



**Government of India  
Ministry of Micro, Small & Medium Enterprises**

**STATE PROFILE OF UTTAR PRADESH  
2014 –15**



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# OPERATIONAL JURISDICTION OF MSME-DI, KANPUR



## FOREWORD

At the instance of the Development Commissioner, (MSME), New Delhi, the State Profile of Uttar Pradesh 2014-2015 has been prepared by MSME- Development Institute, Kanpur under the Core Programme Target for the year 2014 - 2015. The profile contains the details like physical and human resources, growth of Micro, Small and Medium Enterprises, availability of institutional support provided by Central as well as State Government, Economic facilities and incentives available to MSME sector, existing infrastructural facilities available for the Industrial Development in the State. The profile also includes objects and strategy for future.

This profile has been prepared after comprehensive studies and conducting intensive surveys so as to bring forth valuable information and data on the State of U.P. I am confident that the data, detailed information and analysis thereof on various aspects contained in this profile would be useful to the Departments, Developmental Agencies, Financial Institutions engaged in Policy formulation and development of MSMEs and also to existing industries & prospective entrepreneurs.

I extend my heartiest thanks to the concerned Central and State Government Departments for extending their wholehearted cooperation in providing relevant data for preparation of this profile. The profile was prepared by Shri Jagadish Sahu, Asstt. Director (EI) & Shri V.K. Bhatt, Asstt. Director (Statistics).

Shri Jagadish Sahu, Asstt. Director (EI) & Shri V.K. Bhatt, Asstt. Director (Statistics) deserve sincere appreciation for their untiring efforts and dedication in bringing out the State Profile of U.P. 2014 - 15. I further appreciate both Shri P.S. Bajpai and Shri Mishri Lal, stenographers of this institute for providing their effective and essential secretarial services in bringing out this profile.

October 2015.  
Kanpur.

**(Sanjeev Chawla)**  
Director

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**List of Acronyms**

CDGI	Centre for Development of Glass Industry
CETP	Common Effluent Treatment Plant
CFTI	Central Footwear Training Institute
EDP	Entrepreneurship Development Programme
EM	Entrepreneurs Memorandum
EPB	Export Promotion Bureau
EPIP	Export Promotion Industrial Park
FFDC	Fragrance & Flavour Development Centre
GAIL	Gas Authority of India Limited
GDP	Gross Domestic Product
GSDP	Gross State Domestic Product
Ha	Hectares
IBM	Indian Bureau of Mines
MT	Metric Tonne
RRB	Regional Rural Bank
SEZ	Special Economic Zone
SLBC	State Level Bankers' Committee

## STATE PROFILE

### UTTAR PRADESH AT A GLANCE

Sl. No.	Details	Unit	Figures
1.	<b>Area</b>	Sq. Km	2,40,928
2.	Commissionary: Districts: Tehsil : Economic Regions: Nagar Nigam : City & City Groups Development Blocks: Nyay Panchayat : Gram Sabha : Inhabited Villages :	Nos. " " " " " " " " "	18 75 327 4 14 915 821 8135 51914 97814
3.	<b>Total Population as per Census 2011</b> A) Male : B) Female :	Crores " "	19.98 10.48 9.53
4.	<b>Population Growth</b> (2011 w.r.t. 2001)	Crores	3.35 (20.09%)
5.	<b>Density of Population (2011)</b>	Total Persons per sq. km	829
6.	<b>Sex Ratio (2011)</b>	Females per 1000 males	912
7.	<b>Literates (2011)</b> Male : Female : Total : Rate of Literacy : Male : Female : Total Persons :	Crores " " " Percentage " "	6.82 4.61 11.43 77.30 57.20 67.70
8.	<b>Per Capita Income at Current Prices (2013-14)</b>	Rs.	36250
9.	<b>Electricity (2013-14)</b> 1. Total Capacity 2. a. Production b. Per Capita Electricity 3. Consumption (Per Capita) 4. Total Electrified Villages	MW KWH Crores " " Nos.	5458 2659 127 278 89140

10.	<b>Road length (2012-13)</b> 1. National Highway 2. State Highway 3. District Roads  Total	000-K.M.	3.185 7.876 179.54  190.601
11.	<b>Land Utilization Pattern (2011-12)</b> ➤ Forest : ➤ Net Area shown : ➤ Cultural Waste: ➤ Barren & Uncultivable Land:	000-Hectares	1659 16623 423 479
12.	<b>Agriculture Production ( 2012-13 )</b> a) Food grains b) Sugar Cane c) Potato d) Oil seeds	Lakh MTs	523 1348 132 10
13.	<b>Education: (2013-14)</b> (a) Primary School (b) Higher Primary School (c) Higher Secondary School (d) Degree Colleges (e) Universities (f) Medical Colleges	Nos. Nos. Nos. Nos. Nos. Nos.	168888 76882 22524 4224 31 54
14.	<b>Banking facilities (As on 31.03.2015)</b> Total Bank Branches : In Rural Areas : Semi Urban Area. Urban/Metropolitan :	Nos. Nos. Nos. Nos.	17110 8945 3457 4708
15.	<b>Communication facilities 2013-14</b> a) Telephone Exchanges b) Telephone connections c) Post Offices :	Nos. Th. Nos. Nos.	3134 1089 17680
16.	<b>Live Stock Population (2012):</b> <b>Poultry :</b>	Lakh Nos. "	697.25 186.68
17.	<b>Mineral Production (2012-13)</b> a) Diaspore b) Silica sand c) Coal d) Sulpher e) Pyrophillite f) Lime Stone	Tonnes " " " " Tonnes	8755 42051 16090000 43574 31186 3304



## CHAPTER- 1

### OBJECTIVE & METHODOLOGY

#### 1.1 OBJECTIVE:

At the instance of Development Commissioner (Micro, small & Medium Enterprises), New Delhi, the State Profile of Uttar Pradesh for the year 2014-15 has been prepared by MSME Development Institute, Kanpur under the Core Programme Target for the year 2014-15 as per conceptual parameters provided by the Economic Advisor, O/o the Development Commissioner (MSME), New Delhi. The State Profile was prepared with the objective to provide up-to-date account of infrastructure, availability of resources, existing Industrial Scenario, Industrial possibilities based on demand and resources available etc. and also to discuss the economic status of the State.

#### 1.2 METHODOLOGY:

To achieve the above objective, the officers of this Institute collected the requisite information from various departments, Developmental Agencies, Financial Institutions and discussed with knowledgeable persons, Industrialists and Associations about the potentialities of the State and suggested some measures for over-all socio-economic and industrial development of the State.

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## CHAPTER – 2

### INTRODUCTION:

U.P. is the most populous and dominating state on socio-political scenario of our country. But it economically remains, by and large, far behind many states in the country and, therefore, it deserves greater thrust for accelerating the pace of economic growth in general and specific emphasis on industrial development in particular. The state is emerging fast on the industrial map of the country. The Government in center as well as in state is making concerted efforts to accelerate the pace of industrialization in U.P.

### 2.1 TOPOGRAPHY:

The State is situated in the Gangetic plains between 24<sup>0</sup> and 30.5<sup>0</sup> latitude and 77<sup>0</sup> and 84.5<sup>0</sup> longitude. It is surrounded by Nepal and Uttarakhand in the North, Madhya Pradesh in the South, Bihar in the East and Haryana, Rajasthan & Delhi in the West.

### 2.2 AREA:

The Total geographical area of the State is 240928 sq. km. which is worked out to be 7.32 percent of the total area of the country. It is the fifth largest state in the country.

### 2.3 CLIMATE:

Uttar Pradesh comprises of the alluvial soil of Ganga and Yamuna and plateau of Bundelkhand. The entire state has tropical climate. Minimum and maximum temperature vary from season to season and place to place depending upon the climate and location. Normally, the months of May and June record maximum temperature whereas the month of January remains the coldest month. Monsoon remains active normally from June to September when 85% to 95 % of the annual rainfall is received during these months. Most parts of the state receive scanty rains during winter season. The annual average rainfall is 854 mm in the state.

### 2.4. POPULATION:

Uttar Pradesh accounts for the largest population in the country. As per the 2001 Census, the population of the state was 16.62 Crores which has gone up to 19.96 Crores during 2011. The details of the comparative growth in population of UP vis-à-vis population growth in the country since 1901 are given in the following table:

**Table - 1**  
**Population growth of U.P. in India**

Population ( in lakhs )		
Year	U.P.	India
1901	486	2384
1911	462	2511
1921	467	2513
1931	498	2790
1941	565	3187
1951	632	3611
1961	738	4392
1971	663	5482
1981	1109	6852
1991	1320*	8463
2001	1662*	10287
2011	1998*	12108

\* Excluding Uttrakhand

**Source: Census of India, Directorate of Census, Lucknow.**

The distribution of population, sex ratio, density, decadal growth rate etc. in India and Uttar Pradesh is given below as per Census – 2011.

