**GOVERNMENT OF UTTAR PRADESH**
**Industrial Development Department Section–6**
**No. 73/2026/2223(1)/77-6-2026-01(SAF)/2026**
**Lucknow: Dated 12 October, 2026**

In exercise of the executive powers under Article 162 of the Constitution of India, the Governor is pleased to accord approval for promulgation of the "**Uttar Pradesh Sustainable Aviation Fuel (SAF) Production Promotion Policy–2026**".

2. The Uttar Pradesh Sustainable Aviation Fuel (SAF) Production Promotion Policy–2026 is enclosed herewith.

**Enclosure: As above.**

**(Alok Kumar)**
Additional Chief Secretary

**No. 73/2026/2223(1)/77-6-2026-01(SAF)/2026, as on date.**

Copy forwarded to the following for information and necessary action:

**1.** Accountant General, Uttar Pradesh, Prayagraj.

**2.** All Additional Chief Secretaries/Principal Secretaries, Government of Uttar Pradesh.

**3.** Staff Officer to the Chief Secretary, Government of Uttar Pradesh.

**4.** Chief Executive Officer, Invest UP.

**5.** All Chief Executive Officers, Industrial Development Authorities, Uttar Pradesh.

**6.** All Divisional Commissioners/District Magistrates, Uttar Pradesh.

**7.** All Heads of Departments, Uttar Pradesh.

**8.** Managing Director, PICUP.

**9.** Commissioner and Director, Industries, Directorate of Industries, Kanpur.

**10.** Director, Information and Public Relations Department, Uttar Pradesh, Lucknow.

**11.** Joint Director, Government Press, Aishbagh, Lucknow.

**12.** All Sections, Industrial Development Department.

**13.** Guard File.

By Order,
(Manik Chandra)
Deputy Secretary

# UTTAR PRADESH SUSTAINABLE AVIATION FUEL (SAF) PRODUCTION PROMOTION POLICY–2026

## 1. BACKGROUND

Over the past two decades, significant progress has been made in the Sustainable Aviation Fuel (SAF) sector, which has emerged as a major solution in the global aviation sector's efforts to reduce carbon emissions. Beginning in the early 2000s with experimental biofuels obtained from sources such as jatropha and used cooking oil, SAF was first used commercially in 2008. The growing carbon emissions of the aviation sector have increased the importance of SAF. At present, aviation accounts for approximately 2.5% to 3% of global carbon dioxide emissions; this share could reach 22% by 2050 if appropriate control measures are not adopted. The significance of SAF lies in its functioning as a "drop-in" fuel, that is, it is fully compatible with existing aircraft and aviation infrastructure. Consequently, its use does not require substantial additional investment, making its adoption more feasible.

Compared with other sectors, aviation has limited alternatives in the near future: the commercial viability of electric or hydrogen-powered aircraft for long-distance flights has yet to be established. Under these circumstances, SAF is the most practical and scalable near-term solution for emission reductions and is capable of reducing greenhouse gas emissions by up to 80% on a life-cycle basis. In addition to environmental protection, SAF contributes to strengthening national energy security and accelerating rural development. For countries such as India, it offers an opportunity to reduce dependence on imported conventional fossil fuels and contributes to rural employment generation and the development of value chains through the use of local feedstocks, such as non-edible oilseeds, municipal waste and agricultural residues.

Despite limited production in its initial years, SAF has recorded significant progress worldwide, driven by strong policy support, increased environmental awareness and corporate net-zero commitments. Countries such as the United States, Japan and members of the European Union have introduced ambitious SAF blending mandates and financial support, while private companies and airlines have begun investing heavily in production capacity. Emerging economies such as India and Brazil are now entering this landscape through region-specific feedstock strategies, including the use of agricultural residues and sugarcane-based ethanol.

### 1.1. GLOBAL SCENARIO

The SAF industry is growing rapidly as the global aviation sector strives to reduce its carbon emissions and fulfil global net-zero commitments.

