

Uttar Pradesh Private Business Park Development Scheme - 2025

Introduction

The Government of Uttar Pradesh recognizes the need to develop world-class private business parks in the major cities of the State in order to attract multinational corporations, leading players in the IT sector and innovative enterprises. With a rich human resource base, continuously improving infrastructure and a strategic geographical location, the State is well positioned for such development.

These parks shall provide ready-to-operate and plug-and-play facilities for global corporations to establish offices, research and development centres, global capability centres and operational centres, thereby promoting rapid expansion in the services and technology sectors.

At present, the absence of modern and ready-to-use infrastructure results in project delays and increased costs. The development of private business parks will bridge this gap and enable Uttar Pradesh to emerge as a major destination for global IT and service industries. This scheme encourages private sector participation through a supportive financial and governance framework to promote investment, employment generation and sustainable economic growth.

Other states such as Maharashtra, Karnataka, Tamil Nadu, Gujarat, and Telangana have successfully implemented business park development models based on public-private partnership, resulting in significant improvements in infrastructure availability, investment attraction and operational efficiency. Uttar Pradesh aims to emulate and adapt these best practices in accordance with the State's local conditions and available opportunities.

Key Benefits

Such business parks will function as innovation-driven ecosystems that attract knowledge-based industries, promote technology transfer, enhance

research capabilities and encourage entrepreneurship. They will complement Uttar Pradesh's broader industrial investment policies, thereby fostering inclusive urban development, strengthening the State's competitiveness and ensuring sustainable growth in alignment with national and global economic trends. The establishment of world-class, plug-and-play business parks will yield the following benefits:

- **Rapid Industrial Setup:** Facilitates the swift establishment of industrial units through plug-and-play facilities, thereby reducing both timelines and costs.
- **Investment Promotion:** Domestic and foreign investors will be attracted through the availability of modern, ready-to-operate infrastructure.
- **Employment Generation:** Creates new employment opportunities in construction, operations and tenant industries.
- **State Revenue:** Recurring revenue will be generated through land premium, licence fees and revenue-sharing arrangements.
- **Support to MSMEs and Start-ups:** Provides affordable and flexible spaces that encourage innovation and the growth of small businesses.
- **Industrial Clustering:** Promotes synergy and an integrated ecosystem through industrial clustering under this scheme.
- **Shared Risk Model:** Establishes a balanced distribution of responsibilities and risks between the Government and developers.

This scheme is expected to significantly enhance Uttar Pradesh's industrial capacity, attract large-scale investments, increase exports and generate thousands of employment opportunities, thereby contributing to inclusive and sustainable economic growth. It will promote sustainable urban development, modern infrastructure and substantial foreign investment, enabling Uttar Pradesh to emerge as an attractive investment destination.

Target Industries and Relevant Authorities

- Information Technology and knowledge-based industries (BPOs, Global Capability Centres, Technology Parks).

- Research and Development Centres.
- Ancillary and support services related to the above-mentioned industries.

The Government of Uttar Pradesh is introducing a comprehensive scheme for *facilitating, developing, and operating private business parks on State-owned land managed by industrial development authorities, the Housing Development Council, housing development authorities, and other government land-owning departments and agencies.*

The objective of this scheme is to attract reputed real estate investment trusts, private developers and consortia with expertise in business park infrastructure, in order to ensure world-class standards, expeditious project execution and mutually beneficial financial terms.

2. For the proposed Uttar Pradesh Private Business Park Development Scheme, the revenue-sharing model is considered superior to the rental lease model, as it establishes a performance-based financial relationship between the developer and the Government, thereby aligning incentives to maximize park utilization and revenue generation. Instead of a fixed rental lease, under which a predetermined amount is charged irrespective of the park's performance, the revenue-sharing model enables the Government to earn a fixed percentage of gross revenue generated from leasing government land throughout the lease period.