**Table –2**  
**Distribution of Population, Sex Ratio, Literacy & Decadal Growth Rate**

Sl. No.	Particulars	India	Uttar Pradesh
1.	Total Population (Crores)	121.08	19.98
	a. Male	62.32	10.44
	b. Female	58.75	9.53
2.	Sex Ratio (Female per 1000 males)	943	912
3.	Density (Per Sq. Km)	382	829
4.	Decadal growth rate (%)	17.70	20.23
5.	Literates:		
	Persons (Crores)	76.36	11.43
	A) Male	43.47	6.82
	B) Female	32.89	4.61
	Literacy Rates (%)	73.0	67.70
	a. Male	80.9	77.30
	b. Female	64.6	57.20
6.	Child Population( in crores) in the age group 0-6 years		
	a. Persons	16.45	3.07
	b. Male	8.57	1.61
	c. Female	7.88	1.46

**Source: Census of India.**

**Table-1** shows that the male population of the state was 10.48 crores, whereas female population was recorded as 9.53 crores during 2011 Census. As far as sex ratio is concerned, there were 912 females per 1000 males. The density of population of the state was recorded as 829 per sq. km., whereas the density of population of India was 382 per sq. km. It shows that the state of U.P. is densely populated. Population growth in the state was 20.23% during the decade of 2001-2011 as against the national growth of 17.70%.

Further, as per Table No. 1, the literacy rate in the state is 67.70% in which males have 77.30% and females have 57.20%. The child population in the age group 0-6 years in U.P. is 3.07 crores which is 19.28% of India's child population.

### 2.5 Economic Region:

The state of U.P is divided into 4 Economic Regions which are as follows:

**Table-3  
Economic Regions**

Sl.No	Name of Economic Region
1	Eastern Region
2	Western region
3	Central Region
4	Bundelkhand

### 2.6 Classification of main workers in U.P.

The classification of main workers in U.P. is given below:

**Table – 4  
Classification of Main Workers in U.P. (Census-2011)**

(No. in 000)			
Sl. No.	Particulars	Figures	Total %
1.	Cultivators	15576	34.90
2.	Agricultural Labourers	9750	21.84
3.	Household Industries	2409	5.40
4.	Other Workers	16900	37.86
	<b>Main Workers</b>	<b>44635</b>	<b>100</b>
5	Marginal Workers	21179	-
6.	Non Workers	133998	-

**Source: Statistical Diary of U.P, 2014.**

Table-4 shows that other workers (services) are the major workers in Uttar Pradesh & Agriculture is the second main activity in U.P. House-hold industries are employing lesser workers which is 5.40 %.

## 2.7 Commissionaires and Districts in U.P

The following table presents no.of Commissionaires & Districts in U.P:

**Table-5**

<b>Sl. No.</b>	<b>Commissionaires</b>	<b>Districts</b>
1.	<b>Saharanpur</b>	1. Saharanpur 2. Shamli 3. Muzaffar Nagar
2.	<b>Meerut</b>	4. Meerut 5. Ghaziabad 6. Bulandshahr 7. Hapur 8. Baghpat 9. G.B Nagar
3.	<b>Agra</b>	10. Agra 11. Mathura 12. Firozabad 13. Mainpuri
4.	<b>Aligarh</b>	14. Aligarh 15. Hathras 16. Etah 17. Kash Ganj
5.	<b>Bareilly</b>	18. Bareilly 19. Badaun 20. Shahajahanpur 21. Pilibhit
6.	<b>Moradabad</b>	22. Moradabad 23. Rampur 24. Bijnor 25. Sambhal 26. Amroha
7.	<b>Kanpur</b>	27. Kanpur Nagar 28. Kanpur Dehat 29. Etawah 30. Farrukhabad 31. Kannauj 32. Auraiya
8.	<b>Allahabad</b>	33. Allahabad 34. Fatehpur 35. Prartapgarh 36. Kausambi
9.	<b>Jhansi</b>	37. Jhansi 38. Lalitpur 39. Jalaun
10.	<b>Chitrakoot</b>	40. Chitrakoot 41. Hamirpur 42. Mahoba 43. Banda
11.	<b>Varanasi</b>	44. Varanasi 45. Jaunpur 46. Ghazipur 47. Chandauli
12.	<b>Vindhyachal / Mirzapur</b>	48. Mirzapur 49. Sonbhadra 50. Sant Ravidas Nagar

<b>13.</b>	<b>Azamgarh</b>	1. Azamgarh 2. Mau 3. Balia
<b>14.</b>	<b>Gorakhpur</b>	4. Gorakhpur 5. Maharaj Ganj 6. Deoria 7. Kushi Nagar
<b>15.</b>	<b>Basti</b>	8. Basti 9. Sidharth Nagar 10. Sant Kabir Nagar
<b>16.</b>	<b>Lucknow</b>	11. Lucknow 12. Unnao 13. Rae Bareli 14. Sitapur 15. Hardoi 16. Lakhimpur Kheri
<b>17.</b>	<b>Devi Patan</b>	17. Gonda 18. Bahraich 19. Balrampur 20. Srawasti
<b>18.</b>	<b>Faizabad</b>	21. Faizabad 22. Sultanpur 23. Barabanki 24. Ambedkar Nagar 25. Amethi

**Source: Statistical Diary of U.P, 2014**

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## CHAPTER-3

### ANALYSIS OF RESOURCES

The resources of the State of U.P. is divided into physical and human resources. Physical resources include agriculture, horticulture, animal husbandry, forestry, mineral, fisheries etc. Human resources include both general and technical education. All these resources are discussed below:

**3.1 Agriculture:** Agriculture is an important sector for providing resources which can be exploited for industrial development. These resources are discussed in the following paragraphs.

#### Land Utilization Pattern:

Land is a basic need for development of the area. The Geographical area of the state of U.P. is 241 thousands sq. km. which is 7.6% of the country's area, whereas its share in population is 16.50%. U.P. is, thus, a state with a very large imbalance in its share in country's population and its area. This imbalance has important implications for the development of state's economy. U.P. has cultivable waste of about 4.23 lac hectares and fallow land of about 12.01 lac hectares which is still available for use in a profitable manner. This available land may be used for industrial purposes. Details of land utilization pattern are given below:

**Table – 1**  
**Details of Land Utilization Pattern (2012-13)**

Sl.No.	Item	Area ( ooo hectare)	% age
<b>1.</b>	<b>Reporting area</b>	<b>24170</b>	<b>100.00</b>
1.1	Forest	1658	6.86
1.2	Barren & uncultivable land	479	1.98
1.3	Land put to non-agricultural uses	2893	11.97
1.4	Cultureable waste	423	1.75
1.5	Permanent pastures & grazing land	65	0.27
1.6	Land Misc.trees,crops, grass etc.	350	1.45
1.7	Current fallows	1201	4.97
1.8	Other fallow land	537	2.22
1.9	Net area sown	16564	68.53
<b>2.</b>	Area sown more than once	9257	-
<b>3</b>	Gross sown area	25821	-

**Source: Department of Agriculture, U.P.**

#### 3.1.1 Agriculture produces:

Agriculture is one of the important sectors of U.P. which contributes tremendously to State's income as well as employment generation. The share of agricultural workers in total workers of the state is far higher than the share of agriculture in state's income. But the average income per worker of the state in agriculture sector is far less as compared to the corresponding income per worker in other sectors of the economy. State contribution of agriculture to the national economy is very important. Hence, more emphasis should be given to agriculture sector.

The area, production & productivity of main crops produced in the state are given below.

