in optimal logistics infrastructure planning.

2.12 **Ease of Doing Business** has been another key area of focus for the Government. The State has implemented record 500 reforms spread across more than 25 Departments in multiple areas such as Labour regulation, Inspection regulations, Land allotment, Property registration, Environment clearances, Paying taxes & many others. In addition, the State has also been able to reduce

more 3,500 compliances, repealed more than 900 Acts/ Rules/ Regulation/ Orders and decriminalised 569 compliances under the Minimising Regulatory Compliance Burden initiative of the Government of India. These interventions led the State to achieve the 2nd position in Business Reform Action Plan 2019 ranking of States by Government of India and being categorised as an 'Achiever State' in 2020 rankings.

- 2.13 Through **Nivesh Mitra** which has been ranked as one of the leading Single Window Portals in the country, the Government has been able to successfully provide 353 services of 29 Departments to industries through *Nivesh Mitra* without any human touch point. The portal has also been integrated with the National Single Window Portal.
- 2.14 On the policy front, the State Government has rolled out more than 20 sectoral policies under the umbrella policy of Industrial Investment & Employment Promotion Policy 2017. These policies were able to successfully usher in a policy-based governance and incentivisation mechanism in the State.
- 2.15 The Government has also focused on creating a land bank for industries across the State while earmarking areas for sector specific industries. This includes the Defence Industrial Corridor on 5,000 hectares of land along Agra-Aligarh-Lko-Kanpur-Jhansi-Chitrakut; Integrated Manufacturing Clusters at Agra (1060acres) & Prayagraj (1139acres); Medical Device Park over 350 acres at GB Nagar; Integrated Township (IIT GNL) at Greater Noida; Toy Park (52 acres), Apparel Park (118 acres), Handicraft Park (40acres), Logistics Hub (Tappal-Bajna); Film City; Mega Leather Park Unnao – the country's 1st leather park, spread over 42 acres of land; Mega Food Park at Bareilly (246acres); Agro Park at Varanasi (259acres); Transganga City Unnao(1149acres); Flatted factories at Lucknow, Kanpur, Agra, Ghaziabad, Gorakhpur & Aligarh etc.
- 2.16 The Government is also developing **Integrated Manufacturing Clusters** along the prominent expressways.
- 2.17 The massive success of **UP Investors Summit 2018** was a testimony of the various effective interventions implemented by the State Government. 1,045 investment intents worth Rs. 4.28 Lakh Crores were received during the Summit which saw a participation of 7,000 plus business delegates and high-level representatives of 10 countries.
- 2.18 During the Effective Period of IIEPP2017, the State witnessed around Rs. 3.5 Lakh Crores of investments including those implemented through the landmark initiatives of Ground-Breaking Ceremony 1, 2 and 3 across sectors Sectors viz. Data Centers, Electronics Manufacturing (most mobiles and white goods), Food

Processing, Manufacturing including engineering, Renewable energy, Handloom & textiles, Logistics & warehousing, IT/ ITeS, Tourism etc.

- 2.19 As the State is home to the highest number (approximately, 9 million) of MSMEs in the country, a special attention was given to this sector. The Government's flagship programme, '**One District One Product**', which was replicated at the national level and launched in 2018 has garnered nationwide accolades and has been successful in not only protecting and promoting the local industries but has also spurred a manifold increase in exports from the State.
- 2.20 Various interventions including tie-ups with global e-commerce majors, development of Common Facility Centres, financial assistance, tool kit distribution etc. have been carried out to scale up the ODOP initiative in the State.
- 2.21 In addition, a dedicated investment promotion and facilitation agency for the State – Invest UP was conceptualised and implemented by the State Government during the Effective Period of IIEPP 2017.
- 2.22 The Effective Period of the previous policy also witnessed the global devastation caused by COVID-19. However, the resilience of the State complemented by fast & efficient governance mechanism in the State, enabled its businesses to incur minimal man-day loss. The State was not only globally appreciated for its CoVID-19 management but was also able to attract fresh investments from both India and abroad.
- 2.23 With the above as a brief context, this new umbrella industrial policy of the State sets forth a strategy to leverage the momentum of industrialisation achieved till now while achieving new feats and tackle the economic dynamics at play at the national and international level.
- 2.24 This new Policy recognizes the increasingly dynamic nature of the economy which necessitates the Government to partner with private sector and handhold them while balancing the State's fiscal responsibilities.
- 2.25 Due consideration has been given on the feedback of industries, industrial bodies & other stakeholder on key areas like land availability, handholding of private investors, quick resolution of issues, timely sanction of benefits and incentive structure with options delinked to State Goods & Services Tax (SGST).



### 3. Vision of the Policy and its implementation

#### 3.1 Vision

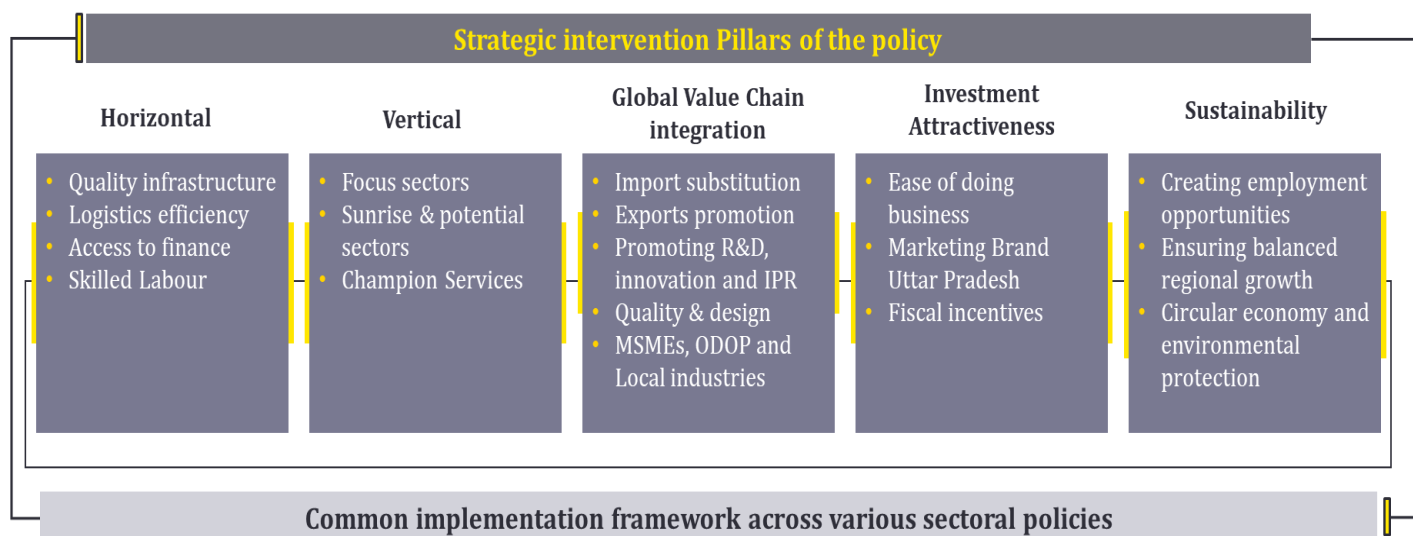
To establish Uttar Pradesh as a nationally and internationally competitive investment destination thereby generating employment and igniting sustainable, inclusive and balanced economic growth in the state.

#### 3.2 Mission

- 3.2.1 To foster and create a progressive, innovative, and competitive industrial ecosystem to enable the State’s aim of a becoming a one trillion-dollar economy
- 3.2.2 To increase capital investments in the state
- 3.2.3 To provide and maintain quality infrastructure for industries to flourish
- 3.2.4 To promote ease of doing business to create business friendly environment
- 3.2.5 To generate maximum direct and indirect employment and self-employment opportunities for both skilled and unskilled workforce
- 3.2.6 To skill the workforce of the state to ensure employability and empowerment
- 3.2.7 To promote the spirit of innovation and incentivize entrepreneurship
- 3.2.8 To ensure balanced, sustainable, and inclusive economic development

#### 3.3 Strategies to achieve the vision

The policy aims to achieve its vision and mission through interventions across five key pillars –



3.3.1 **Horizontal pillar** includes interventions to ease the access to the key factors of production viz. –

- i. Development of quality infrastructure facilities including land; industrial parks; industrial corridors; Integrated Manufacturing Clusters; Connectivity – road, air, water & digital; Power; and Water & drainage.
- ii. Logistics efficiency
- iii. Access to finance
- iv. Skilled manpower

3.3.2 **Vertical pillar** includes key interventions across following sector categories –

- i. **Focus sectors** – Sectors which are the key drivers of economic growth and development in the state and which have dedicated incentivisation mechanism under any existing sector specific GoUP policy
- ii. **Sunrise & potential sectors** – Changing market dynamics, disruptive technologies and evolving geo-economic scenarios are bringing to the fore new Sectors that can become the drivers of future growth in the State for which there is no dedicated incentivisation mechanism under any sector specific GoUP policies. Such sectors would be termed as Sunrise sectors.
- iii. **Champion sectors in service** – The 12 service sectors identified by the Government of India under the ‘Action Plan for Champion Sectors in Services’

3.3.3 Global Value Chain integration pillar entail following interventions –

- i. Import substitution
- ii. Export Promotion
- iii. Promotion of Research & Development (R&D), innovation and Intellectual Property Rights (IPR)
- iv. Enhancing quality and design
- v. Supporting MSMEs, ODOP and local industries

3.3.4 Investment attractiveness pillar includes –

- i. Enhancing Ease of Doing Business
- ii. Marketing of ‘Brand Uttar Pradesh’,
- iii. Providing fiscal incentives

3.3.5 Sustainability pillar includes –

- i. Creating employment opportunities
- ii. Ensuring balanced regional growth
- iii. Circular economy and environment protection

## Strategy 1: Horizontal Pillars of intervention

### 4. Infrastructure – Enabling easy access to quality infrastructure

Availability of an enabling and resilient infrastructure is the sine qua non of industrial growth. It not only reduces operation costs of doing business, but also rebalances the economy while leading to higher growth and living standards.

