

**Government of Uttar Pradesh**  
**Industrial Development Section-6**  
No.-26/2020/2180/77-6-2020-5(M)/2017TC15  
Lucknow : Dated: August 14, 2020

**Notification**

Hon'ble Governor, by exercising executive powers under the clause 162 of the Constitution of India, is pleased to give consent to promulgate the 'Post-COVID-19 Accelerated Investment Promotion Policy for Economically Backward Regions of the State-2020'.

**Alok Kumar**  
Additional Chief Secretary

No.-26/2020/2180/77-6-2020-5(M)/2017TC15, dated as above:

**Copy forwarded to following for information and necessary action:**

1. Accountant General, Uttar Pradesh, Prayagraj.
2. Chief Secretary, Government of Uttar Pradesh.
3. Infrastructure & Industrial Development Commissioner, Government of Uttar Pradesh.
4. All Additional Chief Secretaries/Principal Secretaries/Secretaries, Uttar Pradesh Government.
5. All Chief Executive Officers, Industrial Development Authorities, Uttar Pradesh.
6. All Divisional Commissioners/District Magistrates, Uttar Pradesh.
7. Forwarded to Executive Director, Udyog Bandhu, 12-C, Mall Avenue, Lucknow with the request to upload the said policy on Udyog Bandhu website and make available 150 printed copies.
8. Commissioner & Director, Industries, Directorate of Industries, Kanpur.
9. Director, Information & Public Relations Department, Uttar Pradesh.
10. All Sections of Infrastructure & Industrial Development Department, U.P.
11. Guard File

By Order

**Rajni Kant Pandey**  
Under Secretary

# **Post-COVID-19 Accelerated Investment Promotion Policy for Economically Backward Regions of the State-2020**

## **Preface**

COVID-19 pandemic has caused extensive economic loss at state and national level. Besides loss of revenue, employment resources have been impacted adversely because of decline in industrial output and economic activities. The reverse migration of more than 35 lakh migrant workers from various states has presented the State with challenge as well as opportunity. With an aim to create employment for such migrant labourers locally and to achieve the objective of building 'Atmanirbhar Bharat' (Self-reliant India), the State Government is looking forward to rigorously promote investments to boost industrial activity in the State.

Therefore, as part of several steps taken to mitigate the demographic risks posed to labour class, the State government is promulgating '*Post-COVID-19 Accelerated Investment Promotion Policy for Economically Backward Regions*' to promote fast paced implementation of industrial investments in the economically backward regions of the state to address the COVID-19 distress.

## **Vision**

"To promote fast-paced investments in the economically backward regions of state, thereby creating large scale employment opportunities"

## **2.0 Objectives of the Policy**

- 1) To fast-track the implementation of industrial investment.
- 2) To create employment avenues in backward regions.
- 3) To reduce demographic risk due to COVID-19.

## **3.0 Provisions of the Policy**

### **3.1 Eligibility**

All such applicants (as defined in Para-4.3) intending to set up mega, mega plus and super mega units in Madhyanchal, Poorvanchal and Bundelkhand regions of state that commence commercial production within 30 months from the notification of this policy in case of mega and mega plus categories, and within 42 months from the notification of this policy in super mega plus category.

## **4.0 Definitions**

- 4.1 "Reference Date"** means the date of notification of this policy.

**4.2 “Capital Investment”** means the investment made in land, building, plant and machinery, utilities, tools and equipment and other such assets as are required to manufacture the end product within permissible investment period in reference to the mega, mega plus and super mega categories. For the purpose of capital investment, the following would be considered, cost of which has been borne by industrial undertaking:

A	<b>Land</b>	The actual purchase price as per the registered document of the land shall be considered as the cost of land for the project, plus stamp duty and registration fee. In case, the land is allotted by U.P. State Industrial Development Corporation (UPSIDC) or an Authority, the actual allotment price paid shall be considered as the cost of land. However, a maximum of 10% of total “capital investment” will be taken into account as the “Land” component of capital investment.
B	<b>Building</b>	Building means a new building constructed for the project, including administrative building. The cost of new buildings constructed for installation of plant and machinery, research & development activities, in-house testing facilities, storage facilities, and other buildings related to the manufacturing process, shall be considered as per the actual expenditure incurred.
C	<b>Other construction</b>	Other construction means construction such as compound wall and gates, security cabins, internal roads, bore well, water tanks, internal pipeline network for water and gas, and other related constructions.
D	<b>Plant &amp; Machinery</b>	Plant and machinery means new indigenous/imported plant and machinery, utilities, dyes and moulds, including cost of transportation,

		<p>foundation, erection, installation and electrification. The electrification cost will include the cost of sub-station and transformer. Such other tools and equipment, which are helpful for production, shall also be included.</p> <p><b>Plant and Machinery shall include:</b></p> <ol style="list-style-type: none"> <li>1. Plant for generation of non-conventional energy.</li> <li>2. Vehicles used for transportation only within the premises of the industrial unit, and material handling equipment used exclusively in transporting goods within such premises.</li> <li>3. Plant for captive power generation/co-generation.</li> <li>4. Plant for purification of water.</li> <li>5. Plant for pollution control measures, including facilities for collection, treatment and disposal of effluent/emission or solid/ gaseous waste.</li> <li>6. Diesel generating sets and boiler.</li> </ol>
E	<b>Infrastructure facilities</b>	<p>Such new roads, sewer lines, water drainage, power lines, railway siding infrastructure (including such other facilities essential for operation of unit), which link the undertaking's premises with the main infrastructure trunk lines. Apart from the above, installation of effluent treatment plant, sewage treatment plant, transformer and power feeder for self-use by the applicant undertaking will also be included. Provided that if an applicant has applied for benefits of capital interest subsidy, infrastructure interest subsidy, and interest subsidy on loans for industrial research, quality improvement and</p>

		development of products, then the heads, included under one kind of benefit, shall be excluded from the other categories of facility/facilities requested, while computing the eligibility for benefits.
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**4.3 “Eligible Industrial Undertaking”** means mega industrial undertaking (excluding an industrial undertaking in the joint sector or public sector where the share capital of Government or a Government undertaking is 50% or higher), defined as a mega, mega plus or super mega category of industrial undertaking in this policy and fulfilling the criteria as indicated below:

