

Uttar Pradesh Micro, Small and Medium Enterprises Promotion Policy – 2022

**Department of Micro, Small and Medium Enterprise & Exports Promotion,
Government of Uttar Pradesh**

Note :- This is the English translation of the Uttar Pradesh Micro, Small and Medium Enterprises Promotion Policy – 2022 notified by the Government vide order dated 28.09.2022. In case of any discrepancy between English translation and the Government Order in Hindi, the Hindi version would prevail.

1. Introduction

Uttar Pradesh is a vast state in terms of geography and population with a total area of 2,40,928 sq km. The State is India's third largest economy with an estimated Gross Domestic Product (GDP) of about Rs 17.06 lakh crore (2020-21). The contribution of agriculture (primary sector), manufacturing (secondary sector) and services (tertiary sector) is respectively 27.46%, 23.63% and 48.91% in the State's GDP.

COVID-19 pandemic has adversely impacted the economic development of the State. During these extraordinary times, it is imperative for the Small and Medium Enterprises sector to undertake extraordinary measures, so that the State not only regains its pre-pandemic pace of economic development, but that it also benefits from the new investment opportunities thrown up by the pandemic circumstances. Top global corporations are exploring to invest in India to overcome the economic challenges and impediments due to the pandemic; as such it is important for the State to showcase itself as an 'attractive investment destination', so that the State attracts maximum investment and new employment opportunities are generated. Additionally, to minimise the adverse impact of Covid pandemic and considering the important role played by the MSME sector in propelling the State as one trillion dollar economy, there is an urgent need to present the Micro, Small and Medium Enterprises Policy in a fresh template.

In view of the changed circumstances, the Micro, Small and Medium Enterprises sector needs to be ushered to a new level for which technology will play a vital role. Assessing this situation, the Ministry of Micro, Small and Medium Enterprises Government of India, via notification dated 01.06.2020 amended the 'Micro, Small and Medium Enterprises Development

Act, 2006' to make the following changes in the definition of the Micro, Small and Medium Enterprises: -

(i) a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees;

(ii) a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and the turnover does not exceed fifty crore rupees;

(iii) a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and the turnover does not exceed two hundred and fifty crore rupees.

In view of the above, the Micro, Small and Medium Enterprises Promotion Policy, 2022 is promulgated herewith as under: -

In the previous policy, the incentives applicable to the MSMEs are based on the net SGST paid by the units. Due to this arrangement, a majority of the Micro, Small and Medium Enterprises and export oriented units could not avail of the benefits. Therefore, in the present policy the incentives to be given to the MSME units would be delinked from the SGST.

2. Vision

- To establish Uttar Pradesh as a preferred destination of attracting national and global investment for setting up maximum Micro, Small and Medium Enterprises, and registering 15 percent annual growth rate
- Maximum employment generation in new units, and attaining 15 percent employment growth rate through the expansion and up-gradation of existing units
- Striving for alleviating regional disparity and inequality among the different sections of society through the benchmarks of entrepreneurship, employment and per capita income.
- Creating a sensitive administrative system based on best technological platform to redress the grievances of the potential entrepreneurs as well as existing units in their growth journey.

3. Strategy

To realise the aforementioned vision, the state government will prepare an action plan according to the following strategy:-

- To make available resources for the expansion and technological up-gradation of existing enterprises, strengthening the infrastructural facilities and providing

marketing support to the manufactured products.

- Ensuring easy availability of land/place for the setting up of new enterprises, development of new infrastructure facilities and enrichment of existing facilities.
- Facilitating a conducive industrial environment to foster ease and simplicity of doing business.
- Sustainable and composite development keeping in view ecological balance.
- Providing special incentives for the setting up of and up-gradation of enterprises in Bundelkhand, Purvanchal and Madhyanchal regions to address the regional imbalance.
- Providing special incentives for enhancing the participation of women, scheduled castes, scheduled tribes and other backward sections of the society to address the issues of inequality.
- Providing financial incentives for attracting investment.
- Promoting technological up-gradation for developing the quality of products and services to the Micro, Small and Medium Enterprises.
- Facilitating national and global branding of the products under the One District One Product (ODOP) Programme, and crafting a policy for marketing these items.
- Coordinating with the MUDRA, Startup India, Standup India, Make in India and other Mission Mode programmes and schemes of the Government of India to formulate the state government policies.

