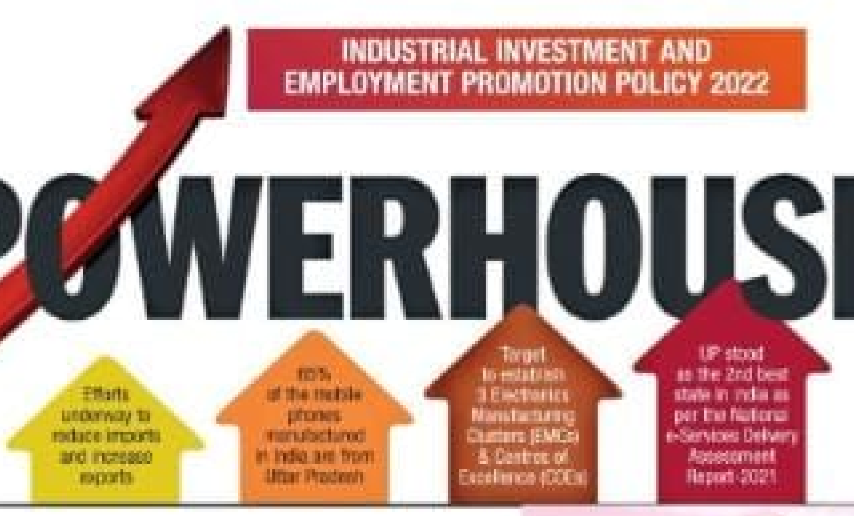
INDUSTRIAL INVESTMENT AND EMPLOYMENT PROMOTION POLICY 2022

Uttar Pradesh, NEW INDIA'S POWERHOUSE



"Through the various reformative steps taken for creating a holistic ecosystem for industrial development and the formulation of more than 25 policies for attracting global investments, the state government assures a grand welcome to all our investor partners."

Yogi Adityanath,
Chief Minister, Uttar Pradesh

Unified by a common mission and being led under the 'double-engine' growth model, UP's new Industrial Investment and Employment Promotion Policy-2022 is opening new doors for investments and revenue

UP is enabling investors

The Uttar Pradesh government has launched its Industrial Investment and Employment Promotion Policy-2022 (IEPP) to enable the state's aim of becoming a one trillion-dollar economy. With the UP Global Investors Summit 2023 at sight, the state cabinet has passed the new umbrella policy for UP.

The policy aims at creating a progressive, innovative, and supportive industrial ecosystem generating employment in the state while mobilising investments from across the world. The objective is to ensure continuity of the successes of Industrial Investment and Employment Promotion Policy 2017, and reflects the voice of industries of the state and the country.

With India at a high in the global economy today, the policy is an excellent offering for foreign as well domestic investors. It aptly suits as well as props up various schemes and policies of the centre to offer one of the most attractive and optimal incentive packages for investments in the country.

Offering unique flexibility to investors by extending a one-time choice of choosing an option amongst three 'mutually exclusive' options, the policy categorises investments into four major categories — large, mega, super mega and ultra mega.

Investments in these categories will be provided three mutually exclusive options including Investment Promotion Subsidy, Capital Subsidy and Net SGST reimbursement.

The Capital Subsidy option is graded by regions of the state — the highest in Bundelkhand and Purvanchal, followed by Madhyanchal and Paschimanchal (except Gautam Buddh Nagar and Ghaziabad districts) and then Gautam Buddh Nagar and Ghaziabad districts.

Invest UP has been appointed as the nodal agency for sanction and disbursement of incentives under the policy. A Policy Implementation Unit (PIU) will also be set-up under Invest UP to ensure effective implementation of the policy and speedy processing of applications.

The policy has innovative option-based incentive models and land facilitation mechanisms with a roadmap for circular economy and incentives for research and development and innovation. The new and improved umbrella Industrial Policy of UP seeks balanced, sustainable and inclusive economic development.

PICS: DIPR, GOVT OF UP

The new industrial policy aims at creating a progressive, innovative and supportive industrial ecosystem generating employment in the state while mobilising investments from across the world

FUELLING KEY SECTORS FOR ENERGISING INDUSTRIAL GROWTH

UP aims at creating a progressive, conducive, and supportive industrial ecosystem. Focus sectors include:

- INFRASTRUCTURE
- HEALTH
- JUDICIAL STRUCTURE
- POWER
- HEAVY INDUSTRIES

Bifurcation of sectors, both vertically and horizontally, for faster development. Development plans are being drawn based on this categorisation.