This encourages the developer to actively market the space and ensure optimum utilization in order to enhance revenue, thereby benefiting both parties. The major advantages of the revenue-sharing model over the rental lease model under this scheme include:

- **Shared Risk-Reward:** The Government and the developer share commercial risks and returns—where lower occupancy safeguards the Government, while higher occupancy provides greater gains to both parties.
- **Incentive for Higher Occupancy:** As payments are linked to actual revenue, the developer is encouraged to attract better tenants and secure higher lease rates, thereby accelerating industrial establishment and employment generation.

► **Flexible and Market Responsive:** Revenue sharing is better suited to address market fluctuations compared to fixed rental rates and keeps the model viable under varying economic conditions.

► **Investment Attraction:** The combined criteria of upfront premium and revenue sharing create a competitive and transparent bidding environment, ensuring better value for both the State and the developer.

► **Sustainable Development:** By linking Government revenue to the success of the park, this model promotes world-class infrastructure, modular expansion and inclusive development.

The objective of this scheme is to promote business park development in Uttar Pradesh through a robust model proven in leading Indian states and to establish Uttar Pradesh as a preferred investment destination supported by high-quality infrastructure and operational ease.

3. Scheme Overview - Eligibility (Indicative)

(A) **Eligible bidders** shall include only reputed private developers, publicly listed companies, Real Estate Investment Trusts (REITs), or their consortia, having demonstrable experience in the development, operation and management of large-scale commercial, information technology or business park projects in India or abroad. Consortium bids shall also be permitted, subject to the condition that the lead member shall hold a minimum equity stake of 51%, and the lead member shall independently satisfy the eligibility criteria.

The eligible bidder shall meet the following **minimum eligibility criteria**: -

- (i) Net worth shall not be less than INR 1,000 crore (or equivalent foreign currency), as per the latest audited financial statements; and
- (ii) The bidder shall have a minimum average annual turnover of INR 500 crore during the preceding three financial years.
- (iii) The bidder (or, in the case of a consortium, the lead member) shall have a minimum of seven years of experience in real estate development and

in the management of commercial/business park assets, and shall be operational in this sector.

- (iv) The bidder shall possess in-house or affiliated expertise in master planning, design, project management, leasing, and facility management of business parks, as demonstrated through previously executed projects.

Note: The above eligibility criteria are intended to encourage serious and experienced developers and to discourage participation by non-serious large-scale real estate developers. ***These are indicative criteria for defining developer eligibility. Other terms and conditions relating to the determination of developer eligibility shall be ensured by the respective industrial development authorities / land-owning nodal agencies.***

3.2. Project Structure

(A) This scheme shall be implemented under the **Design, Build, Finance, Operate and Transfer (DBFOT)** model in order to promote private sector participation and efficiency in infrastructure delivery.

(B) Each business park shall be developed under a **concession agreement period of 45 years**, extendable for an additional 45 years. Thereafter, the developed assets shall revert to the Government of Uttar Pradesh.

(C) **Approximately 10 acres (minimum) of land parcel** shall be identified for each park, with flexibility permitted depending on land availability and suitability at specific locations.

(D) **The developer's Minimum Development Obligation (MDO)** shall be linked to the completion of specified phased percentages of Floor Area Ratio (FAR) in accordance with the approved master plan, with specific milestone targets to be clearly stipulated in the concession agreement.

(E) Construction Timeline: In accordance with the contracted milestones for phased FAR achievements, partial FAR completion milestones shall ordinarily be achieved within 2 years from the prescribed date, and the full FAR target shall be achieved within 3 years. The final milestone framework shall be

determined by the Authority / land-owning agency. In this regard, detailed provisions relating to the appropriate MDO period, timelines and FAR milestones shall be specified by the Authority in the concessionaire agreement / RFP. The number of phases may be determined according to the size of the land parcel as follows:

- Up to 10 acres: Single phase, wherein the entire permissible FAR and required internal infrastructure shall be completed within the stipulated period.
- 10-15 acres: Development in two phases.
- More than 15 acres: Three or more phases, depending on feasibility.

It is clarified that the concerned Authority may revise the MDO period or the above indicative phasing structure in the tender, based on project feasibility studies.