4. Definitions

Micro, Small and Medium Enterprises - as is defined by the MSME Act 2006 and the amendments therein from time to time. Under this policy, the proposed incentives will be applicable to both the manufacturing and services sector units. Under the services sector, only the manufacturing related services would be included. For example, Common Effluent Treatment Plant (CETP), Common Facility Centre (CFC), Research and Design services etc will be included under the MSME policy.

Fixed capital investment – The investment made by the MSME units depending upon requirement in building, plant, machinery, utilities, equipment and other assets during the eligible investment period for the production of the end product would be considered for the calculation of fixed capital investment according to the following details: -

Land	<p>Maximum 10 percent of the fixed capital investment will be taken as the land component of the manufacturing unit for the purpose of calculating the fixed capital investment of the unit. The investment promotion assistance will not be payable on the land cost. The original purchase price as per the registered land deed will be taken as the land cost, excluding the stamp duty and registration fee. In case of land procurement from the state industrial development authority or other state government agencies, the allotment price (excluding registration fee and stamp duty) will be considered as the land cost.</p>
Building	<p>Building refers to a newly constructed building, which also comprises an administration block. A maximum of 10 percent of the fixed capital investment will be taken as the building component for manufacturing.</p> <p>The following necessary and actual expenditure incurred on a new building would be calculated in the project cost; -</p> <ul style="list-style-type: none"> • Building constructed for the establishment of plant and machinery, • Building constructed for the Research & Development (R&D) activities, • Building constructed for in-house testing facilities, • Building constructed for warehousing facilities and other activities related to manufacturing processes,
Other construction	<p>‘Other construction’ head includes: -</p> <ul style="list-style-type: none"> • Wall and gate • Security cabin • Internal road • Bore well • Water tank • Internal pipeline network for water and gas, and other related construction • Fire safety arrangement • Emergency medical room and equipment • Electricity room
Plant, machinery and equipment (workshop)	<p>Plant and machinery refers to new plant and machinery, utilities, dyes and moulds and such equipment which aid in the manufacturing of product. The project cost includes the expenditure on the establishment and electrification of the plant and machinery. The electrification cost includes the expenditure on sub-station and</p>

and plant)	<p>transformer.</p> <p>Plant and machinery could also include the following expenditure: -</p> <ul style="list-style-type: none"> • Plant for the production of non-conventional energy; • Vehicles and material handling equipment used in movement of cargo transport only within the precincts of the manufacturing unit; • Captive power plant for power generation, non-conventional energy plants. The captive power plant and machinery would be considered for incentives only when the power generated by them is utilized by the unit itself; • Water purification plant; • Pollution control plant, which has the facility of collection, treatment and disposal of hazardous waste/emissions or solid/gas effluents; • Diesel generator sets and boiler.
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5. Important steps

5.1 Infrastructure development

5.1.1. Sometimes, the entrepreneur is unable to set up the enterprise within the stipulated time period after the allotment of plot in the industrial estates . The policy of surrender of such plots and return of the security deposit would be rationalized so that the vacant plot could be re-allotted to new entrepreneurs without any dispute.

5.1.2. The process of time bound and transparent allotment and transfer of plots in the Industrial Estates would be made online. The plots which are not being utilized for industrial purposes would be cancelled and allotted to new entrepreneurs.