HARD CATEGORY: Logistics ■ Power ■ Energy

SOFT CATEGORY: Education ■ Health ■ Judicial processes

SERVICE CATEGORY: Tourism ■ Education ■ Health sector training

"The government has earned the confidence of the people. Investors are willing to invest in UP because of the improved law and order situation, the investment-friendly atmosphere and the infrastructure development taking place under the leadership of CM Yogi Adityanath."

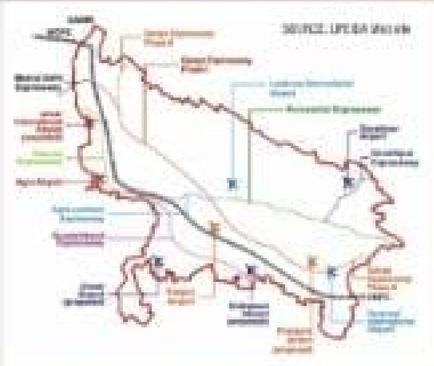
Narendra Modi, Prime Minister

UP's marching band of potential

The central government has rightly recognised that UP's development will drive India's progress as the state comprises 16% of national population. PM Modi laid the foundation stone of 1,406 projects worth Rs 80,243 crore in UP in June. Investors' confidence is increasing with the focus of both central and state governments is developing UP. Over FY-22, UP's exports increased from Rs 1,07,423 crore to Rs 1,40,157 crore, an increase of 30%. The contribution of CM's 'One District One Product' scheme in this is about 72%.

Sectors like tourism infrastructure is a highly promising growth driver for the state. Places like Mathura, Ayodhya and Varanasi are being developed and the Ram temple in Ayodhya will be a major boost. Among Labour-Intensive Industries (LIIs), the textile sector shows great potential with a share of 9% (Rs 12,996 crore) in the goods exported from UP in FY-22. It is third after electronics and electrical products. Meanwhile, Noida is becoming the foremost electronic export hub for India. It is suggested that UP will create a Rs 10,000 crore fund over 5 years to invest in deep research, intellectual property generation and building specialised workforce with focused centres of excellence, grants, R&D laboratories and manufacturing facilities. Furthermore, UP has vast potential to build specialised industries' base in the western region close to the NCR.

SOURCE: UPEIDA Website



- Strategically located on the 'Golden Quadrilateral', the state of Uttar Pradesh is connected to major national and international airports in the country
- Largest railway network spanning 9,049 km
- Western Dedicated Freight Corridor — WDFC, being developed from Dadri in Ghaziabad to Jawaharlal Nehru Port of Mumbai
- Eastern Dedicated Freight Corridor — EDFC. 57% area of the project in Uttar Pradesh
- With a population of more than 200 million, UP has the highest number of available labour force and is one of the top five manufacturing states in India
- The state also ranks first in terms of number of MSMEs in the country and ranks 2nd in EODB
- Uttar Pradesh Defence Industrial Corridor (UPDIC) intends to reduce foreign dependency of Indian aerospace and defence sector

Kickstarted by CM Yogi Adityanath, the countdown to UP Global Investors Summit (GIS) 2023, began at the Curtain Raiser in Delhi

CLARION CALL FOR INVESTORS

The Uttar Pradesh government is unfolding a new narrative for 'New India'. Breaching the doubts of skeptics and naysayers, the Yogi Adityanath led team is envisioning new horizons where Uttar Pradesh is inundated with investment opportunities, employment and revenue. In a recently held curtain raiser, a precursor to the UP GIS 2023, the state officials have lined up new policies and initiatives to attract investors. Setting up a target of garnering investments worth Rs 10 lakh crore from more than 300 key investors from India and abroad. According to the UP CM, 21 countries have expressed interest in participating in the upcoming GIS while countries like Netherlands, Denmark, Singapore, UK and Mauritius have agreed to be partner countries in the event. To make Uttar Pradesh the growth engine of India's development, CM Yogi Adityanath has requested investors from all over the world to invest in the state.

With improved law and order, better connectivity and structural reinforcements for start-ups and MSMEs, the state has already become an ideal destination for industrial parks, new data centres, greenfield corridors, IT and defence manufacturing, etc. Its Online Incentive Management Portal and Customer Relationship Management called 'Nivesh Sarathi', launched at the curtain raiser, is aimed at facilitating investors and investments in UP.