**Table – 2**  
**Area, Production & Productivity of main crops in U.P. (2012-13)**

(Area – 000 Hectares)

(Production – 000 MT)

(Productivity – Quintal / Hectares)

Sl. No.	Crops	Area		Production		Average yield	
		2011-12	2012-13	2011-12	2012-13	2011-12	2012-13
<b>1.</b>	<b>Grains</b>	<b>17728</b>	<b>17728</b>	<b>49660</b>	<b>49887</b>	-	-
1.1	Paddy	5903	5923	13917	14536	23.58	24.54
1.2	Wheat	9793	9785	32150	31476	32.83	32.17
1.3	Barley	166	165	442	434	26.56	26.28
1.4	Jowar	187	180	218	242	11.63	13.50
1.5	Bajra	914	922	1652	1800	18.08	19.52
1.6	Maize	757	744	1273	1390	16.83	18.69
1.7	Others	08	09	08	09	-	-
<b>2.</b>	<b>Pulses</b>	<b>2416</b>	<b>2397</b>	<b>2397</b>	<b>2389</b>	-	-
2.1	Urd	569	569	382	379	6.72	6.67
2.2	Moong	81	84	51	56	6.31	6.63
2.3	Arhar	321	311	331	326	10.32	10.47
2.4	Gram	601	614	710	691	11.83	11.25
2.5	Others	844	818	923	937	-	-
<b>3.</b>	<b>Oilseeds</b>	<b>1063</b>	<b>1096</b>	<b>889</b>	<b>1005</b>	-	-
3.1	Mustard&Toria	604	605	685	814	11.35	12.63
3.2	Groundnut	95	88	94	89	9.91	10.15
3.3	others	364	364	110	102	-	-
<b>4.</b>	<b>Other crops</b>						
<b>4.1</b>	<b>Sugar cane</b>	<b>2117</b>	<b>2159</b>	<b>126110</b>	<b>134846</b>	<b>595.70</b>	<b>624.63</b>
4.2	Potatoes	538	540	11997	13158	223.02	243.87
4.3	Tobacco	26	25	133	138	51.88	54.47
4.4	Cotton	03	03	01	01	2.28	2.32
4.5	Sanai(Resha)	2	2	1	1	2.91	4.23

**Source: Department of Agriculture, U.P.**

From the above table, It is observed that wheat is the main crop of food grains & paddy is the second main food item in U.P. Sugar Cane is the main cash crop in U.P. in 2012-13 & it is better than the financial year 2011-12 in terms of Area, Production and Average productivity. It is important to note that U.P is the second largest producer of sugarcane in India after Maharashtra.

### 3.1.2 Irrigation:

Irrigation is the lifeline of agriculture. However, there is still a large unirrigated area in the state. Against the net area sown of 165.64 lac Hectares in the state during the year 2012-13, Net irrigated area was 139.29 lac hectares which comes to be 84.1%. The gross area sown of the state in 2012-13 was 258.21 lac hectares, of which 201.91lac hectares was irrigated. In other words, about 16% of state's net area sown and 22% of gross area sown still goes without irrigation. The resource-wise irrigated area of U.P is given below.

**Table – 3**  
**Comparatively resource-wise net irrigated area & percentage in U.P.**  
**(in 000 Hectares)**

Sl. No.	Resource	Year			
		2011-12	%	2012-13	%
<b>A) Net Irrigated Area:</b>					
1.	Canal	2555	18.5	2541	18.2
2.	Tube well	10161	73.6	9965	71.5
	a) Government	490	3.6	617	4.4
	b) Private	9671	70.0	9348	67.1
3.	Well	848	6.1	1250	9.0
4.	Ponds, Lakes	99	0.7	116	0.8
5.	Others	146	1.1	56	0.4
	<b>Total:</b>	<b>13809</b>	<b>100</b>	<b>13929</b>	<b>100</b>
<b>B) Gross Irrigated Area:</b>		19901	-	20191	-

**Source: Department of Agriculture, Govt. of U.P. Lucknow.**

Table-3 shows that the irrigated area covered by canals decreased from 2555 thousand hectares in 2011-12 to 2541 thousand hectares in 2012-13. It was 18.2% of the net irrigated area of 13929 thousand hectares. Private minor irrigation plays an important role in the state & contributes significantly to net irrigation. The area irrigated by Tube wells was 10161 thousand hectares in 2011-12 which decreased to 9965 in 2012-13 which is 71.5% of net irrigated land. The performance of wells was much better in 2012-13. The total irrigated area in 2011-12 was 19901 thousand hectares which increased to 20191 thousand hectares in 2012-13.

A comparison of Gross sown area & Net area sown and Gross irrigated area & Net irrigated area is made in the following table.

**Table – 4**  
**Year-wise Gross & Net Area sown in U.P.**

Sl. No.	Particulars	Years		Increasing / Decreasing
		2011-12	2012-13	
1.	Gross Sown Area	257.28	258.21	0.93 (0.36%)
2.	Net Area Sown	166.23	165.64	-0.59 (-0.35%)
3.	Gross Irrigated Area	199.01	201.91	2.9 (1.45%)
4.	Net Irrigated Area	138.09	139.29	1.2 (0.86%)

**Source: Department of Agriculture, Govt. of Uttar Pradesh, Lucknow.**

### 3.1.3 Distribution of Fertilizers:

Fertilizer is a main factor for growth of crops. Without fertilizer we cannot imagine the development of agriculture. The following table shows distribution of chemical fertilizers during 2013-14.

**Table – 5**  
**Distribution of Fertilizers**

(000 MT)				
Year	Nitrogen	Phosphate	Potash	Total
2013-14	2972	765	105	3842

**Source: Statistical Diary of U.P, 2014.**

### 3.2 Horticulture:

Horticulture has great potential for setting up of food processing based Micro, Small & Medium Enterprises with an enormous scope for creating new employment avenues. The agro-climatic condition and soil characteristics of various regions in U.P. are conducive for growing a wide range of horticulture produce such as fruits, vegetables, ornamental plants, spices and plants of medicinal use.

As a result of implementation of various schemes in the last few years, the area and production of horticultural crops have increased substantially. The new varieties of fruits and vegetables coupled with new technology have been introduced. Major fruits grown in the state are mango, guava, banana, papaya, citrus, litchi, jackfruit, musk-melon, water-melon, aonla etc. Vegetables include potato, onion, tomato, sweet potato, cauliflower, okra, brinjal, carrot, turnip, radish, bitterguard, bottleguard, pumpkin, parwal, petha, arbi, torai, lobia, peas (manak), cabbage etc. Spices grown are turmeric, dry chillies, coriander, ginger, garlic, fenugreek, fennel etc. Flowers include rose, gladioli, marigold etc.

The details of Area & production of fruits, vegetables, spices & flowers are presented in the following table.

**Table – 6**  
**Status of Horticultural produces in U.P.**

Sl. No.	Crops	2012-13		2013-14 (Est.)	
		Area (Ha)	Prod. (MT)	Area (Ha)	Prod. (MT)
1.	Fruits	321858	5404754	329522	5635200
2.	Vegetables	820674	16930918	862768	16333834
3.	Spices	60695	214375	614491	243212
4.	Flowers	16379	37022	16699	38289
4.1	Rose (Loose)	8140	25389	8221	26315
4.2	Rose (cut)	1820	1820	1866	1866
4.3	Gladioli (cut)	3025	3025	3116	3116
4.4	Marigold (loose)	3394	6788	3496	6992

**Source: Department of Horticulture & Food Processing, U.P, Lucknow.**

Table-6 shows that the area of fruits, vegetable, spices & flowers is increasing and production has increased too. The demand for roses is notably increasing in U.P. Thus, market for flowers is also expanding day by day.

The year-wise Fruit Preservation and training in U.P. is given below:

**Table – 7**  
**Year wise fruit preservation & Training**

Sl. No.	Particulars	Year	
		2012-13	2013-14
1.	Product items under Community Fruit Preservation Programme(Kg)	134855	159178
2.	No. of Trainees under Training Programme	25219	26569
3.	Distribution of Plants of Fruits (000)	3345	4110
4.	Distribution of Vegetable Seeds (MT)	72.94	91.98

**Source: Statistical Diary of U.P, 2014.**

### 3.3 Animal Husbandry:

Live stock is considered to be one of the important sources for the economic and industrial development of an area. According to Live Stock Census 2007, there were 6.39 Crores live stocks and 1.78 crores poultry in the State. However, both Live Stock & Poultry have increased in the State as per 2012 Census. The details of live stock population are shown in the following table:

**Table – 8**  
**Uttar Pradesh Live Stock Census (in Lakhs)**

Sl. No.	Name of the Live Stock	Year			Growth Rate 2007 to 2012(%)
		2003	2007	2012	
1.	Total Cattle	185.51	190.97	205.66	7.69
2.	Buffaloes	229.14	264.40	306.25	15.82
3.	Sheep	14.37	14.00	13.54	-3.28
4.	Goat	129.41	148.29	155.86	5.10
5.	Pig	22.84	19.87	13.34	-32.86
6.	Total other live stock	4.04	2.12	2.60	22.64
7.	Total Live Stock without dog	585.31	639.66	697.25	9.00
8.	Poultry	117.18	178.80	186.68	4.40

**Source: Department of Animal Husbandry, Govt. of U.P., Lucknow**

An analysis of growth rates of various live stock group indicates that during the year 2012, cattle population in the state has increased by a margin of 7.69% and no. of buffaloes have increased by 15.82%. The poultry population has also registered an increase of 4.40% during the same period.