In 2024, the global SAF market was valued at between USD 1.25 billion and USD 1.77 billion and it is estimated that it may reach approximately USD 42.85 billion to USD 45.25 billion by 2034. This growth is reflected in a Compound Annual Growth Rate (CAGR) ranging from 42% to more than 63%. *(Sources: Precedence Research; Business Research Insights.)*

Globally, the United States is the largest producer of SAF, where the *Inflation Reduction Act (IRA)* provides a tax credit of up to USD 1.75 per gallon for SAF production. SAF production capacity nearly doubled between December 2024 and February 2025 [Market size (2025): USD 2.25 billion; market size (2026): USD 3.55 billion; forecasted market size (2035): USD 171.75 billion; CAGR (2026–2035): 54.2%; Source: Precedence Research, Sustainable Aviation Fuel Market 2026]. The Government of the United Kingdom introduced an SAF mandate from 2025, with the objective of ensuring a 10% share of SAF in aviation fuel by 2030. Under this mandate, grants are provided through the Advanced Fuels Fund to promote domestic production by supporting the development of bio-refineries.

Under the European Union's "ReFuelEU Aviation" initiative, provision has been made to increase the SAF blending rate from 2% in 2025 to 70% by 2050. This initiative receives strong support from the Fit for 55 package and innovation funding under Horizon Europe.

To derive full benefit from this prospective growth, countries in Asia are making initial efforts in policymaking, partnerships and production capacity so that they can establish themselves as major participants in this transition. Regulatory mandates, corporate climate commitments and technological advances underpin this growth. Countries such as Japan have enacted a mandate for 10% SAF blending in jet fuel by 2030, while various companies are making substantial investments in new production technologies. Similarly, the Government of Singapore has identified SAF as a major pillar of Green Plan 2030, under which Changi Airport is testing SAF imports and refuelling infrastructure in partnership with global fuel producers such as Neste. These developments are being strengthened by advances in feedstock processing through modern technologies, which are particularly suitable given the diverse biological resources available in the region.

## 1.2. INDIAN SCENARIO

In India, the Central Government has announced indicative SAF blending targets of 1% by 2027 and 2% by 2028 for international flights. Although a dedicated incentive scheme for SAF is still under formulation, significant efforts are being made to create a favourable environment for its production. Initiatives such as the India Sustainable Aviation Fuel Alliance, launched in February 2025, aim to expand SAF adoption through cooperation and coordination among the government, industry and

academic institutions. Companies such as Indian Oil Corporation (IOC), Bharat Petroleum and Hindustan Petroleum are actively exploring partnerships and pilot projects for the commercialisation of SAF technologies.

In addition, global aviation organisations such as Boeing and Airbus have collaborated with Indian institutions to develop indigenous SAF solutions.

Asia has immense potential in the SAF sector. However, several major challenges remain, particularly the high cost of SAF production, which can be up to five times that of conventional jet fuel, as well as the need for a robust policy framework, adequate investment in infrastructure and long-term purchase commitments from airlines. Regional cooperation, public-private partnerships and international financial support will be essential to realise SAF's full potential in Asia and establish it as a cornerstone of sustainable aviation in the region.

## 2. UTTAR PRADESH ADVANTAGE

Uttar Pradesh enjoys significant strategic advantages for the substantial development of the SAF industry, owing to the State's abundant biomass resources, availability of agricultural by-products and robust industrial infrastructure.

**2.1. STRONG AGRICULTURAL BASE:** One of the most promising avenues for SAF production is biomass-based production, under which agricultural residues available in abundance, such as paddy husk, wheat straw and sugarcane bagasse, can be utilised through thermochemical conversion technologies such as pyrolysis and gasification. Likewise, substantial quantities of used cooking oil (UCO) and waste fats are generated in the State's major urban centres and can be converted into SAF through the Hydro-processed Esters and Fatty Acids (HEFA) technology. This creates an excellent opportunity for establishing used-cooking-oil-to-SAF (UCO-to-SAF) processing units.

As one of India's leading agricultural states, Uttar Pradesh offers an abundant supply of biomass resources, including sugarcane bagasse, wheat straw, paddy husk and other agricultural residues, which are considered ideal feedstocks for SAF production.