(F) The developer shall be responsible for project planning, financing and execution in accordance with the approved master plan and design standards.

(G) Permitted Uses within the Park

- (i) The business park shall be planned as an integrated business ecosystem supporting a mix of industrial, commercial and service activities.
- (ii) In accordance with the master plan of the Authority / land-owning agency, land use within the permissible ground coverage shall be as follows:
 - A minimum of 50% shall be specifically reserved for Information Technology / knowledge-based service units, including Global Capability Centres.
 - A maximum of 10% shall be reserved for food courts, retail outlets and essential supporting amenities.

In this regard, it is clarified that the concerned Authority may revise the percentage of ground coverage for non-core activities and the scope of

activities included therein in the tender document, based on project feasibility studies.

- (iii) The remaining land shall be utilized for training centres, skill development centres, ancillary services and support services directly linked to the core Information Technology / Global Capability Centre / knowledge-based sectors.

(H) The financial framework under this scheme shall comprise the following components:

The appropriate minimum revenue rates under the following components shall be determined by the Authority in the concessionaire agreement / RFP on the basis of a techno-commercial study:

- i. **Upfront Land Premium:** Upon grant of concession, bidders shall propose a one-time upfront land premium payable to the Authority / land-owning agency as a percentage of the prevailing land cost. A minimum indicative rate of 5% is suggested. Any bid above 5% shall be evaluated as the sole criterion under this parameter in the financial bid. This criterion shall carry 50% weightage in the total evaluation.
 - ii. **Revenue Sharing:** The developer shall propose payment to the Authority / land-owning agency as a percentage of **gross revenue** generated exclusively from leasing operations of warm-shelled space. A minimum indicative rate of more than 7% is suggested. Any percentage proposed above 7% shall constitute the second criterion of the financial bid. This criterion shall also carry 50% weightage in the total evaluation.
 - iii. The bidder shall be selected on the basis of the Combined Weighted Score, wherein **50% weightage shall be assigned to the upfront land premium and 50% weightage to revenue sharing**. The bidder securing the highest total score (H1) shall be declared the successful bidder.
- (I) The developer may levy maintenance charges based on actual costs, or a minimum of 5% of the rental charges (this rate is an indicative

suggestion). The applicable rates shall be determined by the Authority on the basis of a study and specified in the concessionaire agreement / RFP.

(J) At the time of bid submission, or within 2 years from the appointed date (i.e., upon achieving the first construction milestone), the developer shall be required to obtain Letters of Intent or equivalent commitments from a minimum of two Fortune Global 500 / Fortune India 500 / Multinational Corporation (MNC) tenants, covering at least 20% of the leasable area of the proposed park.

Note:

- (1) The minimum land area for the proposed business parks has been fixed at 10 acres, considering that these parks are intended to attract developers for IT/ITeS, Global Capability Centres (GCCs) and related units, where development is predominantly vertical in nature, unlike industrial parks which are generally developed horizontally. Under the existing industrial policy, such industrial parks are promoted with a minimum size of 20-30 acres; therefore, the minimum size for business parks has been prescribed as 10 acres.
- (2) The concession period has been fixed at 45 years, taking into account that lease periods for similar parks in other states range from 30 to 50 years (for example, 33 years in Telangana/Andhra Pradesh and Maharashtra, and 45 years in Tamil Nadu).
- (3) The minimum upfront land premium has been fixed at 5%, and the minimum revenue share at 7%, considering that the estimated NPV and IRR for the concerned land-owning agency remain positive at these levels. According to financial modelling estimates, percentages below these thresholds result in negative NPV and IRR, as projected in the financial model attached with this proposed draft.
- (4) In addition to the above, other terms and conditions relating to the definition of bid criteria shall be ensured by the respective industrial development authorities / land-owning nodal agencies. **(Annexure)**

4. Responsibilities of the Developer and the Land-Ownning Agency

4.2. Responsibilities of the Developer

(A) The concessionaire shall bear full responsibility for the planning, design, financing, construction, operation, maintenance and transfer of the complete business park during the concession period.

