

Infrastructure and Industrial Investment policy, 2012

Complete policy document available on http://uponline.up.nic.in/open_links.aspx?id=1000000002

Key incentives

- ▶ **Exemption of stamp duty:** Exemption from stamp duty to new industrial units or existing units undertaking expansion¹ or diversification, on purchase or lease of land, shed and industrial tenements from State Government or Central Government or from Corporations/ Boards/ Company/ Institutions owned or controlled by them, will be made available in the following manner
 - **100% exemption** from stamp duty
 - Units related to IT, Biotechnology, Agro Processing, Food Processing, Food Park, Solar Energy or alternative sources of energy and BPO Call Centres
 - Private sector infrastructure Development projects excluding PPP
 - **75% exemption**, if Units not covered under the 100% exemption
 - Units purchasing land from private sources will be provided 100% exemption from stamp duty but units not covered the above mentioned paras will be provided 50% exemption from stamp duty.
 - Developer of industrial area or industrial estate in private sector will be provided 25% reimbursement from stamp duty paid, subject to the condition that the industrial area or industrial estate has been developed and at least 50% land has been sold within three years from the date of purchase of land.
 - On the sale of closed units, attached by PICUP, UPFC or Bank, the stamp duty will be payable at the sale price approved by the competent authority, instead of the circle rate.
- ▶ **Concession related to commercial department:**
 - The rate of entry tax on iron and steel to be used as raw material will be made more prudent.
 - Additional raw material, processing material and packing material being used in manufacturing and packing of goods for sale will be included in the category of 4% VAT liability, enumerated in part-C of schedule-II.
 - Manufacturers, who export through export houses in accordance to sub section (3) of section 5 of Central Sales Tax Act 1956 in the course of export, will be provided the facility of input tax refund or set-off facility
 - In case of transfer of stock outside the state, deduction from input tax credit will be allowed equivalent to the rate of central sales tax

¹ 'Unit undertaking expansion' means a unit, which makes additional capital investment in land, building, plant, machinery, spare parts and capital goods, equal to minimum 25% of investment under aforementioned heads immediately prior to expansion and where installed capacity is enhanced by at least 25% of the capacity prior to expansion.

- ▶ **Exemption from Mandi Fee:** All new food processing units having an investment of Rs 5 crores or more in plant and machinery for next 5 years will be provided exemption from Mandi Fee on purchase of raw material for 5 years.
- ▶ **Extension of investment promotion scheme:** All new industrial units and units undertaking expansion with fixed capital investment of Rs. 12.50 crores or more will be provided the facility of interest free loan, from the date of first sale up to 10 years, equivalent to the sum of VAT and Central Sales Tax deposited by industrial units or 10% of the annual turnover whichever is less, the repayment of which will be made after 7 years from the date of disbursement of such loan.
- ▶ **Energy Related Financial Provisions:** Exemption from Electricity Duty to new units for 10 year & pioneer units for 15 years. And also to Captive Power Plants

▶ **Subsidy schemes**

- Capital Interest Subsidy Scheme– New Industrial units set up, in Poorvanchal (Eastern U.P.), Madhyanchal (Central U.P.) and Bundelkhand, will for a maximum period of 5 years be reimbursed the amount of interest at the rate of 5% payable on loan taken by them for procurement of plant & machinery from Banks/Financial Institutions. The maximum limit of the same will be Rs.50 lakhs per unit. Only for new textile units like spinning, weaving, knitting and garments manufacturing units, the maximum limit same will be Rs.1 Crore per unit in Poorvanchal (Eastern U.P.), Madhyanchal (Central U.P.) and Bundelkhand, and in other regions of the state it will be Rs.50 lakhs.
- Infrastructure Interest Subsidy Scheme- New Industrial units, being set up in the state, will for a maximum period of 5 years be reimbursed the amount of Fiscal Subsidy and Exemption interest at the rate of 5 % payable on loan taken by them for developing infrastructural amenities for self-use like roads, sewer, water drainage, erection of power line, transformer and power feeder. The maximum limit of the same will be Rs.1 Crore per unit.
- Industrial Quality Development Subsidy Scheme- Industrial Associations and Groups of Industrial Units will for a maximum period of 5 years be reimbursed the amount of interest at the rate of 5 percent payable on loan taken by them for Industrial Research, Quality improvement and development of products by incurring expenditure on procuring plant, machinery & equipments in setting up Testing Labs, Quality Certification Labs and Tool Rooms. The maximum limit of the same will be Rs.1 Crore per Lab/Tool Room.
- E.P.F. Reimbursement Scheme- All such new Industrial units set up in the state, which provide employment to 100 or more unskilled workers, will be reimbursed the 50 percent amount of E.P.F. deposited by them in favour of workers for next 3 years after 3 years of setting up unit.