As the State with the highest sugarcane production in the country, more than 29.66 lakh hectares were under sugarcane cultivation in Uttar Pradesh in 2023–24, with a yield of 841 quintals per hectare. Consequently, significant quantities of bagasse and other biomass are generated in the State. Uttar Pradesh is also a leading ethanol producer, with production increasing from 153.71 crore litres in 2022–23 to 180 crore litres in 2023–24. With an installed ethanol production capacity exceeding 223 crore litres, Uttar Pradesh ranks second in the country after Maharashtra. This

position makes the State particularly suitable for the development of advanced biofuel production, especially alcohol-to-jet SAF technologies.

**2.2. FOCUS ON BIOENERGY PRODUCTION:** Uttar Pradesh's leading position in sugarcane cultivation and ethanol production provides a strong foundation for second-generation biofuels and alcohol-to-jet SAF technologies. The State Government's active commitment to clean energy, reflected in its policies relating to bioenergy, ethanol and green hydrogen, further strengthens the State's readiness to formulate a dedicated SAF policy framework. The State's commitment to green energy is further reinforced by policies such as the Bioenergy Enterprises Promotion Programme, 2022, under which financial incentives are provided for establishing compressed biogas (CBG), biodiesel and other biofuel plants.

Uttar Pradesh is a leading state in the country in terms of the potential for CBG production, with the capacity to account for approximately 24% of India's total potential production. Currently, the highest number of CBG plants in the State, a total of 100, are under development, demonstrating the State's readiness to expand biomass-based energy solutions. In addition, the SAF sector offers significant opportunities to raise rural living standards by creating demand for agricultural residues, diversifying farmers' incomes and generating green employment in rural areas.

**2.3. INDUSTRIAL INFRASTRUCTURE:** Uttar Pradesh has made significant progress in industrial infrastructure. The State's strategic geographical location and excellent connectivity through major airports, including Lucknow, Varanasi and the Noida International Airport (inaugurated on 28 March, 2026 and now operational), make it highly suitable for SAF utilisation on major air routes. The rapid expansion of the aviation network further strengthens the foundation for SAF adoption in the State. Over the past five years, the State Government has invested ₹5.31 lakh crore under infrastructure Capital Expenditure (CAPEX), the highest in India. This investment is reflected in significant State projects such as the Ganga Expressway, Purvanchal Expressway, Bundelkhand Expressway and Gorakhpur Link Expressway, which seek to enhance freight movement capacity under the PM Gati Shakti programme.

Uttar Pradesh is moving towards becoming the first state in India with a total of 21 operational airports, including five international and 16 domestic airports. Together with the Noida International Airport at Jewar (inaugurated on 28 March, 2026 and now operational), which is being developed over 5,000 hectares as one of Asia's largest international airports and will include a state-of-the-art maintenance, repair and overhaul (MRO) complex, the State is establishing itself as an important

aviation hub. These developments offer notable logistical and marketing opportunities to SAF manufacturers. The extensive and continuously expanding industrial base and logistics network in cities such as Kanpur, Lucknow, Noida and Gorakhpur provide the necessary infrastructure for large-scale SAF production and distribution in the State.

**2.4. FAVOURABLE INVESTMENT ENVIRONMENT:** Having maintained a leading position in Ease of Doing Business rankings for the past two years, Uttar Pradesh provides a robust, transparent and conducive environment for investment and business operations.

The State Government has implemented reforms in areas such as labour regulation, land administration, access to information & transparency and building permissions. "Nivesh Mitra", the State's largest dedicated single-window clearance portal, has been launched and made operational to ensure prompt and efficient approval of proposals. The portal integrates more than 500 services of 43 departments and has helped eliminate more than 4,500 compliance requirements.

The State Government has developed a comprehensive investor facilitation mechanism. An online investor relationship management portal named "Nivesh Sarathi" has been developed to simplify the process of signing Memorandum of Understanding (MoUs) and provide sustained support to investors. It serves as a one-stop solution through which investors can obtain timely resolution of queries, redress grievances, submit investment proposals, access necessary facilitation and monitor the progress of investment projects. Nivesh Sarathi has transformed the investor engagement mechanism in the State. Under this system, 100 Udyami Mitras have been appointed as dedicated relationship managers under the Uttar Pradesh Mukhyamantri Udyami Mitra scheme, providing direct assistance to investors.