However, such infrastructure facilities which are aligned to the growth objectives of the state and can prove to be transformative in the long run, often cannot be provided by the private sector. The GoUP is committed to create and make available such facilities.

The Government also realises the importance of private investments in achieving this objective. Hence it will strive to create a regulatory environment which can unlock private investment in new & existing infrastructure of the state and support long term growth. The Government through this policy intends to align the planning of infrastructure more effectively with regional growth requirements.

As a key pillar of its industrial growth strategy, the GoUP will focus on the following economic infrastructures –

#### 4.1 Enabling Land bank creation

- 4.1.1 Creating a land bank for industrial use by promoting pooling of non-agricultural, *banzar* (barren) and uncultivable land available after meeting the requirement of the village.
- 4.1.2 The government will facilitate the establishment of private industries/ industrial projects in the State by providing non-agricultural, *banzar* (barren) and other such eligible category Gram Samaj land by resumption of such land and providing the same on lease to such establishments for a period of 30 years on payment of District Magistrate notified Circle Rate. On fulfilment of all lease conditions by the lessee, the lease period can be renewed after 30 years for a period of 30-30 years on the request of the lessee. Such land will be provided by the Revenue Department on recommendation of a High-Power Committee chaired by Chief Secretary.

- 4.1.3 Simplifying land use management for industries by amending provisions of Revenue Code viz. converting agricultural land into non-agricultural land, change of land use, exchange of Gram Samaj land with private land, Permission for sale of SC/ST land for establishing industries.
- 4.1.4 Unlocking of land bank owned by government/ state public sector sick units
- 4.1.5 Develop web enabled platform for private parties (including farmers) for lease or sale of encumbrance free land for industrial purpose. The Government will verify the land titles/ records of such land parcels
- 4.1.6 Vesting of Gram Samaj land/ Government land located within the Industrial Development Authority areas without any charges in the concerned Industrial Development Authority.
- 4.1.7 Vesting of Gram Samaj/ Government land located anywhere in the State to Industrial Development Authorities without any charges as may be required from time to time.
- 4.1.8 The land bank of various Industrial Development Authorities in the State is already integrated with the GIS enabled portal of GoI - India Industrial Land Bank. The Govt will strive to ensure live updation of the data on the GIS portals of the state as well as GoI.
- 4.1.9 The Land Pooling Policy 2020 will be further strengthened to enable creation of land bank.
- 4.1.10 Provision for land allotment applications through Nivesh Mitra - the Single Window Portal of the State will be done.

## 4.2 Promoting industrial parks and clusters

- 4.2.1 Developing land bank and Integrated Manufacturing Clusters along expressways & freight corridors in the State.
- 4.2.2 Upgradation of existing infrastructure facilities in industrial parks through various means including Atal Industrial Infrastructure Mission
- 4.2.3 Developing sector specific parks & clusters viz. Medical Device Park, Textile Parks, Toy Park, Food processing parks, IT Parks etc. through various models including PPP. The Government will also strive to synergise its efforts with various GoI schemes for development of such parks.
- 4.2.4 Creation of plug and play facilities in the form of flatted factories. Towards this, the Govt will strive to avail benefits under schemes notified by GoI

- 4.2.5 Strengthening cluster development framework through development of Industrial Corridors, horizontal enablers like training institutes, financial services, centre for excellence, CFCs etc.

#### 4.3 Promoting Private Industrial Parks

- 4.3.1 The Government will provide following incentives to developers of Private Industrial Parks of 20 acres or more in Bundelkhand & Poorvanchal and 30 acres or more in Madhyanchal and Paschimanchal—

- i. Capital subsidy of 25% of eligible fixed capital investment (except land cost and cost of building Hostel/Dormitory Housing) maximum up to ₹40 Crores in Madhyanchal and Paschimanchal and ₹45 Crores in Bundelkhand or Poorvanchal.
- ii. Capital subsidy @ 25% of the cost of building Hostel/Dormitory Housing (except land cost) for workers in the Industrial Park maximum up to ₹25 Crores.
- iii. 100% exemption on stamp duty on the purchase of land by the developer.
- iv. The stamp duty exemption will be provided on submission of bank guarantee of equivalent amount which will be released on completion of development of the park by the developer.

- 4.3.2 For Private Industrial Parks of more than 100 acres developed anywhere in the State, the Government will extend the following incentives –

- i. Capital subsidy of 25% of eligible fixed capital investment (except land cost and cost of building Hostel/Dormitory Housing) maximum up to ₹80 Crores.
- ii. Capital subsidy @ 25% of the cost of building Hostel/Dormitory Housing (except land cost) for workers in the Industrial Park maximum up to ₹50 Crores.
- iii. 100% exemption on stamp duty on the purchase of land by the developer
- iv. The stamp duty exemption will be provided on submission of bank guarantee of equivalent amount which will be released on completion of development of the park by the developer.

- 4.3.3 The Private Industrial Parks should have minimum of 5 units with no single unit occupying more than 80% of the total allocable area for industrial use.

- 4.3.4 The disbursement of incentives will be done as follows –

- i. 75% of the capital subsidy under the head of fixed capital investment (refer clause 4.3.1 (i) and 4.3.2(i)) will be reimbursed in 4 instalments after incurring expenditure of 25%, 50%, 75% and 100% of the total cost under this head. The next 10% will be provided on 100% completion of allotment of saleable land for setting up of industrial units in the park as per the approved plan. Rest 15% incentive will be released after 80% of the units in the park start their commercial operations.
  - ii. Capital subsidy under the head of cost of hostel/ dormitory (refer clause 4.3.1 (ii) and 4.3.2(ii)) will be reimbursed in 4 instalments after incurring expenditure of 25%, 50%, 75% and 100% of the total cost under this head. Also, the developer will have the option to sell off/ lease out this infrastructure with the condition that this infrastructure shall only be used by the workers/ employees of the industrial units set up in the said park. Detailed guidelines for the same will be further notified.
- 4.3.5 If the Govt sees it fit, it may reduce rates of land use conversion for development of private industrial parks.
- 4.3.6 A Global FAR of 2 will be allowed of which –
  - i. Up to maximum of 30% will be allowed for Hostel/ Dormitories (not to be sold)
  - ii. 2.5% for Commercial spaces (Additional 2.5% in case the private developer forms a SPV with farmers/ Bhumidhars contributing more than 50% land for the park)
- 4.3.7 Minimum of 25% of total land area should be kept for open area, green area and common infrastructure
- 4.3.8 Consortium of developers will be allowed
- 4.3.9 The Parks as provided under Para 4.3.1 (20-30 acres or more) should be completed in 5 years, while Parks provided under Para 4.3.2 (100 acres or more) should be completed in 6 years.
- 4.3.10 Power purchase through open access and provision for power distribution licence will be allowed
- 4.3.11 UPSIDA will be the map approving authority and the byelaws of UPSIDA will be applicable, for the same, on such private industrial parks proposed in areas outside Industrial Development Authority/ Development Authority/ Urban Local Bodies/ other notified areas.

4.3.12 The GoUP will facilitate development of external infrastructure viz. Public Works Department (PWD) will facilitate development of roads, Energy Department will facilitate in providing power utilities etc.

4.3.13 A detailed guideline for implementation of this Promotion of Private Industrial Park Scheme will be released.

#### 4.4 Facilitating land aggregation for Private Industrial Parks

4.4.1 Government will facilitate private players in land acquisition outside the notified areas of Industrial Development Authorities, Housing Development Authorities, Urban Local Bodies or other notified areas for development of Private Industrial Parks of more than 100 acres and having minimum of 5 units with no single unit occupying more than 80% of the total allocable area for industrial use.

4.4.2 Towards this, a License will be provided on acquisition (with registered sale deed) of 25% of total proposed land area. In the licensed area, the developer will have exclusive rights of development/ construction and towards this, map approval of the license holder will only be accepted in this area. Map of any other applicant in such licensed areas will not be approved and unauthorised development/ construction in such areas will also be controlled.

4.4.3 A Detailed Project Report (DPR) needs to be submitted for the proposed Private Industrial Park within 18 months from the date of issuance of licence. 60% of the total land acquisition (including land with Land Pooling Agreement) must be completed by then.

4.4.4 Map approval will be done by UPSIDA as per its byelaws. Map approval will have to be done within 2 years from the date of issue of license. 75% land acquisition (including land with Land Pooling Agreement) must be completed by then.

4.4.5 After, at least 80% of the total proposed land is aggregated by the Private Industrial Park developer, if any issue is faced in acquisition of remaining land, UPSIDA will acquire the remaining land on submission of Bank Guarantee of equivalent amount. Subsequently UPSIDA will provide the remaining land on lease to the Developer.

4.4.6 A detailed guideline for implementation of this Licensing Scheme for Private Industrial Park will be released.

#### 4.5 Fast-track land allotment

4.5.1 Preferential land allotment on fast-track basis will be done for following category of investors –

- i. Projects meeting the condition of Super Mega and above category as per their DPR and as defined in this policy.
  - ii. Following projects meeting the condition of Mega and above category as per their DPR and as defined in this policy
    - a. Projects with 100% Foreign Direct Investment
    - b. Companies and their Holding/ subsidiary companies featuring in the Fortune Global-500 in the last 3 consecutive years
    - c. Companies and their Holding/ subsidiary companies featuring in the Economic Times-200 in the last 3 consecutive years
    - d. Companies and their Holding/ subsidiary companies featuring in the Forbes Global-2000/ Asia best – 200 companies in the last 3 consecutive years
  - iii. Large or above category projects which are industrial PSUs of any State Government and Central Government with majority Government holding
- 4.5.2 Invest UP, upon receipt of the online application along with an application fee for such fast-track land allotment, will scrutinise the application based on the DPR and other parameters set forth for the same.
- 4.5.3 A Fast-Track Land Allotment Committee under the Chairmanship of Infrastructure and Industrial Development Commissioner will provide its final approval for such allotment based on the scrutiny done by Invest UP.
- 4.5.4 Land within Industrial Development Authority/ Development Authority
- i. Post approval of the Fast-Track Land Allotment Committee, in industrial areas where direct land allotment is allowed, the concerned Industrial Development Authority will directly allot the plot in favour of investor as per their standard procedure and applicable rules. In case of more than one applicant, the concerned Authority will allot the land to the applicant with the highest Capital Investment.
  - ii. In industrial areas where land is allotted through auction, the allotment of such land by the concerned Industrial Development Authority will be done directly to the applicant without any auction as per their standard procedure and applicable rules. But in all such cases the price of land will be Base rate of the Plot + additional 15% of the base rate. In case of multiple fast track applicants for the same plot, the project with higher Capital Investment will be allotted the said land by Industrial



Development Authority as per their standard procedure and applicable rules.

