



UTTAR PRADESH
MICRO, SMALL AND MEDIUM
ENTERPRISES
PROMOTION POLICY - 2022



OBJECTIVES

To make the Uttar Pradesh an attractive destination for investment

To make the state US\$1 Trillion economy, by promoting MSMEs

Achieving 15% YoY growth in employment generation

Promoting regional economic and social balance through industrial development



HIGHLIGHTS

De-linking all incentives from Net GST

Simplifying the process of availing incentives

Offering capital subsidy, for the first time

Promoting Flatted Factory Complexes

Incentivising capital raising through stock exchanges

Promoting CETPs and Green Production Techniques

Promoting development of MSME parks in the private sector

Incentivising greenfield as well as brownfield MSME investments



ELIGIBILITY

This policy will be effective for 5 years from the date of promulgation or till the new policy comes into force

Eligible investment period under the policy will be 2, 3 and 4 years for micro, small and medium enterprises, respectively, from the date of application. The units will have to start commercial production during the eligible investment period

Incentives under one head/ category, can only be availed under one policy

Land cost is not eligible for fiscal incentives under the policy. As such, land cost can be taken as part of fixed capital investment subject to ceiling of 10% of fixed capital investment

Total financial assistance under the policy will be limited to the total fixed capital investment made by the unit



KEY INCENTIVES

Capital Subsidy

Micro, small and medium enterprises in the Bundelkhand and Purvanchal region of the State will be eligible for capital subsidy of 25%, 20% and 15%, respectively

Micro, small and medium enterprises in the Madhyanchal and Paschimanchal region of the State will be eligible for capital subsidy of 20%, 15% and 10%, respectively

SC/ ST and women entrepreneurs will be eligible for 2% additional, capital subsidy

Capital subsidy is capped at Rs 4 Crore/ unit

Capital subsidy will be provided in 2 equal installments. First installment is payable once the construction of related buildings is completed. Second installment is payable once at least 50% of commercial production has begun.



KEY INCENTIVES

Interest Subsidy

Only micro units will be eligible for interest subsidy

50% interest subsidy, payable annually for five years, subject to ceiling of Rs 25 Lakh/ unit

60% interest subsidy for SC/ ST and women entrepreneurs, payable annually for five years, subject to ceiling of Rs 25 Lakh/ unit



KEY INCENTIVES

Infrastructure Interest Subsidy

Approved MSME industrial parks/ estates/ flatted factory complex (minimum area of 4000 square metres for flatted factory complexes) projects with area of 10 acres or more, will be eligible for annual infrastructure interest subsidy of up to 50%, subject to ceiling of Rs 2 Crore, annually

Infrastructure interest subsidy will be payable for 7 years



KEY INCENTIVES

Stamp Duty Exemption

MSMEs will be eligible for 100% stamp duty exemption in the Purvanchal and Budelkhand region, and 75% in the Madhyanchal and Paschimanchal region except for Gautam Budh Nagar and Ghaziabad wherein stamp duty exemption will be 50%

Women entrepreneurs will be eligible for 100% stamp duty exemption in any part of the State

MSME industrial parks/ estates/ flatted factory complex developers will be provided 100% stamp duty exemption, on purchase of land



KEY INCENTIVES

Promoting Quality Improvement among MSMEs

MSMEs will be encouraged to manufacture high quality products

MSMEs will be promoted to attain quality standards like ZED, GMP, Hallmark etc. To this end, fiscal assistance of up to 75% (maximum Rs 5 Lakh) will be provided to MSMEs, as reimbursement

Financial assistance of 75% (maximum Rs.10 lakh) will be provided for attaining patents and GI tags

Attorney fee of Rs 50,000 and Rs 2,00,000 will be reimbursed for obtaining national and international patents/ GI tag, respectively

Financial assistance of 75% for implementing ERP solutions (maximum Rs 1 Lakh) and ICT solutions (maximum Rs 5 Lakh)



KEY INCENTIVES

Promoting Environment Improvement Measures among MSMEs

Fiscal assistance of 50% of the project cost (maximum Rs 10 crore) for establishment of CETPs

Financial assistance of 50% of the project cost (maximum Rs 75 lakh) for implementing Zero Liquid Discharge facility

Fiscal assistance of up to 50% of the project cost (maximum Rs 50 Lakh) for establishing boiler facility as common facility (minimum 10 MSMEs will be required to undertake such project)

Promoting green practice and environmental audits for MSME like energy and water conservation audits – reimbursement of 75% (maximum Rs 50,000) towards audit services fee and 50% (maximum Rs 20 Lakh) towards purchase of auditor recommended equipment/ machinery

Reimbursement of up to 50% (maximum Rs 2.5 Lakh) of the consultancy charges incurred towards obtaining green rating for industrial buildings

Reimbursement of up to 50% (maximum Rs 10 Lakh) towards expenses incurred for the establishment of the Environment Management Laboratory/ Environment Management System



OTHER PROVISIONS

One Time Guarantee Fee payment for MSMEs covered under CGTMSE

Establishment of Investor Facilitation Cell in each district

Developing Gram Sabha land of 5 acres or more as an industrial area

Developing industrial areas on either side of the Expressways (up to 5 Kms on either side)

100% reimbursement of employer's EPF contribution for 5 years

Policy incentives will also be available to expansion and diversification projects wherein gross block and production capacity has increased by at least 25%

Promoting industry 4.0 among MSMEs



IMPLEMENTATION

Eligible units will have to apply to the respective District Industries and Enterprise Promotion Centre

After preliminary examination by the Deputy Commissioner Industries, project appraisal report will be sent to the Additional/ Joint Commissioner Industries of the administrative division

Proposals received from the districts will be presented before the committee constituted under the chairmanship of Additional/Joint Commissioner Industries. The committee will also include divisional/ district level officers of electricity, environment and labour departments along with district lead bank manager

Divisional committee recommendations will be sent to State Level Committee constituted under the chairmanship of the Commissioner and Director Industries. After the approval of the State Level Committee, the demand for the budget will be made from the government

There will be an inter-departmental coordination committee under the chairmanship of the Infrastructure and Industrial Development Commissioner

The entire process of providing benefits, under the policy, will be done online



THANKS