To strengthen this ecosystem, the State Government's dedicated agency, Invest UP, provides necessary support and facilitation to investors planning to establish enterprises in the State. The Government of Uttar Pradesh has taken several reform-oriented measures through policy-driven governance to build an integrated industrial development ecosystem. It has promulgated approximately 27 incentive policies to attract investment in various sectors, including Information Technology/IT-enabled Services (IT/ITeS), Data Centres, Electronics System Design and Manufacturing (ESDM), Semiconductors, Startups, Defence and Aviation, Electric Vehicles, Warehousing and Logistics, Tourism and Textiles, among others.

Through these policies, attractive support measures are provided to encourage research and development, innovation and entrepreneurship in the private sector. Consequently, beneficial subsidies are being made available for establishing Centres of Excellence, skill development centres and research and development centres.

**2.5. RESEARCH AND DEVELOPMENT ECOSYSTEM:** Uttar Pradesh benefits from the availability of an extensive pool of skilled human resources, including numerous universities, technology institutions and agricultural research centres, which can contribute to research, innovation and workforce development in SAF technologies. The State's robust research and academic ecosystem, comprising several agricultural and technical universities, offers skilled personnel and innovation support for SAF research and development and the indigenisation of technology. Policy alignment with national targets, such as the successful achievement of a 14% ethanol blending rate in petrol and the Government of India's 20% SAF blending plan, provides a strong foundation for Uttar Pradesh to become a frontrunner in India's transition to sustainable aviation fuel. Collectively, these factors provide a conducive environment for public and private investment in SAF production and the development of the entire ecosystem in the State.

With strong policy support and extensive opportunities for public-private partnerships, Uttar Pradesh is well-positioned and capable of emerging as a leading state at the national level in SAF production.

## 3. OBJECTIVES OF THE POLICY

The objective of this policy is to establish Uttar Pradesh as a major SAF production hub in India, strengthen energy security, promote decarbonisation of the aviation sector and generate green employment opportunities through innovation, investment and public-private partnerships.

**3.1.** To promote the development and adoption of SAF in order to encourage growth while reducing carbon emissions in the aviation sector.

**3.2.** To establish a strong SAF production base in Uttar Pradesh by leveraging the abundant availability of biomass, agricultural residues and the industrial ecosystem.

**3.3.** To establish the State as a leading hub for SAF production and innovation in India.

**3.4.** To encourage investment through financial incentives for bio-refineries, Ease of Doing Business and infrastructure facilities.

**3.5.** To support research, innovation and technological partnerships for feedstock processing and fuel conversion for SAF.

**3.6.** To generate green employment opportunities in rural and urban areas through feedstock supply chains and processing units.

**3.7.** To strengthen energy security while contributing to national climate goals and India's SAF blending targets.

**3.8.** To facilitate public-private partnerships and institutional coordination for the development of an end-to-end ecosystem.

## 4. KEY DEFINITIONS

**4.1. SUSTAINABLE AVIATION FUEL (SAF):** An alternative aviation fuel produced from renewable and non-petroleum feedstocks, such as agricultural residues, municipal solid waste, forestry waste, oils/fats and other biomass sources, which reduces life-cycle greenhouse gas emissions compared with conventional jet fuel.

**4.2. SAF PRODUCTION UNITS:** Units engaged in SAF production, either as standalone units or through co-processing at existing refineries, which employ approved technologies and conform to fuel standards (such as ASTM certification).

**4.3. TYPES OF SAF UNITS:** Biomass-based SAF production in Uttar Pradesh presents a highly promising opportunity, as the State has an abundant supply of agricultural residues such as paddy husk, wheat straw and sugarcane bagasse. These raw materials can be effectively converted into SAF through thermochemical processes such as pyrolysis and gasification. Further, substantial quantities of used cooking oil (UCO) and waste fats are generated in the State's major urban centres; these can be converted into SAF through HEFA (Hydro-processed Esters and Fatty Acids) technology. This provides a strong basis for setting up UCO-to-SAF processing units throughout the State.
Accordingly, the following types of SAF units established in Uttar Pradesh shall be covered for the grant of incentives under this Policy:

**4.3.1. BIOMASS- OR ETHANOL-BASED SAF UNITS:** These include projects using agricultural residues, such as paddy husk, wheat straw, sugarcane bagasse, sugarcane molasses and ethanol. Various routes may be employed for SAF production, including:

- Obtaining starch/sugar from biomass, converting it into ethanol and subsequently into SAF (second-generation or 2G ethanol).
- Gasifying biomass to produce synthesis gas (syngas) and converting it into methanol or Fischer–Tropsch SAF.