- iii. In case if any Development Authority has developed industrial areas and industrial plots are available, then these provisions (refer clause 4.5.4 and 4.5.5) will also apply to such industrial areas.

4.5.5 Requirement of land outside Industrial Development Authority/ Development Authority/ Urban Local Bodies/ other notified areas where purchase/ acquisition is required to be done for setting up of industrial park/ unit

- i. In case, any industrial unit, which is eligible for fast track allotment of land as above, requires land outside any Industrial Development Authority/ Development Authority/ Urban Local Body/ other notified areas, the Nodal Agency designated by the Government, will arrange to acquire at least 1.25 times of the land required by such eligible unit so that a minimum of 4 more industrial units can be set up in the additional land so acquired and an industrial area/ park be developed. Such eligible unit can be allocated up to a maximum of 80% of the saleable area.
- ii. While submitting a proposal for fast track allotment of land under this provision, an eligible unit can also submit a proposal upfront for allotment of land for setting up of additional industrial units in the additional land so acquired, and in such case, all such additional industrial units will also be treated as eligible for fast-track allotment irrespective of the level of investment in them.
- iii. In case where such eligible unit submits a proposal for allotment of land for additional units less than 4, then the Nodal Agency will allot the balance land for setting up industrial units as per its own rules/ procedure.
- iv. The allotment cost shall be determined after including the purchase/ land acquisition cost, internal and external development cost as per actuals, and administrative charges as may be specified from time to time. Detailed guidelines in this regard shall be issued separately.
- v. The Government may decide to take the entire acquisition cost/ allotment price upfront, or part upfront and part in the form of Bank Guarantee or any other mechanism to ensure that the entire cost is secured in favour of the agency. Any escalation in the cost

of acquisition as a result of intervention of the courts will have to be borne by such eligible unit/ units.

#### 4.6 Investment regions, Industrial Corridors and Integrated Manufacturing Clusters – Leveraging Expressways and Dedicated Freight Corridors

- 4.6.1 Industrial Investment Regions and Integrated Manufacturing Clusters with speedy access to key markets, adequate supply of water and electricity, excellent waste management system and recycling facilities etc. provide investors and manufacturers the perfect breeding ground.
- 4.6.2 The GoUP intends to create such regions & clusters with the most advanced infrastructure and outstanding facilities tailored to suit the requirements of modern industries along major expressways and freight corridors of the State.
- 4.6.3 The Government is committed to extend all necessary support to the Government of India for successful and timely development of EDFC and WDFC. The state will create a framework to capture value out these dedicated freight corridors and ensure timely completion of projects around these corridors thereby unleashing further economic activities and job growth.
- 4.6.4 Considerable portion of the catchment areas of Delhi Mumbai Industrial Corridor and Amritsar Kolkata Industrial Corridor lies in the State. The GoUP will strive to leverage these industrial corridors and develop new ones along the state-of-the-art expressways of the State.
- 4.6.5 The Integrated Manufacturing Cluster at Agra and Prayagraj, strategically positioned close to WDFC, will be developed on a fast-track mode with an aim to provide seamless connectivity and world class facility to the Industrial units.
- 4.6.6 As of January 2022, there are 24 approved SEZs in Uttar Pradesh out of which 21 has been notified under the SEZ Act 2005 and 14 of them are operational. The GoUP will align its policy framework to align with the proposed Development of Enterprise and Service Hubs (DESH) replacing the SEZ Act, as declared in the FY23 Union Budget.

#### 4.7 Road connectivity

- 4.7.1 The State is already home to 37.5% of India's expressways.
- 4.7.2 With six expressways already completed (1225 kms), the GoUP intends to create a maze of expressways in the State by creating seven more expressways thereby enabling market integration and logistics efficiency in the State.

- 4.7.3 The GoUP will work towards further developing quality 4-lane and 6-lane highways across the entire state.
- 4.7.4 Barriers to cargo movement such as no-entry zones, congestions & choke points etc. will be regularly identified and an action plan to mitigate those barriers will be prepared & implemented.
- 4.7.5 Network optimisation of roads by Public Works Department to connect major agricultural aggregation points, economic growth centres, export and industrial hubs with the expressways, NHs and freight corridors will be done.
- 4.7.6 The government also intends to introduce advanced traffic management through the latest technologies.

#### 4.8 Rail connectivity

- 4.8.1 To improve rail connectivity in the state, the GoUP will request the Government of India to increase the reach & density of railway network in the state.
- 4.8.2 GoUP will strive to increase the frequency of trains in the state to meet the traffic needs of the state.
- 4.8.3 To ensure smooth last and first mile connectivity, dedicated road network connecting the railway stations of the DFCs will be ensured. Any congestion/ bottlenecks in such roads will be continuously monitored and addressed.

#### 4.9 Air connectivity

- 4.9.1 For further improving the air connectivity in the state, GoUP intends to develop new airports to connect all the regions of the state with the rest of the country. Private sector participation will be encouraged for the same.
- 4.9.2 Growth in aviation sector necessitates the development of adequate Maintenance, Repair and Overhaul (MRO) facilities for aircraft. There exists potential for development of MRO hub near proposed Jewar airport in Gautam Buddh Nagar. The State Government has already launched a dedicated policy promoting setting up of MRO facilities in the State near airports or at new locations

#### 4.10 Waterways

The GoUP also intends to take all necessary action for developing terminals, connecting infrastructure and identifying key stakeholders around the NW-1 connecting Prayagraj, Varanasi and Haldia Sea Port at Kolkata. This will enable the

state to derive benefit out of the reliable and cheaper movement of freight through Ganga Waterways.

#### 4.11 Digital connectivity

Digital Connectivity will be one of the prime areas of focus of the GoUP. In line with the Digital India Program of Government of India, the policy intends to transform India into digital empowered society and knowledge economy. Towards this, the GoUP intends to provide necessary administrative assistance to agencies related to the development of broadband highways and other infrastructure ensuring universal access to mobile connectivity.

#### 4.12 Availability of Power

Availability of quality uninterrupted power is one of the most crucial factors of production for industries. The State Government is committed to strengthen the power sector by ushering in reforms and eliminating the demand supply deficit.

Towards this, the policy envisages the following action plan –

- 4.12.1 To meet the growing demand in the state, Government would encourage private participation in energy generation, transmission, distribution and capacity augmentation.
- 4.12.2 Measures will be taken to reduce AT&C losses by administrative measures, curbing theft & pilferage of electricity and setting up police stations.
- 4.12.3 Identify and provide industrial clusters having minimum specified load with independent feeders and exempt these from power cuts.
- 4.12.4 The procedure for enhancement, reduction and surrender of power load will be simplified.
- 4.12.5 Ensure that dedicated feeders constructed by industries at their own cost are, in no case, tapped for other purposes other than industrial load.
- 4.12.6 The industrial parks/ units will be eligible for benefit of open access policy of the Government for purchase of power.
- 4.12.7 Grievance redressal mechanism pertaining to electricity connection will be strengthened.

#### 4.13 Water and Drainage

- 4.13.1 To ensure supply of water according to the demand of industries and to strengthen the drainage system for water and waste, Atal Industrial Infrastructure Mission and other schemes will be utilised to strengthen the facilities in the existing industrial areas of the State.

4.13.2 Efforts will be made to ensure water is made available to the industries on priority basis.

4.13.3 Recycling of used water by industries and laying of separate pipeline for industrial water use will be accorded due importance as per ground-water policy.

4.13.4 The government will encourage rainwater harvesting.

4.13.5 The policy also intends to provide necessary water connection and drainage facilities in the industrial areas/ estates of all industrial development authorities.

## 5. Ensuring logistics efficiency

The State Government realizes the importance of improving logistical ease and efficiency for its businesses. Logistical infrastructure is crucial for the delivery of products and services as and when they are needed and desired thereby serving as a major enabler of growth of industrialisation, trade, and commerce in an economy.

Through this policy, the Government intends to:

- 5.1 Leverage and promote wide scale adoption of UP PM Gati Shakti National Master Plan portal by all departments of the State to bring the 'whole of Government' for integrated planning and synchronised implementation of the logistics infrastructure projects
- 5.2 Ensure a vibrant ecosystem for private sector investments in Warehousing & Logistics sector through the dedicated Warehousing & Logistics Policy.
- 5.3 Ensure effective implementation of the Integrated State Logistics Plan and City Logistics Plan of key cities in the State.
- 5.4 Create a framework to capture value out of EDFC and WDFC and ensure timely completion of projects around these corridors to unleash economic growth.
- 5.5 Promote multi-modal logistics & transport hubs at strategic locations of the state and across the vicinity of WDFC and EDFC.
- 5.6 Promote dry ports; and connectivity between multi-modal transport networks and the economic nodes/ industrial clusters as well as between logistics infrastructure of domestic industry with that of EXIM related infrastructure to further enhance exports.
- 5.7 Create a connectivity web of air, water, road and rail network that will help the state's industries and manufacturing units switch seamlessly between different modes of transport

## 6. Enabling wider access to finance

Access to finance is an important factor for rapid industrial growth in the State. The Government of India has recently taken a number of measures to address credit related issues specifically for industrial sector.