- 25 investment-friendly policies
- 353 services available through online single window 'Nivesh Mitra' portal
- Top ranking in 'Ease of Doing Business'
- Largest consumer base
- 6 e-ways, 5 international airports
- 9 airports operational & 10 under construction
- Metro operational in 5 cities, under construction/proposed in 5 cities
- Highest number of MSMEs
- Large reserve of industrial landbanks
- Moving towards Global Data Centre education and medical hub
- India's largest producer of food grains, milk, sugar, potatoes and ethanol

PICS: DIPR, GOVT OF UP

UP GLOBAL INVESTORS SUMMIT

New India's Growth Engine

ROADSHOWS

Yogi Adityanath government plans to hold road shows in 20 countries in the coming months. This is part of curtain raiser to 'Global Investors Summit' to be held from February 10 to 12 in 2023 in Lucknow. According to officials, road shows will include countries such as Japan, Germany, Thailand, Mexico, South Africa, UK, USA, Brazil, Australia, France, Netherlands, Belgium, the UAE and Canada.

The 'Ease' of it!

- UP 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 Uttar Pradesh Industrial Investment & Employment Promotion Policy-2022
- Uttar Pradesh's new industrial policy 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. The aim of the state is to empower investors
- 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 have been received through the portal of which around 97% have been processed
- 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
- 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

- 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 over-arching strategy of the 'most preferred investment destination' image of Uttar Pradesh
- Global Investors Summit (GIS) will be organised with an objective to project Uttar Pradesh as a global investment hub
- With special benefits for creating job opportunities, UP 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

Heartland of opportunities

Abundant in rich resources like land and human capital, Uttar Pradesh presents fertile prospects for industrial development

Uttar Pradesh is the fourth largest state in India in terms of land area and the most populous state offering one of the richest resources in skilled human capital. UP is often described as the heartland of India and falls under the influence area of the first two of India's dedicated freight corridors — western corridor running between Delhi and Mumbai and eastern corridor running between Ludhiana and Kolkata, connecting it with remote parts of the country. Already, the Defence Corridor and other greenway projects are building new avenues of industrial and manufacturing set-ups and related commercial ventures.

UP has several locally specialised business clusters such as sports goods in Meerut, brassware in Moradabad, perfumes in Kannauj, leather in Kanpur, shoes in Agra, embroidered sarees in Varanasi, carpet in Bhadohi, chikan work in Lucknow, etc and making a big splash in international and domestic markets with its ODOP products. The state is amongst the most popular tourist destinations in India with the presence of Kashi Vishwanath Dham Corridor, Taj Mahal, Buddhist places of pilgrimage such as Sarnath and

arrivals, in 2020.

Uttar Pradesh is known as the 'food basket' of India and is a leading producer of several food items. It is also the top manufacturing destination contributing more than 8% of national manufacturing output. The state is a leading electronic hardware exporter in the country and has also emerged as a key hub for IT/ ITeS

Preparedness Index 2021 and is recognised as an 'Achiever' among landlocked states by DPIIT in Logistics Ease (LEADS 2022). With the maximum number of MSME set-ups in the country, the region has rapidly emerged as a rich source for industrial, manufacturing and other skilled and unskilled human capital. With the longest network of expressways and

UP's NEW INDUSTRIAL POLICY: KEY HIGHLIGHTS

- **New models (such as capital subsidy and PLI top up support)** introduced in addition to Net SGST reimbursement to cover wider category of projects under fiscal incentives program
- **Capital subsidy option linked to unit performance** and various boosters (ecosystem booster, employment booster and exports booster) to ensure optimal use of incentives budget and meet policy objectives
- **Longer investment period (up to 9 years)**, SGST reimbursement for longer period, wider scope of eligible fixed assets, specific coverage for applications pending under previous policy
- **Additional sectors** such as Circular Economy, Infrastructure projects, Green Hydrogen etc introduced

INCHING CLOSER TO TRILLION-DOLLAR VISION

To help the state achieve its goal of having a US$ 1 trillion economy, Uttar Pradesh has unveiled its Industrial Investment and Employment Promotion Policy 2022.

According to Nand Gopal Nandi, industry minister, the goal of the scheme is to establish a competitive, innovative and forward-thinking industrial environment that will create jobs and attract foreign investment. The policy is a great choice for both domestic and foreign investors, given that India is currently at a high point in world economy. To provide one of the most alluring and ideal incentive packages for investments, it both supports and reinforces numerous central government's programmes and policies. For authorising and allocating incentives under the policy, 'Invest UP' has been appointed as the nodal agency. To ensure efficient application of the policy and quick processing of applications, Invest UP will