• Capturing biogenic $CO_2$ and converting it into methanol and subsequently SAF.

**4.3.2. MUNICIPAL-WASTE-BASED SAF UNITS:** These include projects utilising the organic fraction of municipal solid waste, microalgae grown on non-arable land or in wastewater, used cooking oil (UCO), animal fats and other waste lipids.

**4.4. FEEDSTOCK:** Feedstocks used for SAF production, including agricultural waste, food waste, forestry residues, municipal solid waste and carbon sources obtained from renewable energy, among others.

**4.5. AVIATION TURBINE FUEL (ATF) SUPPLIERS/OIL MARKETING COMPANIES (OMCs):** These include private entities engaged in establishing SAF blending units at fuel terminals in Uttar Pradesh and/or undertaking necessary modifications to pipelines for SAF–ATF blending. As blending SAF with ATF requires advanced metering systems, integration with automated fuel management systems and safety approvals (such as a no-objection certificate from the Petroleum and Explosives Safety Organisation—PESO), private investment in this sector needs to be de-risked. In view of the foregoing, incentives shall be provided to ATF suppliers/oil marketing companies under this Policy.

**4.6. TANK FARM OWNER/OPERATOR:** This means any private entity that establishes dedicated SAF storage tanks and loading/unloading systems near refineries or aviation centres. SAF requires separate storage because it is affected by technical considerations such as fuel compatibility, moisture sensitivity and segregation protocols, making storage infrastructure capital-intensive. Accordingly, private investment in this sector needs to be encouraged in order to promote shared logistics infrastructure for SAF in the State.

**4.7. SAF INDUSTRIAL PARKS:** These shall comprise several SAF units, with production units in the parks being provided common infrastructure, such as access roads, power supply, water supply, waste treatment facilities, cold-chain facilities and logistics support, along with plug-and-play facilities.

Research and testing laboratories, quality certification centres and training institutions shall also be established in these industrial parks to provide appropriate support for innovation and human resource development. The parks shall be strategically located close to agricultural clusters, ethanol production units or urban centres generating municipal and industrial waste, to ensure integrated development of the SAF value chain, including feedstock collection and processing, fuel production, storage and distribution.

## 5. FRAMEWORK OF INCENTIVE BENEFITS

**5.1. ELIGIBLE PROJECTS:** Only production units dedicated to SAF production shall be eligible, provided that their minimum production capacity is 30 kilolitres per day (KLPD). Such projects shall be classified into the following categories based on their capital investment thresholds for incentives:

**(a)** Large SAF Units: Capital investment from ₹200 crore to ₹500 crore.

**(b)** Mega SAF Projects: Capital investment from ₹500 crore to ₹1,500 crore.

**(c)** Ultra-Mega SAF Projects: Capital investment exceeding ₹1,500 crore.

**5.2.** For the purposes hereof, a production unit means any industrial undertaking (including industrial undertakings in the joint sector or public sector in which the government or a government undertaking has a shareholding of 50% or more) owned by a company, partnership firm (including a Limited Liability Partnership—LLP), society, trust, industrial cooperative society or proprietary concern, engaged in or intending to engage in the manufacture, production, processing, contract production or job work of SAF, and established as a new, expansion or diversification project.

**5.2.1. EXPANSION:** An expansion project means a project in which an existing industrial undertaking increases its gross block by a minimum of 25% through fresh capital investment for SAF production, either on a separate land parcel or within the same premises.

**5.2.2. DIVERSIFICATION:** A diversification project means a project in which an existing industrial undertaking manufactures SAF as a separate product, rather than merely as a variant of its existing product. In addition, to be eligible for incentives under diversification, the undertaking must increase its gross block by at least 25% through fresh capital investment for SAF production, either on a separate land parcel or within the same premises.