To strengthen access to finance in the State, following actions are envisaged –

- 6.1 Attractive fiscal incentives for investments in the State across multiple sectors as mentioned in this policy.
- 6.2 Development of FinTech City in the state and leveraging it to enable greater access to funds
- 6.3 Explore the possibility of creating an Infrastructure Development Fund while leveraging funds of multi-lateral banks and International Financial Institutions (IFIs) for development of industrial infrastructure
- 6.4 Streamlining the Rs.1,000 Cr fund of funds for start-ups launched under the Start-up policy of the State
- 6.5 Facilitate a conducive environment to attract venture capital and angel investments

## 7. Skilled Manpower – Reaping the benefits of demographic dividend

Accelerated economic growth requires skilled and trained manpower. Around one-fifth of India's population resides in Uttar Pradesh of which 60% are in the working age group. The Government intends to reap the benefit of this huge demographic dividend for the industrial growth of the state by aligning the skills of this age group as per current and future industry needs.

This policy aims to create provisions for ensuring sector-specific high-quality manpower towards which the following action plan is envisaged –

- 7.1 GoUP will periodically map Industry specific skill gaps, emerging sector roles and consumer market trends & requirements and introduce industry-responsive short term, long term & modular courses in existing ITIs, Polytechnic and Engineering colleges as well as feed it back to training providers with active user-industry participation and involvement in formulating the course material and training.
- 7.2 The State will work to enhance sector-specific skilled manpower base and promote employers willing to recruit manpower from Uttar Pradesh. A strategy will be formulated to attract such industries and industrial establishments to join hands with skill development training programmes of the state.

- 7.3 Skill Development Centres will be established in major industrial areas/ clusters/ parks with special focus on harnessing the social capital in rural areas.
- 7.4 Special attention will also be given to skill development of SC/ ST/ Backward class and Women entrepreneurs
- 7.5 Special efforts will be put by Skill Development Department to train youth enabling employment in industrial units as apprentice under the Apprentices Act.
- 7.6 Facilitate partnerships between EdTech players and Higher Education institutions to train college students at subsidized rates, on new-age skills
- 7.7 Establish mega multi/sector focused skill parks / hubs to enhance supply of skilled workforce
- 7.8 Encourage training programs where colleges are paired with prominent industries in the region
- 7.9 Strive to provide pool of skilled and un-skilled manpower to industries. If such manpower is not available, GoUP will develop necessary courses, skill the workforce and make available such pool
- 7.10 The State is implementing 'One Family, One ID' system through which employment status of all citizens in the State shall be mapped.
- 7.11 Strengthen portals like Sewayojan, Sewa Mitra, e Shram etc. to provide match making services to industries seeking workforce. And provide access to employment exchange through the single window portal

## Strategy 2: Vertical Pillars of intervention

### 8. Sectoral approach – Benefitting from sectors of strength while identifying those that can drive future growth

#### 8.1 Focus sectors

The State recognises that in certain sectors the State has a competitive advantage because of its location, resources, skill- base, available raw materials, existing manufacturing practices and expertise. Such sectors are the drivers of economic growth and development in the state.

Hence, the State aims to develop a dedicated policy framework suited to the needs of that sector and modify existing policies suitably, if required.

Such sector shall include –

8.1.1 Agro & Food Processing

8.1.2 Handloom & Textiles

- 8.1.3 Tourism
- 8.1.4 MSME
- 8.1.5 Electronics Manufacturing
- 8.1.6 Data Centre
- 8.1.7 Defence & Aerospace
- 8.1.8 Warehousing & logistics
- 8.1.9 Dairy and Poultry
- 8.1.10 IT/ ITeS
- 8.1.11 Start-up
- 8.1.12 Electric Vehicle
- 8.1.13 Film
- 8.1.14 Renewable Energy (Solar)
- 8.1.15 Pharmaceuticals
- 8.1.16 Civil Aviation
- 8.1.17 Biofuel
- 8.1.18 Semiconductor
- 8.1.19 Animation, Visual effects, Gaming and Comics (AVGC)
- 8.1.20 Private sector hospital
- 8.1.21 Private universities/ colleges including medical & paramedical colleges
- 8.1.22 Mega multisector focused skill parks/ hubs

Such sectors may be revised by GoUP from time to time based on market dynamics and industry demand.

## 8.2 Sunrise & potential sectors

Changing market dynamics, disruptive technologies and various other factors are bringing to the fore new Sectors that can become drivers of future growth in the State. Some of these sectors that have a high potential for growth, diversification and investment. Such sectors shall include –

- 8.2.1 Green hydrogen production



- 8.2.2 Capital goods including heavy electrical and power equipment, earthmoving and mining machinery, and process plant equipment
- 8.2.3 Chemicals including Bulk chemicals, Specialty chemicals, Agrochemicals, Polymers Petrochemicals and Fertilizers
- 8.2.4 Aircraft and allied components manufacturing
- 8.2.5 Infrastructure projects including development of airports, Pumped Storage Plants and others not covered under any GoUP sectoral Policy as notified from time to time
- 8.2.6 Automobile and automotive
- 8.2.7 Projects related to Circular Economy (As described in Chapter 15 of this Policy)

Such Sunrise Sectors & Potential sectors will also be covered under this policy. These sectors may be revised by GoUP from time to time based on market dynamics and industry demand.

### 8.3 Champion sectors in Service Industry

Government of India under its 'Action Plan for Champion Sectors in Services' has approved to give focused attention to 12 identified Champion Services Sectors.

The Government of Uttar Pradesh already has notified dedicated policies for few of these sectors like IT/ ITeS, Tourism etc.

However, the State will also lay a focused attention to promote these sectors in alignment with GoI guidelines in the State.

These sectors would include –

- 8.3.1 Information Technology & Information Technology enabled Services,
- 8.3.2 Tourism & Hospitality Services,
- 8.3.3 Medical Value Travel,
- 8.3.4 Transport & Logistics Services,
- 8.3.5 Accounting and Finance Services,
- 8.3.6 Audio Visual Services,
- 8.3.7 Legal Services,
- 8.3.8 Communication Services,
- 8.3.9 Construction and Related Engineering Services,

8.3.10 Environmental Services,

8.3.11 Financial Services

8.3.12 Education Services.

#### 8.4 Negative List of Industries

A negative list of sectors will be notified by the Government which will not be eligible to avail incentives under this policy.

### Strategy 3: Global Value Chain integration

## 9. Atmanirbhar UP – Integrating with the Global Value Chain

Uttar Pradesh is fast emerging as one of the most sought-after manufacturing destinations in the country and in turn contributing to the 'Atmanirbhar Bharat' initiative. With a focus on further moving up the value chain and become better integrated with global supply chains, the policy envisages the following action plan to achieve the vision of 'Atmanirbhar UP'-

#### 9.1 Import substitution

- 9.1.1 Top-up incentives will be provided for Government of India's Production Linked Incentives (PLI) Scheme beneficiaries to attract such investments in the State, which has been elaborated later.
- 9.1.2 Attract anchor private enterprises involved in high value-added manufacturing together, by forming 'clusters' allied with incentives, R&D grants and a scalable MSME ecosystem
- 9.1.3 Undertake district level diagnosis of imported products and focus on promotion for local manufacturing of such/ substitute products
- 9.1.4 Promotion of Industry 4.0 Centres of Excellence (CoE) with linkages to academic institutions to create competence labs, incubation centres and R&D ecosystems;
- 9.1.5 Encouraging enhanced collaboration between education institutions, Government, regulators and industry for technology and knowledge absorption
- 9.1.6 Promote global academic partnerships with academic institutions in the State, entrepreneurs, and local businesses
- 9.1.7 Facilitate market access for application of advanced technologies

## 9.2 Export promotion

- 9.2.1 Create facilitating infrastructures across the state like multi-modal logistic hubs, specialised industrial zones etc.
- 9.2.2 The GoUP will promote export-oriented units through a dedicated policy providing various support like marketing assistances, subsidy on export cargo sent by air and subsidy on freight charges on gateway port.
- 9.2.3 GoUP will ensure optimal coverage under Government of India schemes to encourage export- oriented infrastructure and related activities in the state.
- 9.2.4 Facilitate exporters with easy access to markets and information related to regulatory requirement of such markets.
- 9.2.5 To increase synergies among multiple export promotion bodies – Export Promotion Bureau will be the single body for the coordination as well as resolving issues faced by exporters
- 9.2.6 Special focus on promoting exports of products identified under the One District One Product (ODOP) initiative
- 9.2.7 District level action plan for export promotion will be formulated
- 9.2.8 Focus will be laid on logistics effectiveness to develop a logistics system that provides options for lowering costs

## 9.3 Promotion of R&D, Innovation and IPR

- 9.3.1 Promote an innovation ecosystem in the State and towards this strive to rank amongst the Top 3 States in the India Innovation Index ranking.
- 9.3.2 Promote industrial research by incentivising both inhouse and standalone R&D labs/ assets.
- 9.3.3 Promote setting up of Centres of Excellence (CoEs) across various sectors through this policy as well as various other sector specific policies of the State. Grant-in-aid to be provided in areas GoUP may decide from time to time.
- 9.3.4 Promote Start-ups in all districts of the State by creating a suitable ecosystem for such start-ups.
- 9.3.5 Establish New Incubators and Accelerators across the state under a dedicated Start up Policy of the State.
- 9.3.6 Stepping up IPR awareness to next level by going beyond Tier 1 and Tier 2 cities and reaching remote, rural areas at grassroots level to instil the

importance of Intellectual Property in the business practices of local innovators

9.3.7 Promoting IP commercialization in MSMEs, Industry and academia through a dialogue among them to take up IP commercialization activities.