5.1.3. For the purpose of development of the Micro, Small and Medium Enterprises in the rural areas, the available Gram Sabha land would be developed as Mini Industrial Estates. For this purpose, 5 acres or more land belonging to the Gram Sabha would be identified, re-acquisitioned and transferred to Directorate of Industries and Enterprises Promotion free of cost. The Gram Sabha land would be made available to the MSME department under the existing revenue department norms. The development of these plots would be done by the Directorate according to the requirements of the Micro, Small and Medium Enterprises. The allotment of land in these Mini Industrial Estates to the Micro, Small and Medium Enterprises would be done at the circle rate fixed by the District Magistrate.

5.1.4. The entrepreneurs belonging to such development block, wherein the Gram Sabha land is to be re-acquisitioned, will be accorded priority in the allotment of plot in the concerned industrial estate.

5.1.5. Gram Sabha land of 5 acres or more available at one place within the 5 km vicinity of Agra-Lucknow Expressway, Purvanchal Expressway, Bundelkhand Expressway, Ganga Expressway and other expressways/corridors being development in the State, would be made available for free to the Directorate of Industries and Enterprises Promotion for the development of Mini Industrial Estates. The Gram Sabha land would be made available to the MSME department according the existing norms of the revenue department. The allotment of plots in the Mini Industrial Estates so developed would be done to the Micro, Small and Medium Enterprises at the circle rate fixed by the District Magistrate/concerned authority.

5.1.6. MSME Park/Industrial Estate/Flatted Factory complex (land requirement for Flatted Factory would be minimum of 4,000 sq mt) would be established in the private sector over an area of 10 acres or more. At least 10 units would be given plots/space in the MSME Park/industrial estate/flatted factory complex developed by the private sector. MSME Park/industrial estate/flatted factory complex refers to such areas wherein at least 75 percent of the space available for sale is reserved for the MSME units, and such areas would be eligible for the following incentives: -

5.1.6.1. On the repayment of annual interest on the loan taken against the sanctioned project cost, 50 percent reimbursement (to a maximum of Rs 2 crore per year) for 7 years would be provided to MSME Park/Industrial Estate/Flatted Factory Complex. The project cost could include land purchase cost, infrastructure development cost, labour housing construction (hostel/dormitory) etc.

5.1.6.2. The developer would be eligible for 100 percent waiver of stamp duty on the purchase of land.

5.1.7. The flatted factory complexes would be promoted in the State. A committee constituted under the chairmanship of Additional Chief Secretary, Micro, Small and Medium Enterprises, would be competent authority to take policy decisions in this regard.

5.1.8. Industrial Estates would be developed in the state under the PPP model. The UPSIC (Uttar Pradesh Small Industries Corporation) would be the nodal agency for this purpose, and through its board, it would develop Industrial Estates on the land belonging to the private developers on a partnership basis.

5.1.9. MSME Parks would also be developed in the State under the PPP model.

5.1.10. New MSME Park/Industrial Estate being developed on 50 acres or more land would be developed as integrated industrial park/estate, wherein housing, commercial,

social and medical facilities would also be offered in addition to the developed industrial plots with plug and play facility. A maximum of 20 percent area of the industrial park/estate would be compulsorily reserved for housing, commercial, social and medical facilities.

5.1.11. For strengthening and maintenance of the infrastructure facilities in the state Industrial Estates, a SPV (Special Purpose Vehicle) would be formed with the support of the entrepreneurs of the Industrial Estate. The state government will make matching contribution in the SPV. However, the state government will make the contribution only once (first time).

5.1.12. Depending upon the requirement, the Developer/ Implementing Agency would be encouraged for the setting up Effluent Treatment Plant, Common Effluent Treatment Plant and Common Facility Centre in the Industrial Estates and Industrial Areas.

5.1.13. For the purpose of catalysing investment in infrastructure in the Micro, Small and Medium Enterprises sector, all possible steps (Public Private Partnership and other innovative available models) would be adopted in partnership with the private sector.

5.1.14. The house tax related policy of the municipal corporations applicable on industrial units would be rationalized.

5.1.15. A policy would be framed for the transfer of industrial areas to the municipal corporations.

5.1.16. Services and Commercial activities would be promoted in the Industrial Estates located in the middle of urban centres (cities), and appropriate steps would be taken towards this end.