**5.3. ELIGIBLE INVESTMENT PERIOD:** This means the period commencing from the date of the first capital investment made during the effective period of this Policy under any admissible head specified herein, and extending, for Large SAF Projects, up to four years or until the date of commencement of commercial production, whichever is earlier; and for Mega SAF Projects, up to five years or until the date of commencement of commercial production, whichever is earlier.

**5.4. CAPITAL INVESTMENT: Capital investment means the following costs incurred by an industrial undertaking:**

**(a) LAND**: The cost of land for the project shall be determined on the basis of the actual purchase price specified in the registered document, excluding stamp duty and registration charges. Where land is allotted by the Uttar Pradesh State Industrial Development Authority or any other agency of the State Government, the actual allotment price payable shall be considered the cost of land, excluding stamp duty and registration charges.

**(b) BUILDING**: This means newly constructed buildings required for installing the plant and machinery established for the project, including administrative buildings, feedstock storage buildings (for bio-oils, waste feedstocks, etc.), product storage facilities (SAF tanks), other storage structures, facilities for research and development activities, in-house testing facilities, and other buildings related to the production process. Dormitories for personnel, office buildings and administrative premises shall also be included. The cost of all these buildings shall be considered according to actual expenditure.

**NOTE**: Of the total capital investment, including the actual cost of land, buildings and other construction, plant and machinery, and infrastructure as defined in this Policy, only a maximum of 30% shall be admissible under the land and building component when determining eligible capital investment.

**(c) OTHER CONSTRUCTION**: This includes construction of boundary walls and gates, security rooms, internal roads, tube wells (borewells), reservoirs (water tanks), internal pipelines for water and gas, and other related construction works.

**(d) PLANT AND MACHINERY**: This includes new indigenous/imported plant and machinery, utilities, reactors, distillation columns, separators, heat exchangers, SAF-specific conversion units (such as HEFA, FT and ATJ), fixtures installed within the plant, and similar production equipment owned by the industrial unit and used on the premises. Costs of transportation, foundations, installation, erection and electrification shall also be included. Electrification costs shall include the cost of substations and transformers. In addition, other tools and equipment that support the production process shall also be included. Plant and

machinery shall include plants for non-conventional energy generation, research and development equipment, vehicles used solely within the industrial unit's premises, equipment used in material handling for internal movement of goods within the premises, captive power generation or co-generation plants established on the industrial undertaking's premises with a minimum of 75% self-consumption, water purification plants, pollution control plants (including facilities for collecting, treating and disposing of waste/effluents or solid/gaseous hazardous/dangerous waste), diesel generator sets and boilers.

In the case of industrial undertakings relocating from abroad or from existing production units in India, 40% of the cost of imported old plant and machinery shall also be considered eligible.

**(e) INFRASTRUCTURE FACILITIES:** This means new roads, sewer lines, drainage systems, power lines and railway sidings connecting the industrial unit's premises to the main infrastructure network, including other essential facilities required for the operation of the unit. In addition, effluent treatment plants, sewage treatment plants and power feeders established by the industrial undertaking for its own use shall be included in the definition of infrastructure facilities.

**(f) INELIGIBLE CAPITAL INVESTMENT:** Working capital; goodwill; preliminary and pre-operative expenditure; capitalised interest; capitalised expenditure incurred for acquiring technology/technical know-how; consultancy fees; royalties; design and drawings; patents; licences; software and intellectual property rights; and power generation (except for self-consumption as defined under the head of plant and machinery) shall not be admissible. These heads shall not be included in the calculation of capital investment.

## 5.5. CONCESSIONAL LAND ALLOTMENT:

**(a)** Where land is available on lease under the State's industrial development authorities, development authorities or urban local bodies, or where land is allotted to SAF units by any other government entity, an upfront land subsidy shall be provided at the following rates:

**(i)** 50% in the Paschimanchal region (excluding Gautam Buddha Nagar and Ghaziabad).

**(ii)** 60% in the Madhyanchal region.

**(iii)** 80% in the Purvanchal and Bundelkhand regions.

**5.6. STAMP DUTY EXEMPTION AND REIMBURSEMENT:** Eligible SAF units for projects located within the State shall be granted stamp duty exemption at a rate of 50% in Gautam Buddha Nagar and Ghaziabad and 100% in other regions on land purchased or taken on lease (for a minimum period of ten years). This exemption shall be granted upon furnishing a bank guarantee of an equivalent amount in favour of the Stamp and Registration Department, which shall be released if commercial operations commence within the admissible period. Likewise, eligible SAF units that have not availed stamp duty exemption shall be reimbursed the stamp duty after the commencement of commercial production.