#### 9.4 Enhancing quality & design

9.4.1 Quality certification done by MSMEs in the State will be promoted

9.4.2 Promote setting up of testing labs, quality certification labs and tool rooms

9.4.3 Create a collaboration framework with various agencies like QCI, BIS etc. for quality enhancement of ODOP products and MSMEs in general.

9.4.4 Create a collaboration and strategic alliance framework with various design agencies

#### 9.5 Supporting MSMEs, ODOP & Local Industries

9.5.1 Improving Market access for ODOP products and MSMEs through digital business match making platform

9.5.2 Align the ODOP program with the 'One Station-One Product' concept to help local businesses & supply chains.

9.5.3 A robust, self-sustaining machinery to create brand value for ODOP and UP-made products and encourage manufacturers to localize their manufacturing process in conformity. In the long-run, it will be a key identifier for quality UP-made goods in markets across the world, further cementing UP's position in global markets.

9.5.4 Promoting asset-lite enterprises and shared economy model

9.5.5 Promote adoption of new technology

9.5.6 Strengthening enforcement of public procurement regulations

9.5.7 Ensuring timely payment to suppliers as per the regulations set forth by the Government

### Strategy 4: Investment attractiveness

## 10. Ease of doing business - Creating a conducive industrial environment

The State has been able to deliver exceptional ease of doing business environment for industries in the country and has been ranked as an Achiever State in the Business

Reform Action Plan ranking carried out by the Government of India. This policy further aims to bolster the conducive business friendly environment in the State by ensuring simplification of procedures, leveraging digital systems to promote a timely and transparent working and timely clearances benchmarked with the best and responsive facilitation services.

Towards this, following action plan is envisaged -

### 10.1 Minimizing Regulatory Compliance Burden

10.1.1 Regulatory Compliance Burden will be minimised through three broad strategies -

- i. Government Process Re-engineering, Digitalization, Rationalization.
- ii. Decriminalization.
- iii. Fast tracking of repeal or amendment of provisions of redundant Acts/ Rules

10.1.2 Departments shall identify and minimize/ simplify/ Decriminalize identified compliances.

### 10.2 Simplification of procedures

10.2.1 To enable ease of doing business in the State, GoUP has introduced provision of self-certification for five low-risk approvals.

10.2.2 To simplify the process of continuing the business within the State, a feature of Auto-renewal has been introduced for more than 17 renewals. In addition, more than 7 license renewals have been abolished as part of Ease of Doing Business programme in Uttar Pradesh

10.2.3 Further, GoUP will regularly review its acts, rules, application forms and procedures related to industrial services/ clearances/ approvals/ permissions/ licenses and wherever possible -

- i. Rationalise or abolish or amend as per existing regulatory regime.
- ii. Introduce provisions related to self-certification, deemed approval and third-party certification.

### 10.3 Time bound clearances

10.3.1 The State has identified more than 100 Government services and has notified them under U.P. Janhit Guarantee Act 2011 which imposes statutory time limit for disposal.

10.3.2 Further the GoUP will regularly review all its existing acts, rules and procedures related to industrial services/ clearances/ approvals/ permissions/ licenses and wherever possible -

- i. Rationalise the timelines
- ii. Delegate necessary powers to district level officers while ensuring disposal.
- iii. Timely delivery of each service will be ensured through U.P. Janhit Guarantee Act 2011.

#### 10.4 Single Window Clearance

10.4.1 Single Window Portal (SWP) of Uttar Pradesh - Nivesh Mitra is currently one of the largest single window portals among SWPs of States/UTs (offering more than 353 services of 29 departments). As of September 2022, more than 8 lakh applications has been received through the portal of which around 97% has been processed.

10.4.2 Further as the GoUP provide massive number of online services to businesses in State, services shall be categorized based on

- i. Sectoral needs
- ii. Pre-establishment and post-establishment requirements.

10.4.3 Additional Services to enable the applicant to navigate to relevant services required for his/ her business will be provided

10.4.4 State will identify new services which are required for Establishing or Running of any Business in the State in consultation of various industrial stakeholders/houses; industrial associations; departments; etc. Such services shall be made online by the concerned department and integrated with Nivesh Mitra Portal to provide one-stop-solution for businesses.

#### 10.5 Industrial Security

10.5.1 The GoUP intends to provide a safe and secure industrial environment in the state.

10.5.2 Towards this, dedicated police station will be developed at industrial clusters/ areas in regions like Noida, Kanpur, Gorakhpur, Bundelkhand, Poorvanchal.

10.5.3 Integrated police cum fire station will also be established in major industrial clusters/ areas.

#### 10.6 Other enablers

10.6.1 To ensure that the various ease of doing business reforms implemented in the State are effectively delivered at the district level as well as budding entrepreneurs, applicants, departments and citizens are sensitised on the same, rigorous workshops and training at District level would be organised.

Such district level knowledge of reforms will also benefit the State in achieving higher rank in Business Reform Action Plan ranking of states.

10.6.2 Udyog Bandhu meetings to resolve investor issues will be regularly organised. A digital portal to capture issues raised at the District level Udyog Bandhu meetings and sending them to relevant Departments within GoUP will be developed.

10.6.3 Specialised soft skill trainings will be introduced to promote client-oriented mind set in all departments providing service to industries.

10.6.4 Uttar Pradesh is conducting a monthly District Level Ease of Doing Business ranking since May 2020 to rank all 75 districts based on 3 key parameters i.e. disposal of NOC applications; User feedback & Grievances redressal. The monthly ranking of districts is being calculated through Nivesh Mitra and later the same is being shared with every District Magistrates informing about their district's monthly performance. This initiative will be further strengthened as it will promote a healthy competition amongst the districts of the state to provide a better doing business environment.

10.6.5 State has notified the establishment of 17 commercial courts in major districts to address commercial cases under as part of Contract Enforcement. This will be further strengthened, and the entire Court Management System will be brought online.

10.6.6 The State rules for all the four Labour Codes of Government of India has already been notified. These will be effectively implemented once Government of India notifies them and the codes come into force.

## 11. Marketing 'Brand Uttar Pradesh' - Investment Promotion and FDI attraction

To achieve the true potential of the 'Brand Uttar Pradesh' and make it a global investment hub, the GoUP believes that a complementary framework of investment promotion is essential with an overarching strategy of the '**most preferred investment destination' image of Uttar Pradesh.**

Towards this, the follow action plan is envisaged -

11.1 Framework on Integrated Investment Promotion outlining strategic areas, sectors, region profiles, investment levers, resources, and other provisions will be developed

11.2 A targeted approach to reach prospective investors and communicate investment opportunities in the state through various channels will be

undertaken. As envisaged, sector specific professionals will be hired from the market for this purpose.

- 11.3 GoUP will participate in and host various national and international trade fairs, events and conferences which will act as an ideal platform for B2G interactions and showcasing sectoral strengths & conducive policy framework of Uttar Pradesh.
- 11.4 A Global Investors Summit (GIS) will be organised with an objective to project Uttar Pradesh as a Global Investment hub.
- 11.5 The State Investment Promotion Board will be strengthened
- 11.6 Incentive frameworks will be streamlined to offer fiscal and non-fiscal interventions in focus and sunrise sectors of interest and value, while allowing for regional weightages
- 11.7 40% of old Plant & machinery imported will be considered as Eligible Capital Investment for providing various fiscal incentives mentioned in the policy to promote industries relocating from foreign countries
- 11.8 A Customer Relationship Management portal for investor lead management and investor communication will be developed by Invest UP to enable faceless facilitation. This will also be linked to the online Single Window Portal – Nivesh Mitra. It will prove to be a single one-stop solution to redress all investor grievances.
- 11.9 Online Incentive Management System linked will be developed to sanction and disburse incentives for all policies. The same will be linked with Nivesh Mitra
- 11.10 The existing industrial helpline service of Invest UP will be strengthened
- 11.11 Dedicated nodal officers will be provided for facilitation to mega and above projects
- 11.12 Specialised soft skill trainings will be introduced to promote customer-oriented mind set in all departments providing service to industries

## 12. Fiscal Incentives

To attract maximum investment and maintain competitiveness of the industries in the State, the policy will extend attractive fiscal incentives, subsidies and concessions. Towards this, a detailed guidelines will be issued by the GoUP.

### 12.1 Eligibility and definitions

12.1.1 **Effective Date** means the date from which this Policy becomes effective.



- 12.1.2 **Effective Period** means the period starting from the Effective Date till the period for which this Policy remains in force (5 years) or until any amendment or repeal thereof by the State Government.
- 12.1.3 **Eligible Industrial Undertaking** means any industrial undertaking (not being an industrial undertaking in the joint sector or public sector where the share capital of Government or a Government undertaking is 50% or higher) owned by any entity constituted as a company, partnership firm including a LLP, Society, Trust, Industrial Cooperative Society or Proprietary concern engaged or to be engaged in the manufacture, production, processing, contract manufacturing or job work of articles and set up as a new or expansion or diversification project.
- 12.1.4 **Expansion** means, where an existing Industrial Undertaking increases its gross block by at least 25%. through new capital investment
- 12.1.5 **Diversification** means where an existing Industrial Undertaking manufactures an entirely distinct product (and not merely a variant of existing product). Further, the Industrial Undertaking to be eligible for incentives under diversification has to increase its gross block by at least 25% or has to qualify as a Mega or above Project Category as defined in this policy, whichever is less, through new capital investment.
- 12.1.6 For **Capital Investment**, the following cost borne by the Industrial Undertaking would be considered –

- i. **Land** – The actual purchase price as per the registered document of the land shall be considered as the cost of land for the project (excluding Stamp duty & registration charges). In case, the land is allotted by U.P. State Industrial Development Corporation (UPSIDA) or any other State Govt Agency, the actual allotment price paid shall be considered as the cost of land (excluding Stamp duty & registration charges).
- ii. **Building** – Building means a new building constructed for the project, including administrative building.

