



Uttar Pradesh Industrial Investment & Employment Promotion Policy 2022

Key highlights

Highlights of New Industrial Investment and Employment Promotion Policy

Manufacturing projects

Investment Size	Capital Investment	Investment Period	Old investment
Investment Size	Above ₹50 Cr but below ₹200 Cr	Up to 4 years	Investment starting in the last (except land) from Policy Date considered up to 20% for deciding category, but incentive on remaining only (ECI)
	₹200 Cr or above but below ₹500 Cr	Up to 5 years	
	₹500 Cr or above but below ₹5,000 Cr	Up to 7 years	
	₹5,000 Cr or above	Up to 9 years	

Investment package

Stamp Duty Exemption

100% in Bundelkhand & Poorvanchal,

75% in Madhyanchal & Paschimanchal (except Gautam Buddh Nagar & Ghaziabad districts)

50% in Gautambuddh Nagar & Ghaziabad districts

Investment Promotion Subsidy - A one-time choice of choosing one option between three mutually exclusive options at the time of application. One additional chance of changing the Option after the application has been processed by the Investment Promotion Committee and is pending for the approval of the High-Level Empowered Committee or the Empowered Committee. In any case may be.

Option 1: Capital Subsidy with boosters

Option 2: Net SGST Reimbursement

Option 3: PLI Top-up

Highlights of New Industrial Investment and Employment Promotion Policy

Package

1

Capital Subsidy = Base Capital Subsidy X Gross Capacity Utilisation Multiple (GCM)

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
Incentive disbursement duration	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
Annual Ceiling	₹ 5 Cr	₹ 10 Cr	₹ 50 Cr	₹ 150 Cr
Annual Ceiling with boosters	Not applicable	₹ 15 Cr	₹ 75 Cr	₹ 210 Cr

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1 (contd.)

Capacity Utilisation Multiple (GCM) = Minimum of (75%, Peak Capacity Utilisation of the considered unit)
75%

The GCM shall be considered as 1 for first year provided the capacity utilization for the unit is 40% of the installed capacity.

In the subsequent years GCM shall be considered as 1, provided the peak capacity utilisation of that year is 40% or more of the installed capacity.

In case the peak capacity utilisation is less than 75%, the GCM shall be proportionately reduced

Final Capacity Subsidy in the form of Boosters

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

Highlights of New Industrial Investment and Employment Promotion Policy

Package

Option-2
Net SGST Reimbursement: Reimbursement of 100% of net SGST amount deposited in State's account

		Large	Mega	Super Mega	Ultra-Mega
Net SGST Reimbursement		100%	100%	100%	100%
Reimbursement (in years)		6	12	14	16
Chennai & Coimbatore	Annual Ceiling as % of ECI	16%	7%	6%	5%
	Overall Ceiling as % of ECI	80%	80%	80%	80%
Other States (except Chennai & Coimbatore)	Annual Ceiling as % of ECI	18%	17%	14%	13%
	Overall Ceiling as % of ECI	90%	200%	200%	200%
Special Economic Zones	Annual Ceiling as % of ECI	20%	25%	21%	19%
	Overall Ceiling as % of ECI	100%	300%	300%	300%

Option-3

Top up on incentives received under PLI Scheme of Government of India

- ▶ 30% of the PLI incentives (as and when disbursed by GOI) sanctioned under any Scheme of Government of India
- ▶ An overall ceiling of the incentives to be provided at 100% of ECI

Case-to-case incentives

- ▶ Government may consider providing a **customized package of incentives** on a case basis as deemed necessary for projects of special importance.
- ▶ Kind of such projects eligible for case-to-case incentives shall be approved by the

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ve package

Incentives

Incentive for R&D projects and Intellectual Property Rights

Reimbursement of 25% of the expenditure (up to a max. of ₹10 Cr) for standalone R&D units. Max units over the policy period to be incentivised

Reimbursement of 50% of the expenditure (up to a maximum of ₹1 Cr) incurred for registration of patent, copyright, trademarks, and Geographical Indicators as a result in-house R&D – for manufacturing units and standalone R&D units eligible under the policy.

Financial grant to Centres of Excellence (CoE)

50% of the project cost up to ₹10 crores.

Private companies/ PSUs/ Govt Centres of Excellence (CoE) which are not entitled to any benefits any of the policies

Max. 10 such COEs in the policy period with a cap of max. 2 CoEs in a sector.