▶ **Mega Projects**

- Projects with investments >200cr but <500cr will be provided with all financial incentives subject to appropriate conditions as mentioned in this Infrastructure & Industrial Investment Policy-2012 or as decided on case-to-case basis by Empowered Committee and approval of Hon'ble State Cabinet of Ministers.
- Projects with investments >500 crore in addition to abovementioned incentives, will be provided even those facilities, which are not covered under Infrastructure & Industrial Investment Policy-2012. These facilities will be provided on case-to-case basis after recommendation of Empowered Committee and approval of Hon'ble State Cabinet of Ministers.

Information Technology Policy 2012

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Key incentives

- ▶ **Interest subsidy** of 5%/ pa for a period of 5 years on the rate of interest paid on the loans obtained from Banks/ Financial Institutions would be reimbursed subject to a max of INR1crore per annum per unit – all type of new units
- ▶ **100% exemption of stamp duty** on purchase/lease of land/office space/ buildings
- ▶ **Interest free loan:** The IT/ITeS units having capital investment of INR5crores or above would be allowed Interest free loan equivalent to the amount of VAT and Central Sales Tax deposited every year for a period of 10 years from the date of commencement of business or 10% of annual sales, whichever is lower. This loan would be repayable after 07 years from the date of loan disbursement.
- ▶ Provision for land:
 - IT/ITes/Mega Investment Projects - provided land at a rebate of 25% on the prevailing sector rates on purchase of land from State Agencies.
 - Additional FSI(Floor Space Index) - Registered IT units established in IT cities, Technology parks, Software technology parks will be allowed 100% additional FSI on the allowable FSI up to a maximum of the FSI allowed for Residential/Office purposes (whichever is more) in TIER II/TIER III cities.
- ▶ IT/BPO units which employ a minimum of 20 people and a maximum of 50 people shall be allowed to establish anywhere *irrespective of the master plan or Land use* classification barring specified land usage
- ▶ Provision for single window clearance
- ▶ Industrial promotion subsidy equivalent to 50% of the incentives admissible for new units (except rebate on land purchased from State Agencies) would be admissible to the existing units, if additional capital investment for capacity enhancement to the extent of 50% or more on the existing capacities of IT units is made in a period of 3 years in Tier II and Tier III
- ▶ Uninterrupted power supply
- ▶ Employment generation- 50% of incentive for five years on expenditure on account of contribution towards Employee Provident Fund and Employee State Insurance schemes to the units employing at least 100 employees and retaining at least 75% locals for a period of 3 years, subject to a maximum of 25% of Fixed Capital Investment
- ▶ Projects >Rs.200 crores – to considered for special incentives
- ▶ Investment projects above Rs.100 crores proposed on skill development, Innovation, Research and Development and employability of the resource pool - may attract special incentives

UP Electronics Manufacturing Policy 2014

Complete policy document available on http://uonline.up.nic.in/open_links.aspx?id=1000000002