The cost of new buildings constructed for installation of plant and machinery, research & development activities, in-house testing facilities, storage facilities, and other buildings related to the manufacturing process and building related to Hostel/ Dormitory for workers, office space and administrative compound, shall be considered as per the actual expenditure incurred.

Note: A maximum of 30% of Total Capital Investment (which includes the actual land price, total cost of Building, Other Construction, Plant & Machinery, and Infrastructure as defined in this policy) will be taken into

account as total Land and Building component for the purpose of arriving at the Capital Investment.

- iii. **Other construction** – Other construction means construction such as compound wall and gates, security cabins, internal roads, bore well, water tank, internal pipeline network for water and gas, and other related constructions.
- iv. **Plant & Machinery** – Plant and machinery means new indigenous/ imported plant and machinery; utilities, dies, moulds, jigs, and fixtures and similar production tools owned and used within the plant; cost of transportation, foundation, erection, installation and electrification. The electrification cost will include the cost of sub-station and transformer. Such other tools and equipment, which are helpful for manufacturing the product(s), shall also be included.

Plant & Machinery shall also include Plant for generation of non-conventional energy; Research & Development; Vehicles used for transportation only within the premises of the industrial unit, and material handling equipment exclusively used in transporting goods within such premises; Plant for captive power generation/ co-generation set up within the premises of the Industrial Undertaking of which at least 75% of the power generated should be for self-use of the Industrial undertaking; Plant for purification of water; Plant for pollution control measures, including facility for collection, treatment, disposal of effluent/emission or solid/ gaseous hazardous waste; Diesel Generating sets and boiler

40% of the cost of old Plant & machinery imported by Industrial Undertakings relocating from foreign countries will also be considered eligible.

- v. **Infrastructure facilities** –Infrastructure facilities means such new roads, sewer lines, water drainage, power lines, railway siding infrastructure (including such other facilities essential for operation of unit), which link the undertaking's premises with the main infrastructure trunk lines. Apart from the above, installation of Effluent Treatment Plant, sewage treatment plant, and power feeder for self-use by the Industrial Undertaking will also be included.

12.1.7 **Ineligible Capital Investment** includes - Working capital; Goodwill; Preliminary and pre-operative expenses; Interest capitalized; Expenses capitalized in the books for acquisition of technology/ technical know-how; consultancy charges; royalty; design and drawings; patents, licenses, software and intellectual property rights and Power generation, except for captive use as mentioned under Plant & Machinery head of Capital

Investment as defined in this policy. Such heads shall not be considered for calculating the capital investment.

**12.1.8 Cut-off Date** means

- i) the Date of Commencement of Investment of the project falling within the Effective Period of the Policy, in case, investment starts on or after Effective Date of the Policy.
- ii) the Effective Date of the policy in case investment commences prior to the Effective Date. However, in case only land is acquired prior to the Effective Date, the date on which the first investment towards any of the other heads (except Land) defined under Capital investment is made on or after the Effective Date will be considered as Cut-off Date.

**12.1.9 Date of commencement of commercial production** means the date on which the industrial undertaking starts its commercial production.

**12.1.10 Eligible Investment Period** means the period commencing from the Cut-off Date falling in the Effective Period of this Policy up to 4 years or till the date of commencement of commercial production, whichever is earlier for Large projects; up to 5 years or till the date of commencement of commercial production, whichever is earlier for Mega projects; up to 7 years or till the date of commencement of commercial production, whichever is earlier for Super Mega projects; and up to 9 years or till the date of commencement of commercial production, whichever is earlier for Ultra Mega projects.

*Table 1: Eligible Investment Period*

Categories	Eligible Investment Period
Large	4 years
Mega	5 years
Super Mega	7 years
Ultra-Mega	9 years

Such cases will also be covered under Capital Investment in which the Date of Commencement of Investment is within the period immediately preceding 5 years from the Effective Date (for all categories) subject to the condition that commercial production in such cases commences after the Effective Date and at least 80% of the Capital Investment should have been made after the Effective Date.

However, the investment made in the Land component of Capital Investment even prior to the period immediately preceding 5 years from the Effective Date will also be allowed for the purpose of calculating Capital Investment. The value of such investment in land shall be considered on the

book value at the time of purchase of the land and any revaluation of the land done after that will not be considered.

12.1.11 For administering the incentives, the following four investment commitment-based **Project Categories** have been identified (Table 2). The minimum Capital Investment required to be eligible for each Project Category will be termed as the **Threshold Investment** for the respective categories. MSMEs shall be provided incentives under the MSME Policy of the State.

*Table 2: Capital Investment based Project Categories*

Categories	Capital Investment
Large	Above ₹50 Cr but below ₹200 Cr
Mega	₹200 Cr or above but below ₹500 Cr
Super Mega	₹500 Cr or above but below ₹3,000 Cr
Ultra-Mega	₹3,000 Cr or above

12.1.12 **Eligible Capital Investment (ECI)** means the Capital Investment as has been made by an industrial undertaking in its Eligible Investment Period after the Effective Date of the policy. In case, the Capital Investment by the Industrial Undertaking has started prior to the Effective Date, at least 80% of such Capital Investment should be made after the Effective Date of the Policy and the same Capital Investment will be considered as the Eligible Capital Investment. However, for deciding the Project Category of investment (Large/ Mega/ Super Mega/ Ultra Mega), the Capital Investment in the Eligible Investment Period, as enumerated, will be considered.

However, an amount not exceeding 10% of the capital investment, made beyond the date of commencement of commercial production, but within 4/5/7/9 years (depending upon the category) shall also be included as ECI but the Project Category, as defined in this policy, in such cases will continue to remain the same.

12.1.13 Industrial undertaking making **Phased Investment** will be eligible to avail incentives under this Policy provided such applications are received at least prior to the Date of commencement of commercial operations of the first phase. In such cases, the relevant incentives will be disbursed post attainment of the Threshold Investment and post commencement of commercial production of the phase in which the Threshold Investment has been attained. The unit will be eligible for relevant incremental incentive on the additional Eligible Capital Investment; however, the Eligible Investment Period will remain the same.

## 12.2 Stamp Duty Exemption

Stamp duty exemption of 100% in Bundelkhand & Poorvanchal, 75% in Madhyanchal & Paschimanchal (except Gautam Buddh Nagar & Ghaziabad districts) region of the state and 50% in Gautam Buddh Nagar & Ghaziabad districts. To avail such exemption, a bank guarantee of equivalent amount will have to be deposited by the industrial unit which will be released on commencement of commercial production by the unit.

## 12.3 Investment Promotion Subsidy

A one-time choice of choosing one option between three mutually exclusive options for availing Investment Promotion Subsidy will be extended to the investors. The choice will have to be exercised at the beginning of the Project by the investor during the time of application. However, the applicant will have one additional chance of changing the Option chosen at the time of application. This additional chance can be exercised prior to the approval of the High-Level Empowered Committee or the Empowered Committee, as the case may be for grant of Letter of Comfort. No further chance of changing the Option chosen by the applicant will be entertained.

The Industrial Undertaking can choose one of the following 3-options:

### 12.3.1 Option 1: Capital Subsidy

- i. Under this option, industrial undertakings can avail **Capital Subsidy** equal to the Base Capital Subsidy, as provided in the Table 3, multiplied by a Gross Capacity Utilisation Multiple (GCM) in annual instalments and subject to an Annual Ceiling as mentioned in Table 3.

Annual Capital Subsidy = (Base Capital Subsidy X GCM) / applicable Incentive disbursement duration

*Table 3: Capital Subsidy and Annual ceiling*

District/ Region	Large	Mega	Super Mega	Ultra-Mega
Gautam Buddh Nagar & Ghaziabad	10% of ECI over a period of 10 years	18% of ECI over a period of 12 years	20% of ECI over a period of 15 years	22% of ECI over a period of 20 years
Madhyanchal & Paschimanchal (except Gautam Buddh Nagar & Ghaziabad districts)	12% of ECI over a period of 10 years	20% of ECI over a period of 12 years	22% of ECI over a period of 15 years	25% of ECI over a period of 20 years
Bundelkhand & Poorvanchal	15% of ECI over a period of 10 years	22% of ECI over a period of 12 years	25% of ECI over a period of 15 years	30% of ECI over a period of 20 years
<b>Incentive disbursement duration</b>	Over 10 years in 10 annual instalments	Over 12 years in 12 annual instalments	Over 15 years in 15 annual instalments	Over 20 years in 20 annual instalments
<b>Annual Ceiling</b>	₹ 5 Cr	₹ 10 Cr	₹ 50 Cr	₹ 150 Cr
<b>Annual Ceiling with boosters</b>	Not applicable	₹ 15 Cr	₹ 75 Cr	₹ 210 Cr

- ii. The **Gross Capacity Utilisation Multiple (GCM)** has been introduced in this policy to ensure that optimal utilisation of the installed capacity is done by the beneficiaries of this Policy. The GCM shall be considered as 1 for first year provided the capacity utilization for the unit is 40% of the installed capacity. For the subsequent years GCM shall be considered as 1, provided the capacity utilisation of that year is 75% or more of the installed capacity. In case the capacity utilisation is less than 75%, the GCM shall be proportionately reduced as per the given formula

$$\text{GCM} = \text{Minimum of } (75\%, \text{Capacity Utilisation of the considered year}) / 75\%$$

- a. The maximum GCM value shall be '1'.
- b. If the Capacity Utilisation is less than or equal to 10% of installed capacity, the GCM will be 0
- c. In case of Phased Investment, the GCM for the first year after each phase will be considered 1 for the additional investment done, if the capacity utilisation is at least 40% of the additional capacity installed in that phase. In the subsequent years, the GCM will be 1 if the total capacity utilisation of the unit is 75% of total installed capacity and if below, the GCM will be proportionately reduced.
- d. In case of expansion projects, the installed capacity of the existing unit is the one that is existing in the financial year preceding the financial year in which the commercial production of the expansion project has commenced. The GCM will be calculated based on the incremental capacity utilisation achieved due to the capacity installed by additional investment.