The Live Stock Production of the State in 2013-14 is given below:

**Table – 9**  
**Live Stock Production (2013-14)**

Sl. No.		Average Production	
		Unit	Quantity
1.	Milk		
1.1	Milk Per Cow per day	Litre	3.162
1.2	Milk Per Buffalo per day	Kg	4.454
2.	Egg per hen per annum	No.	489.1
3.	Woolen per sheep per annum	Gram	898
4.	Meat Production Per Cattle per day		
4.1	Goat	Kg	16.043
4.2	Sheep	"	12.236
4.3	Pig	"	43.257
4.4	Buffalo	"	133.624

**Source: Deptt. Of Animal Husbandry, Govt. of U.P.**

### 3.4 Forestry:

The forest area in U.P. covers 6.87% of geographical area of the state. Various forestry activities contribute to the employment generation of the state. Details of forest area in U.P are given below.

**Table – 10**  
**Details of Forest Area in U.P.**

Sl. No.	Particulars	Years		
		2009-10	2010-11	2011-12
1.	Area under Forest Department (Sq. Kms)	16530	16488.56	16484
2.	Other Forest Area (Sq. Kms)	89.72	84.39	83
	<b>Total Forest Area (Sq. Kms)</b>	<b>16530.51</b>	<b>16582.71</b>	<b>16567</b>
3.	Percentage of Forest Area under Department to Total Forest Area	99.46	99.49	99.50
4.	% of Forest Area to Geographical Area of the State	6.88	6.88	6.87

**Source: Dept. of Forest, Govt. of U.P**

In the year 2011-12, as much as 639.31 Sq. Kms of land was planted by Forest Deptt. Teak, Sal, Eucalyptus, Bamboo, Shisham, Semal, Gutel, Alenthus, Kanju, Khair, Mulberry, Poplar, Deodar, Chir, Cyprus/Bluepine, Fur & Spruce, Oak and other trees are available in the forest.

### 3.5 Minerals:

Rock formation in Himalayan and Vindhyachal ranges possesses the major mineral deposits in the state of U.P. Lime stone, Silica sand, Pyrophyllite, Diaspore, Sulpher & Coal are the major minerals which have immense reserves in the state. U.P is the leading producer of Diaspore in India. It contributed about 55% of the total production in India during 2012-13. The actual production of these mineral products in U.P. (2010-13) & India (2012-13) is given in the following tables:

**Table - 11**  
**Production of Minerals in U.P.**

(Qty. in Tonnes & Value in 000 Rs.)

Sl. No.	Name of Mineral	2010-11		2011-12		2012-13(P)	
		Qty.	Value	Qty.	Value	Qty.	Value
1	Diaspore	14917	22752	11703	20278	8755	14069
2	Lime stone	3312	500514	2997	514918	3304	445122
3	Silica sand	167109	36486	65584	13118	42051	8322
4	Coal	15526000	15122300	16178000	34369500	16090000	35844200
5	Sulpher	38856	-	36005	-	43574	-
6	Pyrophyllite	31076	8810	33857	8358	31186	8787

P-Provisional

**Source: Indian Minerals Yearbook'2013, IBM**

**Table - 12**  
**Production of Minerals in India**

(Qty. in Tonnes &  
Value in 000 Rs.)

Sl.No	Name of Mineral	2012-13(P)	
		Qty.	Value
1	Diaspore	16030	24896
2	Lime stone	279736	43216622
3	Silica sand	3690016	823828
4	Coal	556402000	747186600
5	Sulpher	449004	-
6	Pyrophyllite	245399	149108

P-Provisional

**Source: Indian Minerals Yearbook'2013, IBM**

### 3.6 Fisheries:

Uttar Pradesh is the state having vast water potential in the shape of rivers and their tributaries, large and medium size reservoirs, lakes and small rural ponds. Apart from flowing water, the total confined water offers tremendous scope for fish culture. The state is registering an increasing trend in fish production year-on-year basis. Various schemes to promote aquaculture and to develop fisheries in the state have been launched. Following are the main thrust areas.

- i. Extension of scientific aquaculture in rural area in order to maximize fish production in the state and to increase per hectare productivity of ponds.
- ii. Creation of employment opportunities especially for people living below poverty line.

- iii. Availability of fresh fish to consumers on reasonable rates.
- iv. Welfare of fisherman community.
- v. Allotment of Non-allotted ponds to poor and needy fishermen.
- vi. Mobile fish parlors scheme.
- vii. NABARD recommended immediate allotment of model fish market.
- viii. Modernization of working hatcheries should be done immediately.
- ix. Establishment of new fish feed centres.
- x. Proper supply of fish seeds as per immediate requirement of fishermen.

The demand of fisheries in Uttar Pradesh is very high. It is a basic food for non-vegetarian. The production and distribution of fisheries with hatchery is given below:

**Table - 13**  
**Production /Distribution of Fisheries & Hatcheries in U.P.**

Sl. No.	Particulars	Year		
		2010-11	2012-13	2013-14
1.	Production of fisheries (000 Quintals)	4175	4497	4644
	A) Departmental	11	15	13
	B) Others	4164	4482	4631
2.	Collection of Hatcheries in Ponds (Lakh)			
	A) Fisheries Deptt.	221.52	210.59	249.44
	B) Fisheries Dev. Corporation	347.40	373.31	423.72
	C) Fisheries Cooperative Fed.	30.20	45.20	51.60
3.	Hatcheries Production in all Resources (in Lakh)	13022.63	15951.12	16377.63
4.	Distribution of hatcheries in Private Sector (Lakh)			15652.87
	A) Fisheries Deptt.	12423.91	15322.02	
	B) Fisheries Dev. Corporation	2281.11	2025.85	

**Source: Directorate of Fisheries, Govt. of U.P. and Fisheries Development Corpn. U.P.**

From the above table, it can be observed that fish production in financial year 2013-14 is 4644 thousand quintals which is insufficient as per demand. As per information, the extra fish is being supplied from Andhra Pradesh and West Bengal. The need of increasing fish production in the State is very essential.

### **3.7 EDUCATION:**

Uttar Pradesh accounts for the largest population in the country. The population of the state was 16.62 Crores during 2001 Census which has gone up to 19.98 Crores during 2011 Census.

In the present era of economic and industrial development where technological developments are taking place at a very fast rate, literacy is considered to be one of the most dominant indicators of the socio-economic development of a region, state or the country. Viewed in this context, U.P. is found to be one of the States in the country where rate of literacy is almost at lowest level. Population census of 2011 reveals that number of literates in U.P. was 114397555 which accounted for literacy rate of 67.70%. The proportion of male literates is 77.30 percent, which is better than the proportion of female literates (57.20 percent).

In pursuance of priorities, the State Govt. has launched various programmes for education. Secondary education, being a bridge between primary and higher education plays a very crucial role in defining the future goal of students. In view of increasing demand in information technology, computer education has become a necessity. The Govt. has introduced Computer education in all Government and Govt. aided schools and Intermediate colleges. According to Statistical Diary 2014, at present there are 168888 junior basic schools, 76882 Senior Basic Schools, 22524 Higher Secondary School, 4224 Degree Colleges and 31 Universities in the State.

### 3.8 TECHNICAL EDUCATION:

Rapid economic development requires a pool of skilled workers, trained personnel, qualified engineers & technicians and efficient managers. The state of U.P is dotted with high quality technical institutions. At present there is one Technical University, 700 private Degree Engineering Colleges and 454 Diploma level Engineering Institutions covering almost every area of technical education.

The state has some highly prestigious technical & professional institutions that include IIT-Kanpur, IIM-Lucknow & U.P Technical University prominently.