- ▶ **Capital Subsidy:** 15% subsidy on fixed capital other than land, upto a Max limit of INR 50 million
- ▶ **Interest Subsidy:** 5% per annum for a period of 7 years on the rate of Interest paid on loans, upto a maximum of INR 1Cr. per annum per unit
- ▶ **Stamp Duty:** 100% exemption of stamp duty on purchase/ lease of land
- ▶ **Patents:** 50% subsidy of actual filing cost upto a max INR100,000 for domestic and INR500,000 for international patents
- ▶ **VAT/CST:** 100% tax reimbursement on VAT/ CST upto a max. of 100% of fixed capital investment other than land for a period of 10 years
- ▶ **Provision of Land:** 25% rebate on the prevailing sector rates
- ▶ **EMC Infrastructure Development:** State Government shall provide a subsidy equivalent to 50% of the grant provided by the Central Government under the National Policy on Electronics in developing infrastructure facilities

Solar Policy 2013

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- ▶ Provision of special incentive will be made by the State Government on case to case basis for such solar farms where many power plants based on solar energy are installed and the total investment is more than Rs.500crores.
- ▶ All the incentives provided under the Uttar Pradesh State Industrial Policy,2012 will be applicable on the power plants based on solar energy.
- ▶ Expenditure on the construction of transmission line and substation will be borne by the State Government on all the projects in the Bundelkhand region.

Food Processing Policy 2012

Complete policy document available on http://uponline.up.nic.in/open_links.aspx?id=1000000002

Key incentives

- ▶ **Exemption from Stamp Duty:** 100% exemption on purchase, lease or acquisition of land by new food processing industrial units
- ▶ **Exemption from Mandi Fees** - 100% exemption from Mandi fee
 - 10 years to new export oriented units using perishables; investment of greater than or equal to INR 5 crore
 - 15 years to units; investment of greater than or equal to INR 10 crore
- ▶ **Interest subsidy-** New food processing units will be reimbursed at 7% interest on the loan taken
- ▶ **Capital Investment Subsidy-**
 - 25 % subsidy subject to a maximum ceiling of INR 50 lac under National Food Processing Mission.
 - 50 % subsidy subject to a maximum of INR 10 crore under the National Food Processing Mission.
- ▶ **Research & Development Grant**
 - 100 % grant up to INR 30 lac per institution per year for government or semi government institutions for 3 years for research & development projects related to food processing industry.
 - 100 % grant up to INR 10 lac per institution per year for government or semi government institutions for 3 years for protocol development projects related to food processing industry.
- ▶ **Assistance for Global competitiveness, quality & standardization**
- ▶ **Assistance for Patent/ Design Registration-** One time grant of 50% of fee paid for Patent or Design Registration maximum up to INR 50,000 will be available to new units investing minimum INR 25 lac on plant, machinery and spare parts.
- ▶ **Assistance for Market Development-** Available to new units with minimum investment of INR 25 lac on plant, machinery and spare parts.
 - 50% reimbursement, maximum up to INR 50,000 per beneficiary for expenses made on sending the sample of a processed food product of U.P. for test marketing in non SAARC countries. This assistance will be available only for one sample and to one country.
 - 20% reimbursement of F.O.B. value maximum up to INR 2 lac per beneficiary per year for 3 years on export of processed products by Air/Sea to non SAARC countries.
- ▶ **Assistance for Human Resource Development under National Food Processing Mission**
 - Grant up to INR 75 lac for expenditure incurred on infrastructural facilities for running degree/ diploma/certificate courses in food processing in the state.
 - Grant of INR 4 lac for machinery, in addition to INR 2 lac for seed capital /revolving fund for single product line Food Processing Training Centre.
 - Grant of INR 11 lac for machinery, in addition to INR 4 lac for seed capital/ revolving fund for multi-product line Food Processing Training Centre.
 - Grant up to INR 2 lac for Entrepreneurship Development Programme (EDP).

Other incentives

- ▶ Implementation of Warehouse receipt system for availing the loan facility on the issued receipts by the accredited Warehouse under Warehouse Act.
- ▶ Provision of reimbursement of 50 per cent of EPF contribution for their workers for a period of 3 years by new units after 3 years from the date of establishment of the units, if the new units give employment to 100 or more unskilled workers.