5.2. Fostering Ease of Doing Business, conducive environment and sensitive administration

5.2.1. Technically competent and sensitive administrative machinery has an important role to play in successful implementation of programmes and schemes framed by the Government. Therefore, the organizational structure would be strengthened for the effective implementation of schemes. For developing the technical capability of employees and creating a conducive industrial environment, administration would be sensitized. The state government will modernise the District Industries and Enterprise Promotion Centres through establishment of efficient and effective helpdesk which would help in better project formulation. If possible, the services of expert advisors would be taken in this regard. For this, the organizational setup of the District Industries and Enterprise Promotion Centre would be reformed, and they would be equipped with high speed internet/broadband and video conferencing facilities. Each application/grievance/suggestion received in the office through the medium of

ERP/special software would be tabulated and continually monitored online for the action taken thereon. All the schemes of the department would be made online.

5.2.2. For realising the vision of the policy, an Investor Facilitation Cell would also be established in the District Industries and Enterprise Promotion Centres for guidance and counseling of investors for this purpose. The District Industries and Enterprise Promotion Centres would be equipped with all requisite resources.

5.2.3. Enterprise promotion and investor facilitation are among the major tasks of the District Industries and Enterprise Promotion Centres. While the development of entrepreneurship among youth is vital for promoting enterprises, adequate human resources are also imperative for the investor facilitation. For achieving both these goals, the state government will bring a scheme/programme wherein the human resource requirement of the District Industries and Enterprise Promotion Centres would be met through the medium of internship by the college students/passed-out students (including technical and management institutes). During internship, the students would also get introduced to the establishment and running of an enterprise. As a result, this internship would be a kind of practical Entrepreneurship Development Programme (EDP), in this way District Industries and Enterprise Promotion Centres would emerge as a nursery of future entrepreneurs.

5.3. Financial Assistance

For attracting maximum investment in the State and maintaining the competitiveness vis-à-vis other states, the state government, subject to certain rules and conditions, would provide the following financial support: -

5.3.1. The District Industries and Enterprise Promotion Centres would offer special facilities to the Micro, Small and Medium Enterprises and youth seeking self-employment for preparation of bankable project reports so that bank financing could be made easier.

5.3.2. The state government would incur the One Time Guarantee Fee under Credit Guarantee Fund Trust for Micro and Small Enterprises for collateral free loans of up to Rs 2 crore taken from the banks.

5.3.3. The Micro, Small and Medium Enterprises being established in the State would be provided the stamp duty exemption as hereunder: -

5.3.3.1. 100 percent in Purvanchal and Bundelkhand,

5.3.3.2. 75 percent in Madhyanchal and Paschimanchal (excluding Gautam Buddha Nagar and Ghaziabad districts),

5.3.3.3. 50 percent in Gautam Buddha Nagar and Ghaziabad districts,

5.3.3.4. 100 percent stamp duty exemption to the enterprises being set up by the women entrepreneurs anywhere in the state.

5.3.4. The Investment Promotion Assistance (IPA) in the form of capital subsidy based on the fixed capital investment by the new Micro, Small and Medium Enterprises in the State would be provided as hereunder: -

Type of unit	Micro	Small	Medium
Area			
Bundelkhand and Purvanchal	25%	20%	15%
Madhyanchal and Paschimanchal	20%	15%	10%

5.2.4.1. The Investment Promotion Assistance will be payable on the investment made by the unit on plant, machinery, equipment and related building. The investment promotion assistance would not be applicable on the land cost. This assistance would be paid in two equal installments to the eligible units. The first installment would be given on partial progress of the project, for example, on completion of the building, while the remaining second installment would be given when the unit achieves at least 50 percent of its commercial production capacity.

5.2.4.2. An additional 2% Investment Promotion Assistance would be provided to the Scheduled Caste, Scheduled Tribe and women entrepreneurs.