Infrastructure projects

umped Storage Plants (PSP); Other projects may be added from time to time

ible Investment size = Mega and above category

entives: Stamp duty reimbursement; Base Capital Subsidy (as per Option1, without GCM & any boost

Highlights of New Industrial Investment and Employment Promotion Policy

Industrial Parks

Incentives to developers of Private Industrial Parks (*Having min. 5 units with no single unit occupying more than 80% of the total allocable area*):

30 acres or more in Bundelkhand & Poorvanchal and **30 acres or more** in Madhyanchal and Paschimanchal
Capital subsidy @ 25% of ECI (except land cost) - Max. up to ₹40 Cr in Madhyanchal & Paschimanchal
₹45 Cr in Bundelkhand or Poorvanchal

Capital subsidy @ 25% of the cost of Hostel/ Housing (except land cost) for workers in the Industrial Park - Max. up to ₹25 Cr

100% exemption on stamp duty on the purchase of land

More than 100 acres

Capital subsidy @ 25% of ECI (except land cost) - Max. up to ₹80 Cr

Capital subsidy @ 25% of the cost of Hostel/ Housing (except land cost) for workers in the Industrial Park - Max. up to ₹50 Cr

100% exemption on stamp duty on the purchase of land

50% of incentives will be released on completion of park development, the next 10% on completion of development of envisaged plots and the final 15% after the units in the park start their commercial operations

Highlights of New Industrial Investment and Employment Promotion Policy

Facilitating land aggregation for Private Industrial Parks

Government will facilitate private players in land acquisition outside Industrial Development Authorities, Industrial Development Authorities, Urban Local Bodies or other notified areas

Applicable for Private Industrial Parks of more than **100 acres** and having **min 5 units** with no single plot occupying **80%** of the allocable industrial area

Towards this, a License will be provided on acquisition (with registered sale deed) of **25%** of total proposed area. No map approval to others in such licensed areas and development/ construction to be controlled by the developer will have exclusive rights of development/ construction in the licensed area.

Detailed Project Report (DPR) to be submitted within **18 months**. ***60% of the total land acquisition (including land pooling agreement) must be complete by then.***

Map approval after **75% land acquisition (including land pooling agreement)** and ***to be completed within 18 months from license date.*** UPSIDA will be the map approval agency.

If **80%** of the total proposed land is aggregated by the developer, if any issue is faced in acquisition of remaining land, **UPSIDA will acquire** the same on submission of Bank Guarantee of equivalent amount.

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Fast Track Land Allotment

Differential land allotment on fast-track basis will be done for following category of investors –
Super Mega and above category as per DPR

Mega projects meeting the following conditions:

- § Projects with 100% Foreign Direct Investment
- § Companies featuring in Fortune Global-500 in last 3 consecutive years
- § Companies featuring in Economic Times-200 in last 3 consecutive years
- § Companies featuring in Forbes Global-2000/ Asia best – 200 companies in last 3 consecutive years

Large+ category projects which are industrial PSUs of any State/Central Govt with majority Govt hold

In industrial areas where direct land allotment is allowed, the concerned IDA will directly allot the plot to the investor. In case of multiple application, highest investor will be allotted.

In industrial areas where land is allotted through auction, land will be allotted directly at Base rate of the plot plus additional 15% of the base rate. In case of multiple application, highest investor will be allotted.

In areas outside any IDA/ DA or Urban Local body, State to acquire land 1.25 times of that required by eligible investor so that a minimum of 4 more industrial units can be set up in the additional land so acquired and an industrial area can be developed

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g Land Bank

ing of non-agricultural, barren and uncultivable land for industrial use

vide banzar Gram Samaj (GS) land/eligible government land on lease of 30 years

nding provisions of Revenue Code viz. converting agricultural land into non-agricultural land, change of use, exchange of GS land with private land, Permission for establishing industries on SC land etc.

cking of land bank owned by government/ state public sector sick units

lop web enabled platform for lease or sale of encumbrance free land for industrial purpose.

ing of GS land located within the Industrial Development Authority areas without any charges.

e instructions under UP Revenue Code 2006 to allow **resumption of GS land** in the State to Industrial Development Authorities without any charges.

Land Pooling Policy 2020 will be further strengthened to enable creation of land bank.

Thank You

Contacts

For details on policies, log on to – <https://invest.up.gov.in/>

For any queries, email to – info@investup.org.in & advantageup@investup.org.in

Regional office for all queries – Invest UP, 4th Floor, PICUP Bhawan, Lucknow – 226010.