- e. In case of diversification projects, the GCM will be calculated based on the capacity utilisation achieved due to the additional capacity installed for the new product (s) through additional investment.
- f. The Capital Subsidy that is reduced due to a GCM of below 1 in a particular year will not be carried forward to subsequent years.

Note: Detailed guidelines for the calculation of GCM will be provided in the policy procedures which will be notified separately.

- iii. Mega and above category projects can avail additional Capital Subsidy in the form of Boosters, as below, subject to an annual ceiling with booster as mentioned in Table 3 –

Annual Capital Subsidy = [(Base Capital Subsidy + Employment Booster + Exports Booster + Ecosystem Booster) x GCM]/ applicable Incentive disbursement duration

- iv. **Employment booster** – Mega and above category projects can avail Employment Booster as below on providing a minimum employment as provided in Table 3. The average annual employment (covered under Employment Provident Fund) provided by the applicant will be considered to arrive at the annual Employment Booster percentage.
  - a. On employing the minimum employment for the given project category in the considered year or employing at least 75% women employee of the minimum employment for the given project category – Employment Booster of 2% of ECI
  - b. On employing more than twice the minimum employment for the given project category in the considered year or employing at least 75% women employee of twice the minimum employment for the given project category – Employment Booster of 3% of ECI
  - c. On employing more than thrice the minimum employment for the given project category in the considered year or employing at least 75% women employee of thrice the minimum employment for the given project category – Employment Booster of 4% of ECI

Categories	Employment
Mega	300
Super Mega	600
Ultra-Mega	1500

- v. **Exports Booster** – Mega and above category projects can avail the Exports Booster which would be determined as a ratio of production meant for exports to total production for a given year as below –

- a. More than or equal to 25% of its production in a considered year through exports - Exports Booster of 2% of ECI
- b. More than or equal to 50% of its production in a considered year through exports - Exports Booster of 3% of ECI
- c. More than or equal to 75% of its production in a considered year through exports - Exports Booster of 4% of ECI

**vi. Ecosystem Booster** – If any Mega or above category Project procures any input or any raw material for manufacturing its final product from any existing or new manufacturing unit within Uttar Pradesh, then it shall be entitled for an Ecosystem Booster as follows -

- a. On procurement of more than or equal to 40% but less than 60% of its total raw/ input material requirement – Ecosystem Booster of 2% of ECI
- b. On procurement of more than or equal to 60% but less than 75% of its total raw/ input material requirement – Ecosystem Booster of 3% of ECI
- c. On procurement of more than or equal to 75% – Ecosystem Booster of 4% of ECI

### 12.3.2 Option 2: Net SGST Reimbursement

- i. Reimbursement of 100% of the net SGST amount deposited in State’s account will be done in the manner mentioned in Table 4, subject to not exceeding the amount of net deposited SGST in a particular financial year -

Particulars	Large	Mega	Super Mega	Ultra-Mega	
<b>Annual % of net SGST Reimbursement</b>	100%	100%	100%	100%	
<b>Period of reimbursement (in years)</b>	6	12	14	16	
Gautam Buddh Nagar & Ghaziabad	Annual Ceiling as % of ECI	16%	7%	6%	5%
	Overall Ceiling as % of ECI	80%	80%	80%	80%
Madhyanchal & Paschimanchal (except Gautam Buddh Nagar & Ghaziabad districts)	Annual Ceiling as % of ECI	18%	17%	14%	13%
	Overall Ceiling as % of ECI	90%	200%	200%	200%



Bundelkhand & Poorvanchal	Annual Ceiling as % of ECI	20%	25%	21%	19%
	Overall Ceiling as % of ECI	100%	300%	300%	300%

- ii. In case of expansion/ diversification projects, only the incremental investment will be eligible for incentives. The Net SGST eligible for reimbursement will be assessed on the basis of Incremental Turnover. The Incremental Turnover means the difference of the current turnover after expansion minus the base turnover. The Base Turnover means the maximum turnover in any financial year, in the preceding 5 financial years (or less in case the unit has been in production for less than 5 years), (that is 5 years preceding the financial year in which the date of commercial production falls in case of a single-phase project, or 5 years preceding the date of commercial production of first phase in a multi-phase project).

**12.3.3 Option 3: Top up on incentives received under Production Linked Incentives (PLI) Scheme of Government of India**

- i. 30% of the PLI incentives (as and when disbursed by GOI) sanctioned under any PLI Scheme of Government of India Scheme to be disbursed as and when PLI incentives are disbursed by the GoI.
- ii. An overall ceiling of the incentives to be provided by GoUP will be capped at 100% of ECI
- iii. The GoUP can add more such schemes of Government of India beyond the PLI Schemes under this option after the approval of Hon'ble Chief Minister.

**12.4 Case-to-case basis incentives**

Government may consider providing customized package of incentives on case-to-case basis as deemed necessary for Ultra Mega category projects of special importance. Such customised packages on case-to-case basis shall be approved by the Cabinet.

**12.5 Incentive for R&D projects and Intellectual Property Rights**

12.5.1 The Government will reimburse 25% of the expenditure subject to a maximum of ₹10 Crore for standalone R&D units. The reimbursement will be in addition to the Investment Promotion Subsidy and Stamp Duty reimbursement as eligible and as provided under this policy.

- i. Such projects must have a minimum Eligible Capital Investment of Rs. 20 cr.

- ii. It must have a clearly demarcated facility inside or outside an industrial unit.
- iii. It must be Registered with the Department of Scientific and Industrial Research, Government of India (DSIR)
- iv. The subsidy will be provided in instalments of 50% on approval of the project, next 25% after 3 years of approval and last 25% on achievement of the committed results in 5 years.
- v. 10 such units over the policy period will be incentivised under the policy

12.5.2 Standalone R&D firms are expected to be engaged in innovative research & development activities related to the line of business of the firm, such as the development of new technologies, design & engineering, product development, development of new methods of analysis & testing, and research for increased efficiency in the use of resources. At the time of application, the R&D unit(s) should have well defined, time-bound R&D programmes leading to the development of innovative products and/or technology(ies). Firms engaged solely in market research, work & methods study, operations & management research, testing & analysis of routine nature for operation, process control, quality control and maintenance of day-to-day production, and maintenance of plant shall not be considered as R&D firms.

12.5.3 The Government will reimburse 50% of the expenditure incurred for registration of patent, copyright, trademarks, and Geographical Indicators as a result in-house R&D subject to a maximum of ₹1 Crore. This incentive will be applicable for those eligible Industrial Undertaking to whom any of the options under Incentive Promotion Subsidy has been sanctioned or any Standalone R&D Unit to whom incentive has been sanctioned under this policy. The reimbursement will be in addition to the Investment Promotion Subsidy, Stamp Duty reimbursement and incentive for standalone R&D units as eligible and as provided under this policy.

## 12.6 Financial grant to Centres of Excellence

12.6.1 Private companies or PSUs or Government organizations (both GoI and GoUP) shall be encouraged to set up Centres of Excellence (CoE). Towards this, Centres of Excellence which are not entitled to any benefits under any of the policies of the GoUP will be considered for financial grant under this policy. In addition, CoEs in the areas like resource efficiency, circular economy, quality improvement and Industry 4.0 will also be promoted. These CoEs shall facilitate R&D, testing, technology acquisition and other facilities to industry in the State. Dovetailing with GoI policies shall be allowed. A High-Level Empowered Committee under the chairmanship of Chief Secretary will decide on the areas.

12.6.2 A maximum of 10 such COEs will be promoted in the policy period with a cap of maximum 2 such CoEs in a sector.

12.6.3 The quantum of grant shall be up to 50% of the project cost up to an overall ceiling of ₹10 crores per project.

#### 12.7 Incentive for infrastructure projects

12.7.1 To create a vibrant ecosystem for the renewable energy sector in the State, Pumped Storage Plants (PSP) will be promoted in the State

12.7.2 Other such infrastructure project categories may be added in the eligible list on the approval of Hon'ble Chief Minister.

12.7.3 Eligible Pumped Storage Plant categorised as Mega or Above Projects, will be extended the following incentives -

- i. Stamp duty exemption will be extended to such eligible PSP projects up to an extent of 100% in Bundelkhand & Poorvanchal, 75% in Madhyanchal & Paschimanchal (except Gautam Buddh Nagar & Ghaziabad districts) region of the state and 50% in Gautam Buddh Nagar & Ghaziabad districts.
- ii. Base Capital Subsidy as defined in Option 1 (Table 3) of Investment Promotion Subsidy under para 12.3.1 of this policy. However, the GCM and all the Boosters, as defined in this policy, will not be applicable for such projects.

#### 12.8 Condition for availing policy incentives

Projects availing incentives under this policy will not be eligible to avail incentives under any other policy of the State Government, except for any subsidy/ incentive availed under any scheme of the State for Export Promotion provided it is not under the same head of subsidy/ incentive as provided under this Policy.

Note: All incentives specified in this policy may be availed in addition to incentives available under any Government of India scheme/policy.

### Strategy 5: Sustainability pillars of intervention

## 13. Creating employment opportunities

Accelerating employment growth is crucial for uplifting the socio-economic status of citizens and offer them higher standards of living. Given the state is witnessing a significant demographic growth with an expanding working age population, the GoUP intends to lay emphasis on creation of opportunities that would directly augment

employment in the State. Towards this, the policy intends to offer a conducive environment to ensure these employment opportunities are created across the state. With special benefits for creating job opportunities, the State will focus on sectors with high employment generation potential like Handloom and textiles, MSMEs, Start-ups, etc. The policy framework of the State will also focus on self-employment and job creation for local artisans through flagship programs like ODOP and Vishwakarma Shram Yojana.

In addition, the impetus of policy on higher integration with global supply chains would not only boost investment but is also expected to increase the employment levels.

Equal emphasis will be laid on skill development ecosystem in the State so as to enhance the employability of the workforce in the State.