**5.7. EXEMPTION FROM LAND-USE CONVERSION CHARGES:** Eligible SAF units shall be granted exemption from land-use conversion charges at a rate of 50% in Gautam Buddha Nagar and Ghaziabad and 100% in other regions. The exemption shall be granted upon furnishing a bank guarantee equivalent to the concession in favour of the concerned State authority/agency allotting the land on lease for the project. The guarantee shall be released upon commencement of commercial operations within the admissible period.

**5.8. EXEMPTION FROM DEVELOPMENT CHARGES:** Eligible SAF units shall be granted an exemption from development charges at a rate of 50% in Gautam Buddha Nagar and Ghaziabad and 100% in other regions. This exemption shall be granted upon furnishing a bank guarantee equivalent to the concession in favour of the concerned State authority/agency, which shall be released if commercial operations commence within the admissible period.

**5.9. CAPITAL SUBSIDY:** Eligible SAF units shall be provided capital subsidy on eligible capital investment (excluding the cost of land) at the following rates:

**(a)** 15% of eligible capital investment in Gautam Buddha Nagar and Ghaziabad.

**(b)** 25% of eligible capital investment in Paschimanchal (excluding Gautam Buddha Nagar and Ghaziabad) and Madhyanchal.

**(c)** 35% of eligible capital investment in Bundelkhand and Purvanchal.

**(d)** The above subsidy shall be subject to the following maximum limits:

**(i)** Up to ₹150 crore, payable in seven annual instalments.

**(ii)** Up to ₹450 crore, payable in seven annual instalments.

**(iii)** Up to ₹1,000 crore, payable in ten annual instalments.

**5.10. NET SGST REIMBURSEMENT:** Eligible SAF units shall be granted reimbursement of 100% of net SGST. This incentive shall be available for ten years, subject to an annual ceiling of 10% of eligible capital investment (ECI). The total reimbursement shall be limited to the amount of eligible capital investment (excluding the cost of land). However, while calculating eligible capital investment for determining the maximum ceiling, the amount received as capital subsidy shall be deducted.

**5.11. INTEREST SUBSIDY:** Eligible SAF units shall be reimbursed interest at an annual rate of 5%, subject to a maximum of ₹5 crore per year, on loans obtained from commercial banks or financial institutions for the procurement of plant and machinery for establishing the project, for a period of five years.

**5.12. ELECTRICITY DUTY:** A 100% exemption from electricity duty shall be admissible for ten years.

**5.13. SKILL DEVELOPMENT SUBSIDY:** Eligible SAF units shall be reimbursed training costs of up to ₹5,000 per person per month, for a maximum of 500 persons domiciled in Uttar Pradesh, for each eligible project, for a period of up to five years.

**5.14. REIMBURSEMENT OF PATENT REGISTRATION FEES:** To encourage innovation and intellectual property protection among businesses located in Uttar Pradesh, a one-time reimbursement of patent registration fees shall be provided. Reimbursement shall be at 75% of the expenditure incurred, subject to a maximum of ₹10 lakh for obtaining a domestic patent and ₹20 lakh for obtaining an international patent. This one-time reimbursement shall provide further support for the protection and promotion of intellectual property and innovation.

**5.15. CENTRES OF EXCELLENCE:** Private companies shall be encouraged to establish Centres of Excellence in collaboration with institutions such as TERI, Indian Institute of Petroleum, CSIR, National Environmental Engineering Research Institute and Indian Institute of Science. A financial grant of up to 50% of the project cost, subject to a maximum of ₹10 crore per project, shall be provided for this purpose.

**(a)** Such Centres of Excellence shall undertake research, development and collaborative activities focused on accelerating SAF adoption.

**(b)** The grant shall be provided only to those Centres of Excellence that have not received any other benefit under any policy of the Government of Uttar Pradesh.