The following tables show service provided by Emploment exchanges & status of Govt. ITI in U.P

**Table -14**  
**Services provided by Employment Exchange in U.P**  
(In Thousands)

Sl. No.	Particulars	Financial Year	
		2012	2013
1.	Registration	5454.8 (660.5)	753.6 (104.2)
2.	Job provided	0.5 (0.1)	0.8 (0.2)
3.	Informed Vacancy	2.7 (0.2)	2.5 (0.3)
4.	Registered remaining candidates in the end of year	6922.6 (983.9)	7428.3 (1023.5)

**Source: Directorate of Training & Employment, Lucknow.**

**Note: No. of SC/ST Candidates in Brackets**

**Table -15**  
**Status of ITI under Department of Labour, Employment & Training**

Sl. No.	Head	Year	
		2012-13	2013-14
1.	No. of Institutions	267	267
2.	Entrance Capacity	34926	60044
3.	Actual Admission	39715	43993
4.	No. of success trainees	24179	24310

**Source: Directorate of Training & Employment, U.P., Lucknow.**

To sum up, U.P in general & state capital Lucknow, the city of Nawabs, in particular is emerging as “**Education Hub**”.

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## CHAPTER – 4

### INFRASTRUCTURE & BANKING

U.P is on the fast track of infrastructure development .Upgrading infrastructure to facilitate industry & investment has been given top priority.

Infrastructure includes transport, power, communication, etc. These are described below.

#### 4.1 Transport:

Transport includes rail transport, road transport, inland transport and civil aviation. A brief description of these modes of transport is given below:

##### a) Rail Transport:

Most of the places in U.P. are directly connected with rail both by broad gauge and meter gauge. All the important cities like Allahabad, Kanpur, Jhansi, Agra, Lucknow, Gorakhpur, Varanasi, Aligarh, Rampur, Bareilly, Meerut, Ghaziabad and Saharanpur having social and economic activities are connected with Indian Railways . All railway facilities are available in the state for passengers & transporting of goods as well. The Railway route length in U.P. in terms of broad gauge is 7851 Kms, meter gauge 979 Kms & narrow gauge 02 kms .The total length is 8832 Kms as on 2012-13.

##### Metro Rail:

The State Govt. has launched metro projects in Lucknow, Noida & Ghaziabad to give top priority to urban transportation. U.P is the only state where 3 metro projects were launched simultaneously.

With metro almost becoming a reality, the Government is planning Mono Rail projects for cities like Kanpur, Varanasi & Agra to attract millions of business men & tourists.

##### b) Road Transport:

Roads are the nerves of economic growth and constitute one of the most important elements of the infrastructure of the state due to socio-economic and geographical circumstances. Roads are the most popular and practical means of transport and conveyance. Almost all the places including villages are connected by a network of roads. The total length of roads in U.P. was 196448 kms. The details of which are given below:

**Table-1**  
**Length of Roads in U.P. (in km.)**

Sl. No.	Types of Roads	Length of Roads	
		2011-12	2012-13
1.	National Highway	3185	3250
2.	State Highway	7876	7703
3.	Distt. Roads.	179540	185495
<b>Total:</b>		<b>190601</b>	<b>196448</b>

**Source: Statistical Diary of U.P. 2014**

**Expressway:**

After the grand success of Noida-Agra Yamuna expressway, the Govt. of U.P has launched another mega project "Lucknow-Agra" expressway with an investment of Rs.1.5 billion dollar to be completed by 2016. The 270 km 6-lane (expandable to 8 –lane) is innovative & historic. The expressway would pass through the districts of Agra, Firozabad, Mainpuri, Etawah, Auraiya, Kannauj, Kanpur Nagar, Unnao, Hardoi & Lucknow while it would provide connectivity to 320 villages which would help the farmers to find market for their produce & help them experience economic boom.

**Motors Vehicles:**

Data available on the motor vehicle in respect of U.P. shows that there were 9924 Govt. vehicles including Bus, Trucks and Taxies, whereas other vehicles were 19114558 during the year 2013-14. The details of these vehicles are as under:

**Table-2**  
**No. of vehicles in the State on Roads**

Vehicle	2012-2013	2013-2014
<b>Govt. Vehicle :</b>		
1. Bus.	9329	9654
2. Trucks	165	173
3, Taxi	97	97
<b>Total:</b>	<b>9591</b>	<b>9924</b>
<b>Other:</b>		
1. Bus.	40501	45473
2. Trucks	400061	401110
3. Taxi.	284587	312423
4. Car.	1205374	1686747
5. Motor Cycle.	13724495	15395363
6. Tractor.	1088058	1147190
7. Other vehicle.	305108	126252
<b>Total :</b>	<b>17048184</b>	<b>19114558</b>

**Source: Statistical Diary of U.P, 2014**

**c) Air Transport:**

Air transport is the fastest mode of transport. It is particularly meant for long distance. Civil Aviation can render valuable services in relief operations during natural calamities. U.P. has favourable conditions for the development of national and international air transport. The vast distance and good flying condition made it a suitable mode of transport for the people who can travel by air on public or business account. Airports in the state are located at Lucknow, Kanpur, Allahabad, Agra, Varanasi and Gorakhpur. Lucknow is the only Airport which is directly linked with National and International Airport where regular flights are available for New Delhi, Mumbai, Chennai, Kolkata, Guwahati and Sharjah.

**d) Inland Water Transport:**

U.P is a land blessed with rivers like the Ganges, Yamuna, Sarayu, Ghaghara etc. These rivers are the lifeline of U.P & have shaped the history & culture of the state. They are also a major means of transport.

Ganga and Yamuna are the rivers where river water is developed as modern commercial inland water transport.

**4.2 Telecommunication:**

The entire state is served by Telecommunication facilities like; Post, Telephone, Fax etc. Details of these communication facilities are as follows:-

**Table-3  
Post Office & Telephone Exchanges**

Sl. No.	Details	2012-13	2013-2014
1.	No. of Post Offices.	17671	17680
	a) Urban	1927	1933
	b) Rural.	15744	15747
2.	No. of telephone exchanges.	3190	3134
3.	No. of telephone connections working.	1459178	1088750

**Source: Post Master General, U.P.**

**4.3 Power:**

Power has been recognized as a vital component of infrastructure for over all development and prosperity since long. Per capita power consumption is a true indicator to measure the economic, industrial and agricultural development of the state. In U.P. policies and programmes in the energy sector are being carried-out under two broad heads:

1. Power development through Uttar Pradesh Jal Vidhyut Nigam Limited for the development of Hydro generation (HYDEL) & renovation and Uttar Pradesh Rajya Vidhyut Utpadan Nigam Ltd., for the development of Thermal Power generation & renovation and Uttar Pradesh Power Corporation Ltd., for the development of Transmission & Distribution and Rural Electrification.
2. Non-conventional source of energy through Non-conventional Energy Development Agency (NEDA).

The production and consumption of electricity in Uttar Pradesh are given as follows:

**Table – 4  
Production & Consumption of Electricity in U.P.**

Sl. No	Head	Year			
		2010-11	2011-12	2012-13	2013-14
1.	Installed Plant Capacity (MW)	4609	4710	4959	5458
2.	Energy Generation (lakh KWH)	196224	218385	221383	265894
3.	Consumption (lakh KWH)	430890	486132	540741	582369

**Source: U.P. Power Corporation Ltd., U.P., Lucknow.**

From the above table it is observed that there was 4959 MW installed capacity during the year 2012-13 with Energy Generation of 221383 lac KWH and consumption of 540741 lac KWH. Installed capacity, Energy Generation & consumption are 5458 MW, 265894 lac KWH and 582369 lac KWH respectively in 2013-14. It shows that there is huge difference between demand and supply of power.

The mode of electricity generation in U.P. is given below.

**Table – 5**  
**Various modes of Electricity Generation in U.P.**

(Lakh KWH)

Sl. No.	Head	Year					%
		1950-51	2010-11	2011-12	2012-13	2013-14	
1.	Thermal	3983	189160	204070	205310	253214	95.23
2.	Hydro	1573	7064	14315	16073	12680	4.77
3.	Diesel & Gas	142	-	-	-	-	-

**Source: U.P. Power Corporation, Lucknow.**

It is found that 95.23% of electricity is generated through thermal power and 4.77% being generated through Hydro power.

#### **4.4 Banking Facility in U.P:**

The commercial banks play an important role in the economic development of an economy. They help in the progress of capital information which is the basis of economic growth.