## 14. Ensuring balanced regional growth

Various steps have been taken by the Government to address the regional imbalance faced by the State especially in Bundelkhand and Poorvanchal regions. This includes development of enabling infrastructure like Bundelkhand and Poorvanchal Expressways, Gorakhpur link Expressway, airports, Defence Industrial Corridor, various industrial parks, flatted factories, integrated manufacturing clusters, interventions under ODOP initiative, etc. Policy interventions in this regard include higher incentives for specific regions, dedicated policy for accelerated creation of growth centres in these regions in addition to various other sectoral interventions were also undertaken.

To continue the balanced regional growth momentum achieved in the State, this policy provides a graded incentive structure to promote industrial development in these regions. In addition, the policy will focus on improving exports from these regions while leveraging the advantages of the Bundelkhand, Madhyanchal, Paschimanchal and Poorvanchal regions of the State. The Government will strive to improve quality and access to education and skill development programs in these areas, develop road infrastructure & power connectivity while leveraging technology to deliver intended solutions in these areas. New industrial parks and areas will also be created.

## 15. Circular economy and environment protection

The Government is committed to the principle of sustainable growth and is conscious about its responsibility of ensuring a clean and green environment while promoting industrialisation. Towards this, circular and sustainable economy can provide a reliable model. Unlike Linear Economy which works on the pattern of 'Take, Make and Waste', Circular Economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In the circular economy, the products or

materials are used again and again, thereby have extended life cycle, and the waste is reduced to near zero.

To promote circular economy and environmental protection, the State Government will –

15.1 The following units/activities will be incentivized under this policy:

15.1.1 Shredding units engaged in the shredding of auto vehicles & auto parts and providing its finished products to the steel making units

15.1.2 Manufacturing of bio-fuel/ bio-diesel

15.1.3 Processing/ Recycling of plastic waste into usable products

15.1.4 Processing/ Recycling of waste to produce energy/ other usable products

15.1.5 E-Waste Management units/ facilities/ parks<sup>1</sup> engaged in processing/ recycling of products listed in e-Waste Management Rules, 2015 and its subsequent amendments

15.1.6 Any other activity notified by the Central Government or State Government adding value in the economy. A special committee shall be notified to approve such units falling under Circular Economy for the purpose of incentive under the Policy

Units engaged in above activities shall be entitled to the same benefits and incentives provided under this policy as available to an 'Eligible Industrial Undertaking'.

15.2 Align the initiatives of GoUP with that of GoI to achieve the National goals around circular economy with indicators like resource productivity, recycling rate, municipal waste generation, eco-innovation, share of renewable energy and greenhouse gas emissions

15.3 Reverse logistics for Industries, in line with the National Logistics Policy 2022, will be encouraged to ensure retrieval of parts, recycling of products and disposal of packaging waste to support a push towards a 'circular economy', while contributing to the Swachh Bharat Mission. There will be special focus on devising methods to ensure that different categories of wastes (including hazardous, solid and bio-medical wastes) are transported as per the provisions of the corresponding waste management rules notified under the Environmental Protection Act, 1986. A culture of research and innovation within the industries will be actively promoted by establishing collaboration between industry, academia and government to increase focus on 'clean initiatives' across all levels industrial services to ensure sustainable growth

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<sup>1</sup> does not include informal recyclers

- 15.4 Drive sectoral policies/ initiatives to incorporate measures promoting circularity, which covers the entire life span of a product as well as the processes including disposal.
- 15.5 Specific sectoral policy frameworks around circular economy viz. Municipal Solid Waste and Liquid Waste, Scrapping, etc. will be launched.
- 15.6 The policy will incentivise investment in installation plant for purification of water; Plant for pollution control measures, including facility for collection, treatment, disposal of effluent/emission or solid/ gaseous hazardous waste as eligible investment under Plant & Machinery head of Capital Investment.
- 15.7 The industrial development authorities will strive to install Common Effluent Treatment plants in its industrial estates/ parks/ areas.
- 15.8 The Government will also encourage greater compliance of the industries with the environmental standards and facilitate them in adoption of technologies reducing air and water pollution.

## 16. Policy Implementation

- 16.1 This policy will come into effect on the date of its notification and will remain in force for the period of 5 years.
- 16.2 Only the Cabinet is authorised to approve policy amendments.
- 16.3 In case of any amendments in this policy, the committed package of incentives which were approved prior to policy amendment, will not be withdrawn and the unit will continue to remain entitled to the benefits.
- 16.4 Units with approved package of incentives under IIEPP 2017 will continue to remain entitled to the benefits. In case of any amendment in the Letter of Comforts already issued to units under the IIEPP 2017, the amendments will be done as per the conditions laid down in IIEPP 2017
- 16.5 For cases which are under consideration for sanction of Letter of Comfort for incentives before the competent authority under IIEPP 2017, will have a one-time option of either applying under this new policy in case they are eligible as per the terms and conditions laid down under this new Policy or continue to be considered under IIEPP 2017. This option can be exercised not later than one month from the date of notification of rules under this Policy.
- 16.6 An Online Incentive Management Portal linked to Nivesh Mitra will be launched by the Government. Once launched, a date will be specified post which the applications for incentive under this policy will be accepted only through the portal and a unique ID will be provided to applicants.

- 16.7 In case, an eligible Industrial Undertaking, during the period of availing disbursement of sanctioned incentives under this policy, is taken over by a new entity as per the orders of National Company Law Tribunal (NCLT) or otherwise, such successor entity will be eligible to avail the remaining incentives for the incentivised unit for the remaining period over which the original Industrial Undertaking, would have availed incentives, as sanctioned under this policy. Such successor entity will have to meet all the terms and conditions originally stipulated while sanctioning & disbursing the incentives to the original incentivised unit.
- 16.8 A unit set up by an Industrial Undertaking by acquiring a sick unit & its asset will also be eligible to avail incentives under this policy. 20% of the total acquisition cost of the sick unit & its asset will be considered against each of the relevant components of Capital Investment defined in this Policy. The sum of the 20% of the acquisition cost so arrived and the new additional Capital Investment done after the Effective Date and within the relevant Eligible Investment Period will be considered as the Capital Investment of the project to determine the Project Category. However, the Eligible Capital Investment to be considered for providing incentives will be only the new additional Capital investment done after the Effective Date of the Policy, over and above the acquisition cost of the sick unit & its asset.
- 16.9 Successor entities formed through merger/ demerger/ amalgamation/ change in constitution and any such other cases shall be eligible for such incentives under this policy, as it was applicable to the parent industrial unit.
- 16.10 Implementing incentive scheme for **Private Industrial Parks** as defined in Para 4.3 of the Policy
- 16.10.1 UP State Industrial Development Authority (UPSIDA) shall act as the Nodal Agency for sanction and disbursement of incentives to Private Industrial Parks
- 16.10.2 Towards this an Evaluation Committee at the level of Chief Executive Officer (CEO), UPSIDA shall be set up for evaluation of applications.
- 16.10.3 An Empowered-Committee headed by IIDC shall recommend the sanction and disbursement of incentives to Hon'ble Industrial Development Minister, GoUP.
- 16.11 Implementation of **Land Aggregation facility for Private Industrial Parks** as per Para 4.4 of the Policy
- 16.11.1 UPSIDA shall act as the Nodal Agency for providing License and subsequent monitoring of applications received under the Scheme.

- 16.11.2 Towards this, an Evaluation Committee at the level of CEO, UPSIDA shall be set up.
- 16.11.3 An Empowered Committee headed by Infrastructure & Industrial Development Commissioner (IIDC), GoUP shall approve applications.
- 16.12 Implementation of **Fast-Track Land Allotment Scheme** as per Para 4.5 of the Policy
- 16.12.1 Invest UP will act as the Nodal Agency towards which a Fast-Track Land Allotment Cell shall be created.
- 16.12.2 An Evaluation Committee at the level of CEO, Invest UP shall be set up.
- 16.12.3 A Fast-Track Land Allotment Committee headed by IIDC shall provide its final recommendation for such allotment.
- 16.13 Implementation mechanism for sanction and disbursement of **fiscal incentives** to individual industrial undertakings as defined in Chapter 12 of the Policy
- 16.13.1 Invest UP shall act as the Nodal Agency for sanction and disbursement of fiscal incentives to industrial undertakings
- 16.13.2 A Policy Implementation Unit (PIU) shall be set up at Invest UP and adequately staffed with outsourced professionals and consultants to support in managing the Applications and Single Window operations headed by a designated Nodal Officer. The Nodal Agency shall also empanel Chartered Accountants, Engineers, Cost Accountants, GST Auditors etc. as individuals or firms or agencies.
- 16.13.3 An Evaluation Committee at the level of CEO, Invest UP shall be set up for evaluation of applications.
- 16.13.4 An Empowered Committee headed by IIDC shall recommend sanction and disbursement of Large Category applications to Hon'ble Industrial Development Minister for approval.
- 16.13.5 A High-Level Empowered Committee headed by Chief Secretary, GoUP shall recommend sanction and disbursement of Mega and above Category applications to Hon'ble Cabinet for approval. This Committee will also have the power to provide any clarity or interpretation of the policy and resolving any challenges faced in the implementation of the policy.
- 16.13.6 The relevant Empowered Committees will have the power to approve changes in the number of phases and their duration, changes in the cut-off date, change in Capital Investment within the same category, and date of commencement of commercial production etc. requested by any



applicant prior to start of commercial operations and as per the terms and conditions stipulated in the policy and subsequent guidelines.

16.14 Implementation mechanism for sanction and disbursement of **Grant-in-aid for Centres of Excellence**

16.14.1 Invest UP shall act as the Nodal Agency for sanction and disbursement such grants.

16.14.2 An Evaluation Committee headed by IIDC shall be set up for evaluation of such applications.

16.14.3 A High-Level Empowered Committee headed by Chief Secretary, GoUP shall recommend the applications for approval of Hon'ble Chief Minister.

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