5.3.4.3. The Investment Promotion Assistance will have ceiling of Rs 4 crore per unit.

5.3.5. The Capital interest subsidy for the new Micro Enterprises in the State, 50 percent of the interest payable on the loan, subject to a maximum of Rs 25 lakh per unit, in 5 years.

5.3.5.1. The above subsidy would be given on annual basis. The unit would be eligible to claim the subsidy after the full payment of the interest.

5.3.5.2. The Scheduled Caste, Scheduled Tribe and women entrepreneurs would be given an additional 10 percent that is 60 percent interest subsidy on the annual interest payment

5.3.5.3. Under the policy, the Scheduled Caste, Scheduled Tribe and women unit refers to such units which come either under ownership category or which have at least 51 percent share capital of the entrepreneurs of this category.

5.3.5.4. The cost of land would not be considered during the calculation of benefits in the form of capital subsidy or capital interest subsidy.

5.3.6. The Micro, Small and Medium Enterprises would be encouraged to raise funds through the Stock Exchanges. The government will nominate a facilitation agency for this purpose. Reimbursement of 20 percent (maximum Rs 5 lakh) of the expenditure incurred on raising equity funds through the Stock Exchange would be done.

5.3.7. For the purchase of raw material by the new food processing units having investment in plant and machinery worth Rs 5 crore or more, mandi fee waiver for five years would be provided according to the provisions of the section 17-A(1)(A) of Mandi Act 1964 and rule -137 of Mandi Adhiniyam 1965.

5.3.8. Under the Uttar Pradesh Micro, Small and Medium Enterprises promotion policy 2022, the total financial support to the enterprises would be limited to the fixed capital investment done by them.

5.4 Capacity building and training

5.4.1. For the new Micro, Small and Medium Enterprises, the state government would reimburse cent percent EPF share of the employers for 5 years from the date of commencement of production by the unit.

5.4.2. The Institute of Entrepreneurship Development, which has been set up as a Centre of Excellence, would be authorised to prepare a case study based practical training module with respect to the various schemes run by the department. The Institute of Entrepreneurship Development would coordinate with different departments and institutes for running new courses for entrepreneurship development among the youth, and it would be the official institute to offer its expertise in different fields of entrepreneurship development.

5.4.3. Additionally, each MSME cluster in the state will be connected with a technical and management institute, which would provide technical and vocational counseling to the concerned MSME cluster respectively. Such institutes will set up cluster related mini Centres of Excellence in their campuses, for which the state government will provide grant. The selection of the technical and management institutes would depend upon their quality and their distance from the such MSME cluster. For this purpose, the local District Industries and Enterprise Promotion Centres would serve as the first point of contact.

5.4.4. Special training programmes would be conducted stressing upon the skill development of entrepreneurs belonging to the scheduled caste, scheduled tribe and other backward sections.

5.4.5. Entrepreneurship development programmes would be organised in all the districts of the State. The Institute of Entrepreneurship Development, Lucknow would act as the nodal agency in this respect.

5.4.6. For the training of artisans and young entrepreneurs in the modern technologies of manufacturing, design, packaging and marketing, prominent government and non-governmental organisations working in these fields would be engaged. For the training in the field of design, the Uttar Pradesh Institute of Design, Lucknow would be upgraded and strengthened.

5.4.7. The departmental training centres under the Directorate of Industry and Enterprise Promotion would be reviewed and useful centres would be activated.

5.5. Quality and standards

5.5.1. In wake of the rapid developments in the field of technology and the adoption of high standards at the global level related to environment and technical benchmarks, the investment in the basic infrastructure of technological up-gradation and testing is vital for increasing the competitive bandwidth of the Micro, Small and Medium Enterprises. As such, the industry would be encouraged to adopt the waste management systems and pollution control facilities/standards.

