

Ref No. 7b/7715

24 April 09

Shri Dheeraj Shahu, I.A.S  
Joint Executive Director  
Udyog Bandhu  
12-C Mall Avenue, Lucknow

**Subject: Agenda points for Automobile Industry Working Group meeting**

Dear Sir,

Reference to your letter No 309 dated 21<sup>st</sup> April 2009, we are submitting following points for consideration in the Automobile Working Group meeting :-

Like any other important Sector e.g IT& Food Processing etc, Automobile is also an important sector which plays a very vital role in the economic growth of any state. There has been very little investment in this sector in the State in the past about 20 years. We therefore suggest the following measures to attract investment in Automobile Sector in the State :-

- A separate policy for Automobile Industries should be designed incorporating :-
  - (a) Provide Land to Big Industries at concessional rates and on deferred payments.
  - (b) A high level committee having Industry Representatives also should be set up to ensure rapid clearances for new investments in the sector including ancillary units.
  - (c) Provide infrastructure facilities such as Road, Power etc on Priority.
  - (d) Reduce VAT on vehicles and auto components manufactured and sold in U.P from 12.5% to 4 %.
  - (e) U.P being land locked has no port facility. The government may consider providing a dry port facility & subsidise transportation from Sea to this dry port & from dry port to sea (Export of vehicles)
  - (f) Govt. may consider incentives to Govt Employees for purchase of Vehicles manufactured in U.P.
- Industrial Exhibitions should be organised in the state on different sectors and an exclusive exhibition on Auto sector should be organised annually inviting investors, technologies from within and outside the country. During this exhibition Seminars on promotion and development of Auto Industry on the state should also be organised.

Yours truly,

D.S. Verma  
Executive Director