Category	Minimum eligibility requirements	
	Madhyanchal	Bundelkhand & Poorvanchal
<b>Mega</b>	Capital Investment of more than Rs.150 crore but less than Rs.300 crore	Capital Investment of more than Rs.100 crores but less than Rs.250 crores
<b>Mega Plus</b>	Capital Investment of more than Rs.300 Crores but less than Rs.750 crore	Capital Investment of more than Rs.250 crore but less than Rs.500 crore
<b>Super Mega</b>	Capital Investment of Rs.750 Crore and above	Capital Investment of Rs.500 Crore and above

**4.4 “Effective period”** means the period from the Reference Date to 30 months, in case of mega and mega plus categories, and 42 months for super mega categories of industrial undertakings.

**4.5 “Eligible Capital Investment”** means the Capital Investment as has been made by an industrial undertaking during the Effective Period of the policy (depending upon its category). In case, Capital Investment by the Industrial Undertaking has started prior to the Reference Date, at least 80% of Capital Investment should have been made during the Effective Period of the policy and the same Capital Investment (made in the Effective Period) will be considered as the Eligible Capital Investment. However, for deciding the Category of

investment (Mega/ Mega plus/ Super mega), the total Capital Investment will be considered.

## 5.0 Permissible Benefits

An eligible unit would qualify for incentives as under, not exceeding the amount of net SGST in the particular financial year, subject to annual ceiling of 20% of the Eligible Capital Investment, and upto maximum limit of the Eligible Capital Investment/period as given below:

**5.1** Stamp duty exemption of 100% in Bundelkhand & Poorvanchal and 75% in Madhyanchal.

**5.2** Reimbursement of net SGST in the manner shown in Table below:

Annual Percentage ceiling of Net SGST	Annual Ceiling as percentage of Eligible Capital Investment	Bundelkhand & Poorvanchal		Madhyanchal	
		Total ceiling (as % of Eligible Capital Investment)	Period (years)	Total ceiling (as % of Eligible Capital Investment)	Period (years)
70%	20%	300%	15	200%	12

**5.3** Capital Interest Subsidy @ 5% p.a. or actual interest paid, whichever is less annually for 5 years in the form of reimbursement of interest paid on term loan taken for procurement of plant and machinery, subject to an annual ceiling of Rs. 50 lakhs. However, additional Capital Interest Subsidy @ 2.5% upto maximum of 7.5% shall be applicable in case of industrial undertakings having 75% equity owned by Differently abled (Divyang)/SC/ST/Women Promoters, subject to an annual ceiling of Rs. 25 lakhs.

- 5.4** Infrastructure Interest Subsidy @ 5% p.a. or actual interest paid whichever is less annually for 5 years in the form of reimbursement of interest paid on term loan taken for development of infrastructural facilities (as defined in Para 4.2), subject to an overall ceiling of Rs. 1 Crore. However, additional Infrastructure Interest Subsidy @ 2.5% upto maximum of 7.5% shall be applicable in case of industrial undertakings having 75% equity owned by Differently abled (Divyang)/SC/ST/Women Promoters, subject to an annual ceiling of Rs. 50 lakhs.
- 5.5** Interest subsidy @ 5% or actual interest paid whichever is less annually for 5 years in the form of reimbursement of interest paid on loan taken by industrial associations, group of industrial units for industrial research, quality improvement and development of products by incurring expenditure on procurement of plant, machinery & equipment for setting up testing labs, quality certification labs and tool rooms, subject to an overall ceiling of Rs. 1 Crore.
- 5.6** 50% exemption from Electricity Duty for a period of 10 years to all new industrial undertakings set up under this policy.
- 5.7** 50% exemption from Electricity Duty for a period of 10 years to all new industrial undertakings set up under this policy and producing electricity from captive power plants for self-use.

## **6. Other Conditions**

- 6.1** Under this Policy applications shall be accepted only for 6 months from the date of Reference Date.
- 6.2** All such units, which have already expressed their intent to invest in the State or have been issued Letter of Comfort (LoC) under U.P. Industrial Investment & Employment Promotion Policy-2017 or have applied for obtaining LoC, will be given a onetime option to apply for incentives under this Policy, provided they fulfil all conditions mentioned in this Policy.
- 6.3** In case, any unit, which has been allotted Letter of Comfort or approved for availing incentives under this Policy, fails to comply with the commercial production timelines of the Policy as mentioned in Para 3.1 (Eligibility), then the unit will be eligible for incentives as mentioned in the Para 5.0 (Permissible Benefits) of this Policy, except

that the Period of net SGST reimbursement will be reduced (from 12 years in case of Mega & Mega Plus and 15 years in case of Super Mega categories) to 10 years for all categories of investment, which will be based on eligible capital investment.

- 6.4** Besides the definitions and conditions mentioned in this Policy, all other conditions and procedures will be applicable according to the implementation Rules of U.P. Industrial Investment & Employment Promotion Policy-2017.
- 6.5** Beverages and drinks units shall not be eligible under this Policy. Moreover, such industrial undertakings, which have been notified as restricted industries under implementation Rules of U.P. Industrial Investment & Employment Promotion Policy-2017, shall be ineligible for benefits.
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