(B) The concessionaire (developer) shall assume comprehensive responsibility for the design, execution, operation, and maintenance of the project, including but not limited to the following:

- i. Obtaining all **statutory approvals, clearances, and permits** required for construction and operation.
- ii. Preparing and submitting detailed **layouts, architectural designs and structural designs** in conformity with applicable building codes and industry best practices.
- iii. Ensuring timely completion of construction milestones in accordance with the concession agreement.
- iv. **Marketing and leasing** the developed spaces to eligible industries, service providers, and enterprises in order to ensure optimum occupancy.
- v. **Operating and maintaining** all infrastructure, common utilities, and facilities throughout the concession period.
- vi. Complying with all **statutory, labour, safety and environmental regulations** during construction and operation.
- vii. Transferring the developed asset, along with associated infrastructure, to the Government in good condition upon completion of the concession period.

(C) The business park to be developed shall comply with the **master plan, zoning norms, building by-laws, environmental standards and regulations issued by the concerned land-owning agency**. The developer shall be required to adhere to the quality standards, infrastructure specifications, and service delivery standards prescribed by the land-owning agency. All

approvals shall remain valid throughout the development period, and compliance reports may be required by the Authority from time to time.

(D) The selected developer shall be responsible for the development of **internal infrastructure** and utilities necessary for operation of the park, including water supply, sewage systems, power distribution, waste management, roads, and allied facilities, all of which shall conform to the standards prescribed by the concerned land-owning agency.

4.3. Responsibilities of the Government / Authority (Land-Ownning Agency)

(1) The Government or the designated industrial development authority / land-owning agency, being the land-owning entity, shall facilitate smooth implementation of the project by fulfilling the following responsibilities:

(A) Provision of encumbrance-free land, along with all necessary land-use conversion approvals for industrial and commercial purposes.

(B) Facilitation of approvals and clearances from the concerned departments through an integrated single-window mechanism.

(C) Appointment of an **Independent Engineer or a Project Management Consultant (PMC)** for project supervision and quality assurance.

(D) Assistance in achieving financial closure and ensuring compliance with the statutory and regulatory framework.

(E) Conducting regular progress reviews and performance assessments in coordination with the developer to ensure adherence to timelines and quality standards.

(2) The concerned land-owning agency shall be responsible for the **development of external infrastructure and utilities** required for operation of the park, including trunk lines for water supply and sewerage / drainage, source of water supply, power feeders, substations and transmission lines, other trunk infrastructure for waste management, access roads and allied facilities, in accordance with its master planning framework.

5. Administrative Framework

5.1. This scheme shall come into effect from the date of notification by the Government upon approval of the Hon'ble Cabinet. Once notified, the ***concerned government land-owning agencies*** shall adopt this scheme for the development of business parks in Uttar Pradesh.

5.2. In view of the large land requirements and project-specific site conditions for establishing business parks catering to the needs of IT / ITeS and GCC units, it is essential that the State through its industrial development authorities and other concerned government agencies, scientifically identify sites and undertake pre-feasibility analysis before allotting any land to private developers.

5.3. The concerned industrial development authorities and other government land-owning agencies shall be responsible for **identifying suitable potential land parcels** for the development of business parks, taking into consideration logistical feasibility, connectivity, availability of talent pool and the surrounding business ecosystem suitable for IT / ITeS and GCC activities.

- ▶ The concerned Authority / land-owning agency shall undertake pre-feasibility analysis, including technical evaluation, land suitability studies, connectivity analysis, topographical assessment and cost estimation for land acquisition.

- ▶ Upon successful completion of the pre-feasibility assessment, the concerned Authority / land-owning agency may initiate land acquisition in accordance with applicable laws and government procedures. The acquired land shall constitute a dedicated land bank for the development of business parks within the jurisdiction of the Authority / land-owning agency.

5.4. After acquisition, the industrial development authority / land-owning agency shall **formulate and notify the land allotment auction mechanism for plots** earmarked for development. The Authority shall fully determine the auction process, land rates, master plan, building by-laws and allotment conditions in accordance with this scheme.