5.5.2. The existing Technical Up-gradation Scheme of the state government would be attuned to the present circumstances, and necessary steps would be taken for wide publicity to amplify the benefits of the scheme to the Micro, Small and Medium Enterprises. This is aimed at ensuring that superior and upgraded technology is promoted in different segments such as product quality improvement, environment improvement, energy efficiency, quality packaging, training facilities and computerised quality control etc. For this purpose, the entrepreneurs would be provided with capital and interest subsidy facility for projects undertaken to achieve these goals.

5.5.3. The Micro, Small and Medium Enterprises would be encouraged for the manufacturing of quality products, so that they attain the various quality parameters, such as Zero Effect Zero Defect (ZED), WHO - GMP, Hallmark and other national/international quality certification which are endorsed or accredited by the Bureau of Indian Standards (BIS) or NABCB (QCI). For this purpose, this policy will offer financial support in the form of re-imbusement as hereunder: -

	Micro Enterprise		Small Enterprise		Medium Enterprise	
Component	Percentage of total cost	Maximum financial limit (Rs lakh)	Percentage of total cost	Maximum financial limit (Rs lakh)	Percentage of total cost	Maximum financial limit (Rs lakh)
Cost of certification or approval, cost of	75%	5.00	50%	5.00	25%	5.00

certification or approval by third party testing						
Setting up of the laboratory along with the cost of procurement of testing equipment and cost of calibration	75%	5.00	50%	5.00	25%	5.00
Cost of IT system acquisition	75%	2.00	50%	2.00	25%	2.00
Cost of qualification and mandatory professional training of an employee	75%	0.50	50%	0.50	25%	0.50

5.5.4. For such products, whose quality standards are still not determined, the standards would be developed by coordinating with the Bureau of Indian Standards (BIS) and Quality Council of India (QCI) so that such products could be made globally competitive.

5.5.5. Reimbursement of 75% (maximum Rs 10 lakh) of the cost of documentation for national/international patents and Geographical Indication (GI) registry would be done. Process patent would also be eligible for this financial support. In relation to the attorney fee for filing patents/geographical indication application, the maximum reimbursement would be Rs 50,000 (national application) and Rs 2,00,000 (international application). This support would be given only after the grant of patent or geographical indication tag.

5.5.6. The Micro, Small and Medium Enterprises would be given financial support in the form of reimbursement for the adoption of Enterprise Resource Planning (ERP) system and other ICT platforms and facilities. For installing the ERP systems approved by the Directorate of Industries and Enterprises Promotion, Uttar Pradesh, support of 75 percent of the capital expenditure (maximum Rs 01 lakh) would be provided. For implementing the ICT facilities, a support of 75 percent of the capital expenditure (maximum Rs 5 lakh) would be provided.

5.5.7. For promoting the setting up of incubation centres in the state engineering colleges, ITI, polytechnics and other technical institutes, stress would be given to the industry-academia continuum. The mechanism of coordination between the state ITI and other engineering colleges, MSME technology centres and prominent institutions of the Government of India would be strengthened. To achieve this objective, an information system would be developed at the Directorate of Industry and Enterprise Promotion level.

5.6. Udyog 4.0

Udyog 4.0 would be primarily based on the practical aspects of Internet of Things (IoT), uninterrupted internet connectivity, fast communication technologies and 3D printing, wherein steps would be taken for greater integration of digitalization of products, value chain and trade models. A working group would be constituted to promote Udyog 4.0 with the following objectives: -

5.6.1.1. To identify the technology, equipment and machines related to Udyog 4.0 keeping in mind the focus sectors of the State.

5.6.1.2. To formulate policies and action plan for promoting the adoption of these identified technology, equipment and machines among the Micro, Small and Medium Enterprises.

5.6.2. The Udyog 4.0 working group would primarily comprise sector and technical experts.

5.7. Marketing

5.7.1. There is a need to ensure the marketing capability of products manufactured in the State according to demand in the national and international markets. The state government will take appropriate steps to overcome the shortcomings in this field. The e-commerce portal developed by the Uttar Pradesh Handicraft Development and Marketing Corporation will be strengthened so that traditional artisans could be integrated with the state and national markets.