The state has a banking network comprising of 38 Commercial Banks (27 Commercial Banks & 11 Private Sector Banks), 7 RRBs, 1 U.P. Cooperative Bank and one U.P.S.G.V. Bank Ltd. Banking services are provided through a network of 17110 branches out of which Commercial Banks (11472), RRBs (3978), UPGB (1337) and UPSGVB (323). Per branch population services is worked out at 11000. Thus, there is a need to open more banking outlets in rural areas particularly at block level. The key indicators of the State of Uttar Pradesh are shown in the following table:

**Table – 6**  
**Comparatively Key Indicators of the State of U.P. of**  
**All scheduled commercial banks & RRBs**

Sl. No.	Particulars	As on		RBI Bench Mark
		31.3.2014	31.03.2015	
1.	2.	4	5	6
1.	Deposits	591974.29	666528.22	-
2.	Advances	311468.94	367223.22	-
3.	<b>C. D. Ratio (%)</b>	<b>52.62</b>	<b>55.09</b>	-
4.	Advances including Investments	372710.59	427657.59	-
5.	Credit + Investment Deposit Ratio	62.96	64.16	-
6.	Priority sector Advances	172485.09	199400.35	-
7.	% of PS Advances to Total Advance	55.37	54.29	40%
8.	Total Agriculture Advances	81478.53	97784.02	-
9.	% of total Agricultural Advances to Total Advances	26.15	26.62	18%
10	Advances of Small Enterprises	53249.48	62296.44	-
11	% of SME Advances to Total Advances	17.09	16.96	-
12	Advances of OPS	37757.09	39319.89	-
13	% of OPS Advances to Total Advances	12.12	10.70	-
14	Advances to Weaker Sections	66169.60	64744.21	-
15	% of Weaker Sections Advances to Total Advances	21.25	17.63	10%
18	Branch Network			
	I) Rural	8464	8945	-
	II) Semi-Urban	3252	3457	-
	III) Urban/Metro	4357	4708	-
<b>19</b>	<b>Total No. of Branches</b>	<b>16073</b>	<b>17110</b>	-

**Source: O/o Convener SLBC (UP), Bank of Baroda, Lucknow.**

It is clear from the above table that deposit outstanding of all scheduled commercial banks & RRBs as on 31.03.2015 was Rs. 666528.22 crores against Rs. 591974.29 crores a year ago, showing a growth rate of 12.6%. The amount of loans and advances as on 31.03.2015 was Rs. 367223.22 crores as compared to Rs. 311468.94 crores for the corresponding period of 2014, showing an increase of 17.9%.

CD ratio of all scheduled commercial banks & RRBs as on 31st March, 2015 was 55.09% in U.P., as against 52.62% in previous year. Further, 16 districts namely; Allahabad, Kaushambi, Pratapgarh, Gorakhpur, Basti, SiddharthNagar, Sant Kabir Nagar, Sonbhadra, Chandauli, Azamgarh, Jaunpur, Mau, Ghazipur, Ballia, Auraiya & Deoria in the state are having CD ratio less than 40%; of which 5 districts namely, Azamgarh, Jaunpur, Mau, Ghazipur & Ballia have C.D ratio between 20-30%. District Banda has the highest C.D ratio of 113.68% while Azamgarh district has the lowest C.D ratio of 22.33%. **It is important to note that in the state of Tamilnadu, the C.D ratio was as high as 119.46 % as of March'2015.** Hence, there is a greater need for improving the C.D ratio in U.P. SLBC has been monitoring the progress on a regular basis. The credit flow under priority sector advances comprising agriculture, non-farm sector and other priority sector at the end of 31st March, 2015 was Rs. 199400.35 crores as compared to Rs.172485.09 crores in the previous year showing an increase of Rs.26915.26 crores.

**Guidelines for MSE Sector:**

The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act 2006 on June 16, 2006 which was notified on October 2, 2006.

The domestic commercial banks are expected to enlarge credit to priority sector and ensure that priority sector advances is 40% of the total advances.

In terms of the recommendations of the Prime Minister Task Force on MSME, Banks are advised to achieve a 20% year-on-year growth in credit to micro and small enterprises and a 10 percent annual growth in the number of micro enterprises accounts.

In order to ensure that sufficient credit is available to micro enterprises within the MSE sector, banks are advised to ensure that :

1. 40% of the total advances to MSE sector should go to micro (Manufacturing) Enterprises having investment in plant & machinery up to Rs. 10 lakh and micro (Service) Enterprises having investment in equipment up to Rs. 4 lakh.
2. 20% of the total advances to MSE sector should go to micro (Manufacturing) Enterprises with investment in plant & machinery above Rs. 10 lakh and up to Rs. 25 lakh, and micro (Service )Enterprises with investment in equipment above Rs. 4 lakh and up to Rs. 10 lakh. Thus, 60% of the MSE advances should go to micro enterprises.
3. Banks are advised to achieve the 60% target for micro enterprise advances in terms of the recommendations of the Prime Minister Task Force.

**4.4.1 Progress of Advances to Micro and Small Enterprises:**

As regards status of financing to the micro & small enterprises by the Banks in the State which include commercial banks,RRBs & Co-operative banks, the overall position as on 31.03.2015 is as under:

**Table -7**  
**Progress of Advances to Micro and Small Enterprises**  
(Amount in Lac)

Particulars	Disbursement during 01.04.2014 to 31.03.2015		Outstanding as at the Quarter ended 31.03.2015	
	No.	Amount	No.	Amount
Micro Enterprises	250259	1965529.25	1158517	2979414.83
Small Enterprises	66486	1133986.42	256387	3446426.06
<b>Grand Total:</b>	<b>316745</b>	<b>3099515.67</b>	<b>1414904</b>	<b>6425840.89</b>

Source: SLBC, U.P., Bank of Baroda, Lucknow.

**4.4.2 Financing to MSE under Annual Credit Plan (ACP) 2014-15:**

The performance of Banks in the State in MSE sector under Annual credit Plan (ACP) 2014-15 is summarized up to March, 2015.

Table – 8

## Annual credit Plan

		(Rs. Crores)	
Sl. No.	Parameter	2013-14	2014-15
1.	Annual Target	13132.65	14885.92
2.	Achievement	19249.38	22439.51
3.	% Achievement	146.58	150.74

**Source: SLBC, U.P, Bank of Baroda, Uttar Pradesh.**

The above data reveals that the Annual Targets set under MSE sector are fully achieved by Banks even exceeding the targets.

#### **4.4.3 Providing Financial Literacy & Credit Counselling to MSEs:**

Financial Literacy & Credit Counselling (FLCC) / Financial Literacy Centre (FLC) are functional in all districts of the State.

In tune with the RBI guidelines, Banks are providing the financial literacy & credit counselling to MSE Entrepreneurs / Customers through these FLCC/FLC centres in addition to other measures viz; organizing Customers Meet & Seminars, Newspaper Clipping and Publishing these schemes for the benefit of the target groups.

#### **4.4.4 Rehabilitation of Sick Units in U.P:**

It was observed that as on 31.03.2015, there were 150300 sick units in U.P., involving bank funds to tune of Rs. 2787.33 crores. Out of 150300 sick units, banks had identified 107640 units i.e. 71.62% as non-viable & identified only 34908 units i.e. 23.23% as potentially viable units. Banks have reported that viability decisions are yet to be taken in 7752 cases.

Out of 34908 potentially viable units, only 5823 units i.e. 16.68% were stated to have been put under nursing by banks as on 31<sup>st</sup> March'2015.

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## CHAPTER –5

### INDUSTRIAL SCENARIO OF U.P.

U.P has become the most preferred destination of investment in India as the State Govt. is creating conducive atmosphere for industrial development. The basic objective is to create employment opportunities for the people.

#### **5.1 Key Sectors of Uttar Pradesh:**

The following are the key sectors in which U.P has tremendous strength.

##### **Leather:**

U.P is the second largest producer of leather goods after Tamilnadu. It contributes about 25% in total production of leather & leather products from India. Items of major exports are finished leather, leather footwear, saddlery & harness items. Kanpur & Agra have been notified as “Towns of Export Excellence” for leather products. Export of leather & leather products from U.P were to the tune of Rs.5678 crores during 2010-11, which increased to Rs.6685 crores in 2011-12.

##### **Textiles:**

The state is having the distinction of being able to offer a complete range of handloom products like home furnishing, floor coverings, bed covers, bed sheets, dress materials etc. and a vast range of wooven & printed sarees made of cotton & silk. It has 5.6% share of total weaving units in handloom sector of India. Mirzapur & Sant Ravidas Nagar are the major centres for the production of carpet floor coverings & account for approximately Rs.2000 crores of exports. Varanasi is famous for silk sarees.