**5.16. CUSTOMISED PACKAGE:** As required, the State Government may consider granting a customised package of incentives to highly significant Ultra-Mega-category SAF projects on a case-by-case basis. Such customised packages shall be approved by the Hon'ble Council of Ministers on a case-by-case basis.
NOTE: Incentives under all heads shall be subject to an overall ceiling of 100% of eligible capital investment. In addition, projects availing incentives under this Policy shall not be eligible for incentives under any other policy of the State Government, unless such incentive/subsidy has been availed under a scheme related to export promotion of the State Government and does not fall under the same head specified in this Policy. However, all incentives specified in this Policy may be availed in addition to incentives available under any scheme/policy of the Government of India.

## 5.17. INCENTIVES FOR SAF BLENDING AND STORAGE INFRASTRUCTURE

### 5.17.1. ATF SUPPLIERS/OIL MARKETING COMPANIES (OMCs) establishing SAF blending units at fuel terminals and/or upgrading pipelines for SAF–ATF blending shall be granted a capital subsidy of 30% of eligible capital cost or ₹20 crore, whichever is lower, subject to the following conditions:

**(a)** The facility shall be situated within a maximum radius of 50 kilometres of a major airport whose annual ATF consumption exceeds 50,000 kilolitres, and the minimum blending/handling capacity of the facility shall be at least 5% of the annual ATF throughput capacity of the airport concerned.

**(b)** Capital cost here means the purchase and installation costs of blending skid units (automated control systems, pumps), upgradation of pipelines and equipment for SAF–ATF blending, control and safety equipment (flow meters, explosion-proof control systems), and civil construction for integration with existing terminals.

**(c)** This subsidy shall be provided in three annual instalments to projects that commence operations within three years.

**5.17.2. TANK FARM OWNERS/OPERATORS that establish dedicated SAF storage tanks and loading/unloading systems near refineries or aviation centres in Uttar Pradesh shall be granted a capital subsidy of up to 35% of eligible capital cost or ₹15 crore, whichever is lower, subject to the following conditions:**

**(a)** The facility shall be located within 50 kilometres of a major airport whose annual ATF consumption exceeds 50,000 kilolitres, and the minimum blending/handling capacity of the facility shall be at least 5% of the annual ATF throughput capacity of the airport concerned.

**(b)** Capital cost here means the purchase and installation costs of dedicated vertical/horizontal storage tanks with a minimum capacity of 5,000–20,000 kilolitres, SAF loading/unloading bays, firefighting and safety equipment, and pipelines connecting to blending or dispatch locations.

**(c)** This subsidy shall be provided in three annual instalments to projects that commence operations within three years.

## 6. IMPLEMENTATION OF THE POLICY

**6.1.** This Policy shall come into force on the date of its promulgation and remain applicable for five years.

**6.2.** Only the Hon'ble Council of Ministers shall be authorised to approve amendments to this Policy.

**6.3.** In the event of any amendment to this Policy, the committed incentive package approved prior to the amendment shall not be withdrawn, and the concerned unit shall be entitled to receive the benefits.

**6.4.** The Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) shall be the nodal agency for approval and disbursement of financial incentives to SAF units.

**6.5.** An Evaluation Committee shall be constituted at the Director level in UPNEDA to evaluate applications submitted by SAF units.

**6.6.** An Empowered Committee constituted under the chairpersonship of the Additional Chief Secretary, Additional Sources of Energy Department, Government of Uttar Pradesh, shall submit its recommendations to the Chief Secretary, Government of Uttar Pradesh, for approval of Large SAF units and disbursement of incentives.

**6.7.** A High-Level Empowered Committee constituted under the chairpersonship of the Chief Secretary, Government of Uttar Pradesh, shall submit its recommendations to the Hon'ble Council of Ministers on proposals for approval

of Mega SAF units and disbursement of incentives. The Committee shall have the authority to interpret the Policy, provide clarifications and resolve issues arising in its implementation.

**6.8.** A Working Group chaired by the Agriculture Production Commissioner shall be constituted to facilitate feedstock procurement and resolve related matters. Similarly, a Working Group chaired by the Infrastructure and Industrial Development Commissioner shall be constituted to provide assistance in relation to offtake agreements, SAF infrastructure and blending, in coordination with the Civil Aviation Department.

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