5.7.2. The Micro, Small and Medium Enterprises would be encouraged to onboard other e-commerce portals. The reimbursement for the expenditure incurred in this regard would be done under the various MDA schemes.

5.7.3. Expo Marts would be established in select cities of the State.

5.7.4 The Uttar Pradesh Export Promotion Council will be strengthened in such a manner so that the council could play an important role for the participation in international trade fairs as well as organising international buyer-seller meets.

5.7.5. Uttar Pradesh Trade Promotion Authority will be strengthened in such a manner so that it could promote the participation of handicraft artisans and entrepreneurs by organising regional, national and international exhibitions and buyer-seller meets.

5.8 Important steps to support the expansion and up-gradation of existing Micro, Small and Medium Enterprises

5.8.1 Keeping in mind the limited availability of land for the expansion of existing units, the FAR would be increased according to the extant rules and conditions. This would ensure the expansion of existing units.

5.8.2. To promote the expansion and diversification of existing Micro, Small and Medium Enterprises, they would be provided with the same facilities as new units under certain terms and conditions.

‘Expansion/diversification’ refers to such units, which increase their gross block by at least 25% apart from increasing production capacity by 25 percent, by way of fresh capital investment, for example, purchasing of new machinery/plant for diversification, setting up new production line and purchase of land/building needed for the new production line.

5.8.3. To facilitate the benefits to state MSMEs under the Micro, Small and Medium Enterprises cluster development schemes run by the Government of India , more and more clusters would be developed and common facility centres set up under such schemes.

5.8.4. For appropriate value addition in locally specified agricultural produce and keeping in mind the availability of funds with the mandi parishad for packaging and assessing its utility for the mandi samitis, common facility centres would be set up at the mandis.

5.8.5. In accordance with the assistance provided by the Government of India to the Micro, Small and Medium Enterprises for the promotion of the products manufactured in the country, the procurement from the units situated and established in the State would be strengthened.

5.8.6. Because of lack of competitiveness and other technical and management related issues Micro, Small and Medium Enterprises often become sick. To address this issue, Government of India’s scheme for the revival of sick units/enterprises would be implemented effectively by coordinating with the public and private sector banks.

5.8.7. The web based online portal and call center mechanism to redress the grievances of entrepreneurs would be strengthened.

5.9. Promotion of environmental infrastructure

5.9.1. Common environmental infrastructure facilities such as waste management system, Common Effluent Treatment Plant (CETP), improvement of existing CETPs and technological up-gradation, common multiple effect evaporator, common spray dryer, bio degradables etc would be eligible for the financial assistance of up to 50% (maximum Rs 10 crore) of the project cost. However, the consolidated financial support by the Government of India and the state government would not be more than 75% of the eligible capital investment. This facility would be developed on the lines of common facility centers.

5.9.2. Financial assistance of 50% (maximum Rs 75 lakh) would be provided on the cost of relevant equipment to those units which achieve at least 50% waste recycling through zero liquid discharge (certified by the Uttar Pradesh Pollution Control Board).

5.9.3. Financial assistance of 50% of the project cost for establishing a common (established by minimum 10 MSMEs) boiler project by the SPV. This assistance would be 35% for solid fuel and 50% for clean fuel. The maximum assistance limit would be Rs 50 lakh. This facility would be developed on the lines of common facility centres.

5.9.4. For the promotion of clean production technologies such as substitution and customization of raw material, economising on water usage, economising on energy usage, pollution control equipment etc, 40% reimbursement (maximum Rs 20 lakh) of the expenditure incurred on the plant and machinery would be done.

5.9.5. To promote the 'Green Practices and Environmental Audit' as well as related audit of energy and water conservation among the existing MSME units in the State, 75% (maximum Rs 50,000) of the audit services fee would be reimbursed and 50% (maximum Rs 20 lakh) cost incurred on the purchase of equipment recommended by the auditor would be reimbursed.