##### **Sugar:**

U.P is the second largest sugarcane producer of India after Maharashtra. It accounts for about 28% of total production in the country. Further, it has easy access to raw material & has huge potential to establish new units in eastern U.P. There is also a huge demand for byproducts.

To revive the shutdown sugarcane industry, the State Government had launched Sugarcane Policy-2013. The Policy aims at enabling farmers to get remunerative price for their produce. About 42 lakh farmers are depending on sugar cane in the state.

##### **Engineering Goods:**

The state is a leading producer in engineering goods sector. Several Engg & Auto components are manufactured in Lucknow, Noida & Ghaziabad. Driver training centres is being set up in Raebareilly. Engg. colleges, polytechnics, ITIs/ITCs offer a large supply of skilled manpower.

##### **Cement:**

Uttar Pradesh ranks 9<sup>th</sup> in the production of cement in India with a production of 7.05 million tonnes per annum. There are abundant availability of raw material in Bundelkhand area. Major companies are establishing new cement plants & expanding existing plants.

**Chemicals & Fertilizers:**

U.P contributes about 6% of India's total production of chemicals. Chemical manufacturers like Tata chemicals, Kanoria chemicals, Jubilant life sciences etc. have their presence in the state. There is huge availability of raw materials for production of fertilizer in Bundelkhand area. Rock phosphate found in Lalitpur is sold as direct fertilizer & also used as raw material for phosphorus plants.

**Information Technology:**

U.P is a forerunner in India's IT/ITES sector. The state is considered as the IT hub of North India. Noida & Greater Noida have earned the recognition of major IT /ITES destination in the country with three SEZs & one Software Technology Park. The region is home to many prestigious companies such as IBM, TCS, Adobe International, HCL, Nasscom, Birla soft, Wipro, polaris, Cadence, Convergys, ST Micro electronics, Moser Baer, Xansa etc.

Software Technology Parks have also been set up at Lucknow, Kanpur & Allahabad. Agra has emerged as preferred investment location of IT due to its world class infrastructure & proximity to IT hubs; Noida & Gurgaon.

U.P was India's 6<sup>th</sup> largest IT exporters in 2010-11. IT exports from the state fetched about Rs. 12000 crores.

**5.2 Industrial infrastructure facilities to Investors:**

In order to promote investments and to boost industrialisation in the state, the State Govt. has developed many SEZs, Industrial Township, Growth centres, Integrated Industrial Development Centres, Technology Parks, Agro Parks, Leather Parks etc. The details of some of them are mentioned below.

**Development of SEZs:**

In the fast changing global economic scenario, SEZs are called the Engines of Economic Growth. The Govt. of U.P. has announced SEZ Policy 2007 which was amended later to foster industrial and economic development in the State.

So far 56 SEZ proposals have been recommended by U.P. Govt. to Govt. of India. Out of these proposals, 21 SEZs have been notified. Formal approval to 34 SEZs and In-principle approval to 01 SEZ have been granted by Govt. of India. 08 SEZs are functional, out of which 06 have been developed under private sector. SEZs under private sector have been developed by M/s Moser Bear India Ltd., M/s Wipro Ltd., M/s HCL Technologies, M/s Seaview Developers Ltd., M/s Activis Softech Pvt. Ltd. and M/s New Technologies Ltd. 02 SEZs such as Moradabad SEZ and Noida SEZ have been developed by Govt. of U.P.

**Integrated Industrial Township, Tronica City, Ghaziabad:**

Integrated Industrial Township has been developed over 1600 acres of land at Tronica City, Ghaziabad, where land is available for industrial, residential, institutional and commercial sectors.

### **Integrated Industrial Development Centres:**

To encourage development of small and tiny industries, Integrated Industrial Development Centres have been developed at (Kosi Kotwan) Mathura, Etah, Banthar (Unnao), Baghpat, Musuri Gulawati (Ghaziabad), Kurshi Road (Barabanki) and Chanduli (Varanasi) in area of 50 acres each under Central Govt. scheme. These centres are equipped with infrastructural facilities like road, drain, power distribution network, water supply etc.

### **Greenfield Integrated Townships:**

The state government has launched two new projects for setting up of integrated townships. One such project is the TransGanga project with an investment of Rs.1.7 billion dollar over 1300 acres of land. The second project is proposed at Naini, Allahabad over 115 acres of land.

### **Plastic City:**

Plastic City is being developed at Auraiya in a land of 100 acres to attract investors. GAIL is the main supplier of raw material for the plastic city.

Some of the projects completed & on pipeline for industrial development are as follow:

## **5.3 Mega Projects Completed:**

### **1. Leather Technology Park at Banthar, Unnao:**

Leather Technology Park at Banthar, Unnao is spread over 233 acres of land with investment of Rs.24 crores on Kanpur-Lucknow road to accommodate leather tanneries & leather goods units. Out of 233 acres, 69 acres of land is used for setting up tanneries, 47 acres for setting up manufacturing units for leather goods, 22 acres for green belt & 30 acres for CETP & Solid Waste Management Project.

In this park, facility of CETP 4.5 mld has been set up by Tanners Association Co. M/s BIPCCL. Facilities for training & Design Centre, Technology Support Service, Quality Control for Saddlery & Export Management have been set up by NLDP supported International Institute for Saddlery & Export management.

### **2. Apparel Park, Tronica City, Ghaziabad:**

Apparel Park, Tronica city, Ghaziabad is spread over 146 acres of land on Delhi-Saharanpur State highway just 12 k.m from I.S.BT Delhi. Facilities like training center, fashion Design center, CETP etc. for textile units in the area have been set up. Development of infrastructure facilities such as road, drain & culverts, internal electrification, Police outpost, Overhead tanks & Water distribution Pipeline etc. have been completed.

### **3. Textile & Hosiery Park, Rooma, Kanpur:**

Textile & Hosiery Park, Rooma, Kanpur is spread over 173 acres of land on National highway-2(Kanpur-Allahabad Section). Facilities like training center, fashion Design center, CETP etc. for textile units in the area have been set up.

### **4. Special Economic Zone, Moradabad:**

SEZ, Moradabad is spread over 467 acres of land. It is situated on both sides of Pakbara-Dhingarpur road at 8 k.m milestone of NH-24. This is a sector SEZ for Handicraft products. Provision for infrastructure facilities such as Greenbelt, boundary wall, internal development, security system, power substation, CETP, inland container depot, design& training center, helipad, school, canteen has been made.

### **5. Export Promotion Industrial Park (EPIP), Greater Noida:**

EPIP, Greater Noida is spread over 200 acres of land with an investment of Rs20 Crores with infrastructure facilities at par with international standards. In this park, it is proposed to provide infrastructure facilities to the units to boost exports of various goods & services. This will help in increasing the foreign exchanges of India. Units in EPIP will have a minimum export commitment of 33 % of their production.

### **6. Export Promotion Industrial Park (EPIP), Agra:**

EPIP, Agra is spread over 102 acres of land with an investment of Rs 21 Crores to provide industrial Infrastructure to export oriented units. Units in EPIP will have a minimum export commitment of 33 % of their production.

### **7. Agro Parks, Barabanki & Varanasi:**

Agro Park, Barabanki is spread over 180 acres of land & located on Lucknow-Kursi road, about 12 kms from the state capital Lucknow. Agro Park, Varanasi is spread over 261 acres of land & located on Jaunpur-Varanasi Highway near Babatpur AirPort, about 30 kms from Varanasi city. Both the parks have been provided with "Multi Chamber & Controlled Atmospheric Cold Storages" with Sorting, Grading &Cleaning facility to meet the specific needs of the agro & food processing industries.

### **8. Growth centres at Jhansi, Jainpur& Shahjahanpur:**

Growth Centres at Jhansi, Jainpur (Kanpur Dehat), Shahjahanpur are spread over land of 385 acres, 300 acres&330 acres. These are self-sustainable growth centres for industrial development. Different sizes of plots have been developed to accommodate small/tiny, medium & lage industries at attractive rates.

## 5.4 Mega Projects on Pipeline:

### 1. Mega Leather Clusters

- Sandila, spread over 162 acres with expected investment of 156 million dollar.
- Kanpur Dehat, spread over 178 acres with expected investment of 157 million dollar.
- Agra , leather park,spread over 283 acres with expected investment of 31 million dollar.

### 2. Greater Mathura Knowledge City:

It is spread over 453 acres of land at Agra-Delhi N.H near Kosi. There plans to set up Engg.colleges, Medical collges & IT Education Centres.

