Land subsidy norms eased to woo foreign biz

More Sops In The Pipeline For Investors

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Lucknow: The state cabinet on Wednesday approved the second amendment to its Foreign Direct Investment (FDI), Foreign Capital Investment (FCI) and Fortune Global 500 and Fortune India 500 Investment Promotion Policy, 2023, to make it more investor-friendly and attract large domestic and overseas investments.

Under the revised provisions, investors setting up industrial and service-sector projects on land identified by development authorities, industrial development authorities and UP Housing and Development Board will be eligible for upfront land subsidy, subject to policy conditions.

Companies availing of the subsidy can now furnish an irrevocable bank guarantee or equivalent financial security in place of the existing mortgage arrangement. This will allow them to use the allotted land as collateral to raise project finance.

The amendment provides for customised incentive packages for strategic ultra-mega projects involving investments of Rs 3,000 crore or more. The authorised committee will examine such proposals on a case-to-case basis, while the final package will require cabinet approval.

"The changes aim to strengthen UP's competitiveness as an investment destination, attract large foreign capital, boost manufacturing and generate employment," an official spokesperson said.