5.9.6. On applying for the green rating from the Indian Green Building Council, 50% (maximum Rs 2.5 lakh) of the consultation fee would be reimbursed.

5.9.7. For the expenditure incurred on the setting up of environment management lab/environment management system, 50% (maximum Rs 10 lakh) of the cost would be reimbursed.

5.9.8. Existing industrial units would be eligible for the pollution control measures benefits as mentioned in serial number 5.9. If the newly established units at the time of commissioning. install pollution control measures, as mentioned under serial number - 4

related to the plant/machinery and equipment, they would be provided investment promotion assistance as mentioned in serial number 5.3.4.

6. Implementation of financial assistance

6.1. To get financial assistance under this policy, unit has to apply through on-line mode. The applicant could also track the application status online. For this purpose, the website of the Directorate would be modified as required.

6.2. For availing of the benefits under the policy, the units will have to apply to the Deputy Commissioner of the concerned district. The Deputy Commissioner would make prompt evaluation and forward it with recommendations to the Joint Commissioner Industry of the concerned Division. All the applications would be approved by the committee constituted under the chairmanship of the Divisional Joint Commissioner of Industries. The Deputy Commissioners of Industry of the concerned district would be members of the such committee. Besides, the divisional officials of the departments of power, pollution control and labour apart from the Lead Bank Managers of the districts would be members of the committee. The officials of other related departments can also be invited as members of the committee, if required.

6.3. A State Level Empowered Committee would be constituted under the chairmanship of Commissioner and Director of Industry, Uttar Pradesh, which would include as members the state level officials of banks and departments of Pollution Control, Power, Labour, National Productivity Council, UPFC etc. If required, the Commissioner and Director of Industry could nominate other experts/departments in the committee, which would be mandated to technically evaluate the financial claims, calculate the benefits and accordingly seek the budget from the government.

6.4. A High Powered Committee under the chairmanship of the Infrastructure and Industrial Development Commissioner would be constituted, which would be mandated to review progress and ensure inter-departmental coordination. The Additional Chief Secretary/Principal Secretary, MSME would ensure the disposal of cases, referred to by the Commissioner and Director of Industry, by placing it before the committee.

7. Miscellaneous

7.1 The policy would be effective from the date of promulgation.

7.2. The policy would be effective for five years from promulgation or till the government promulgates a new policy.

7.3. The calculation of eligible investment period would be done from the date of the promulgation of the policy. Under the policy, the eligible investment period for Micro enterprises would be 2 years from the date of application. This duration for the Small and Medium enterprises would be respectively 3 and 4 years. The units would have to commence commercial production within the eligible investment period. Any past

investment in land by new units or part construction cost would not be considered as eligible fixed capital investment. Only the investment made during the effective duration of the policy would be considered as eligible fixed capital investment.

7.4. A number of policies such as Uttar Pradesh Food Processing Policy, Bio-energy Policy, IT policy, Biotechnology policy etc are being implemented in the State. In order to avoid duplication of benefits, of the benefits available from different policies under one head, an enterprise would be eligible for benefits under one policy only, so that there is no duplication of benefits.

7.5. Micro, Small and Medium Enterprises and Export Promotion department would be the nodal department for the implementation and monitoring of the policy.

7.6. The proposed provisions under the policy would be subject to the relevant accompanying Act/government order/rules etc. The relevant departments would issue relevant government orders for the implementation of this policy.

7.7. This policy would not be applicable to the following investment proposals; -

7.8.1. Tobacco products, gutkha, pan masala etc;

7.8.2. Alcohol, aerated drinks, carbonated products etc;

7.8.3. Manufacturing of firecrackers;

7.8.4. Plastic carry bags (less than 40 microns) or plastic bags of specified thickness as categorised by the state government from time to time;

7.8.5. Other products categorised in the prohibited category from time to time.