5.5. **Application Process and Proposal Evaluation** by Industrial Development Authority / Land-Ownning Agency

► The concerned industrial development authority or government land-owning agency shall conduct the application and bidding process, including invitation of proposals, preliminary scrutiny and technical evaluation.

► This shall include constitution of a screening committee to evaluate all proposals on the basis of predetermined criteria prescribed under this policy. Based on the evaluation, the screening committee shall recommend shortlisted applicants to the allotment committee constituted within the Authority / land-owning agency for final approval of land allotment on the auctioned land bank.

6. Other Provisions

(A) The developer shall submit **half-yearly progress and financial reports** to the designated Authority / land-owning agency, containing details of physical progress, expenditure incurred and compliance with approved timelines.

(B) Subject to approval of the Authority / land-owning agency, the concessionaire shall be entitled to partially divest (restructure) or fully exit its equity share only after completion of a **lock-in period of 10 years** from the appointed date.

- (i) This type of divestment is permitted only upon obtaining the Minimum Development Obligation (MDO) commitment. To ensure compliance with MDO obligations, a bank guarantee equivalent to a certain percentage of the total project cost (indicatively 5% suggested) may be taken as performance security.
- (ii) Such divestment shall be permitted only to entities that independently satisfy the eligibility criteria prescribed under this scheme or are approved by the Authority / land-owning agency, so as to ensure continuity of technical and financial capability.
- (iii) Any such transfer or exit shall not affect the rights of existing tenants or the conditions of the concession agreement.

(C) The Authority / land-owning agency shall conduct **periodic performance reviews** to assess project outcomes, compliance with obligations and adherence to quality and operational standards.

(D) Termination, Default and Risk Management

- i. The concession agreement shall include comprehensive provisions relating to termination and default in order to safeguard the interests of both parties.
- ii. In the event of termination arising from default by the Authority / land-owning agency, no penalty shall be imposed on the developer, and compensation shall be determined on the basis of project progress and verified investment.
- iii. In the event of default by the developer, the Authority / land-owning agency shall be entitled to terminate the agreement and recover dues in accordance with contractual provisions. From the day following expiry of the concession period, or from the date on which default is declared, the developer shall be treated as an unauthorized occupant from such date.
- iv. A clearly defined risk allocation matrix shall specify responsibilities relating to construction, financing, operation and regulatory compliance in order to ensure equitable risk sharing.

(E) Other Policy Incentives for Developers and Tenants

- i. The developer shall also be granted 100% exemption in levy stamp duty on registration of land allotted by the Authority / land-owning agency.
For this purpose, a separate notification shall be issued by the Stamp Department incorporating all provisions mentioned herein, as has been notified under other policies. Accordingly, in order to avail stamp duty exemption under this policy, the selected developer in the concerned Authority shall be required to furnish the bank guarantee referred to herein, which shall remain valid for the MDO period (effective period) defined under this policy.

- ii. **Tenants in business parks shall be eligible to avail incentives** under State policies such as Uttar Pradesh Global Capability Centres Policy 2024, Uttar Pradesh Information Technology and Information Technology Enabled Services Policy 2022 and Uttar Pradesh UP FDI/FCI, Fortune Global 500 & Fortune India 500 Companies Investment Promotion Policy 2023, among others.

Apart from the mandatory policy framework prescribed herein (particularly in relation to bid parameters under the revenue-sharing model), other rules, conditions and actionable procedures may be developed and notified by the concerned land-owning agency while implementing this policy at its own level. The concerned land-owning agency shall be fully responsible and autonomous in defining standard procedural aspects for administration and monitoring of policy implementation while conducting auctions for development of business parks under this policy.

For tenders issued by the concerned land-owning authorities on the basis of this policy, the PPP guidelines notified by the State Government shall apply. For issuing each tender under the model prescribed in this policy, the concerned Authority shall obtain approval from its governing body and thereafter select business park developers accordingly.