### 4. Hi-Tech Industrial Town ship at Chola, Bulandshahar:

It is spread over 200 acres of land.

### 5. Amul Intrgrated Diary Plants:

Integrated Diary plants to be set up at Kanpur, Lucknow.

### 6. HCL - IT City,Lucknow:

It is spread over 100 acres with an investment of Rs.1500 crore turning Lucknow into a Hi-Tech City.

### 7. Mega Food Park, Jagdishpur:

A mega food park for food processing industries is set up at Jagdishpur.

### 8. NIMZ at Auraiya, Jhansi & Dadri-Noida –Ghaziabad:

National Manufacturing Investment Zone (NIMZ), a multi sector project is developed one each at Dadri-Noida-Ghaziabad, Auraiya &Jhansi.

### Delhi-Mumbai Industrial Corridor (DMIC):

A joint initiative of the Govt. of India & Japan, DMIC envisages activating local commerce, enhancing foreign investment & attaining sustainable development. With an overall length of 1483 kms and terminals at Dadri of Greater Noida & the Jawaharlal Nehru port of Mumbai, the quality infrastructure is expected to extend to 150 kms on both sides. 20 nodes (13 investment regions & 7 industrial zones) have been proposed, of which two fall in Uttar Pradesh-the first at Greater Noida and the other at Meerut-Muzaffarnagar.

### Eastern Dedicated Freight Corridor (EDFC) Project:

Uttar Pradesh is the biggest beneficiary of EDFC project. Out of the total length of Eastern Corridor 2700 kms, the total stretch of corridor in the state is 1063 kms. This passes through various districts such as; Saharanpur, Muzaffarnagar, Meerut, Hapur, Ghaziabad, Bulandshahr, G.B. Nagar, Aligarh, Agra, Firozabad, Etawah, Auraiya, Kanpur, Fatehpur, Kaushambi, Allahabad, Mirzapur & Chandauli.

The possibility of development of logistic hubs at suitable places along the eastern freight Corridor may be explored.

#### **5.5 Policy Initiatives for Food & Film industries:**

Food processing industry is another industry which has been given equal importance. A new food policy has been announced for the sector.

To promote Film Industry, the state government is giving incentives to film makers. There are plans to set up Film City in the state.

#### **5.6 Investors Conclave:**

The State Government has left no stone unturned to bring investors into the state. It organized the first ever Investor-Conclave in Delhi in which representatives from 100 companies & 7 countries participated.

The State Government has introduced single window clearance facility for industries where online applications can be submitted & tracked.

#### **5.7 Micro, Small & Medium Enterprises (MSMEs) in Uttar Pradesh:**

One of the Vibrant, Employment oriented and Resilient sectors of the country is the MSME sector. MSME sector in U.P has played an important role in providing large scale employment opportunities at lower capital cost and helped in industrialization of rural and backward areas, thereby reducing regional imbalance. MSME units are supplementary and complementary to large industries as ancillary units.

In view of large employment potential in MSMEs, the State Govt. is making all out efforts to provide conducive atmosphere and policy support to enable MSME sector achieve higher levels of production, export and employment. Various programmes are being organized for motivating the entrepreneurs and promoting/developing manufacturing sector by way of providing consultancy, training, incentives, concessions, infrastructural facilities etc. The Government has also launched online facility for registration of EM Part-I & EM Part-II for MSMEs which is [www.eudyoguttarpradesh.in](http://www.eudyoguttarpradesh.in). As a result of these efforts, MSMEs in U.P. have developed remarkably. Various industries have come up with modern technique & equipment and are contributing in the field of modern electronic and engineering goods, equipments, food processing, information technology etc.

Today, Uttar Pradesh has the 3<sup>rd</sup> highest number of Micro, Small & Medium Enterprises in the country after Tamilnadu & Gujarat. The details of the year-wise progress of MSMEs in U.P. are given below:

**Table- 1**  
**Growth of MSMEs in U.P.**

<b>Year</b>	<b>No. of SSI/ MSMEs Estab.</b>	<b>Capital Investment Rs.( in crores)</b>	<b>Employment (Nos.)</b>
1990-1991	30248	153.47	148967
1991-1992	33048	208.48	137647
1992-1993	32807	206.50	117240
1993-1994	32808	205.04	112652
1994-1995	6033	104.54	28229
1995-1996	29627	249.90	81453
1996-1997	30155	266.31	95001
1997-1998	30630	403.89	80132
1998-1999	30134	399.41	74347
1999-2000	32212	370.25	76671
2000-2001	20042	217.75	45400
2001-2002	21585	176.52	70053
2004-2005	30402	284.34	121102
2005-2006	30282	262.79	125611
2006-2007	28487	507.59	120876
2007-2008	31751	1357.48	152582
2008-2009	33314	2122.13	171857
2009-2010	34136	3848.95	179334
2010-2011	34212	3403.92	178594
2011-2012	33563	3681.56	191566
2012-2013	30933	4152.31	216749
2013-2014	45342	3995.48	490820
2014-2015	52231	4512.51	417967

**Source: Directorate of Industries, U.P.**

Table-2 shows that 52231 MSME units were set up in U.P during 2014-2015 with a total capital investment of Rs. 4512.51 Crores which provided employment to 4.17 lakh persons. As per the reports of RBI, there are 882512 MSME units in U.P as on 31<sup>st</sup> March'2015.

### **5.8 Export Growth in Uttar Pradesh:**

Uttar Pradesh is having a considerable share in the country's exports. The state achieved a growth rate of 21.6% during the year 2013-14 which is the 2<sup>nd</sup> highest in the country. It has a significant sharing in export of handicraft, textile (handloom/power loom), carpets, apparels, leather/leather goods, leather footwear/saddler, food processing (including processed meat), sugar, engineering/automobile hardware, sports goods, gems& jewellery.

The state has emerged as a hub for IT & ITES industries including software, BPOs&electronics and rendering these services as exports. The state of U.P is the 4<sup>th</sup> largest exporter of software products.

Uttar Pradesh is marching steadily towards exports. The state recorded an export turnover of approximately Rs 80,000 crores during 2013-14. The table below gives a list of major export items & locations in the state.

**Table- 2**  
**Major Export Items & Locations**

Sl.No	Name of Sectors/Items	Name of Location
1.	Carpet, Durries, Other Floor Coverings	Sant Ravi Das Nagar, Mirzapur, Varanasi, Shahjhanpur, Sitapur, Meerut, Agra, Hathras.
2.	Metal Artware	Moradabad, Amroha, Aligarh.
3.	Wooden Handicrafts & Bamboo	Saharanpur, Bareilly, Varanasi.
4.	Glass Artware	Firozabad, Moradabad.
5.	Ceramic, Pottery and Terracota	Khurja, Bulandsahr, Azamgarh, Gorakhpur, Basti and Lucknow.
6.	Gems & Jewellery	Meerut.
7.	Marble & Stone Craft	Agra, Varanasi, Mathura.
8.	Black Pottery	Mau, Chucnar, Azamgarh.
9.	Chikan Craft	Lucknow & surrounding districts
10.	Zari Zardozi	Bareilly, Lucknow, Farrukhabad, Hardoi, Unnao, Varanasi.
11.	Leather & Leather Goods	Agra, Kanpur, Unnao
12.	Locks & Hardware	Aligarh
13.	Scissors	Meerut
14.	Rice, Agro and Food Analyzed	Pilibhit, Bareilly, Saharanpur, Allahabad, Kasganj, Etah, Rampur, Mathura.
15.	Software, Electronics, Automobiles, Chemicals	G.B. Nagar, Lucknow, Ghaziabad.
16.	Herbal Perfumes & Essence	Kannauj
17.	Medical Equipments	Shahjahanpur, Gorakhpur
18.	Frozen Meat/ Buffalo Meat	Moradabad, Rampur, Aligarh, Bareilly, Kanpur, Unnao, Barabanki.
19.	Sports Goods	Meerut, Ghaizabad.
20.	Plywood	Moradabad

#### **Major Export Destinations:**

All major export items indicated above are exported to Latin American Countries, CIS Countries, ASEAN Countries, UK, Europe, African Countries, Japan, China, Middle East Countries, Nepal, Bangladesh etc.

#### **5.8.1 Programmes & Incentives for exporters:**

The State Government has launched various programmes and has offered incentives for exporters which are as follow:

##### **1. Registration of Exporters:**

The exporters are required to get registered with EPB to get the benefits of promotional Schemes. Registration has to be made online on EPB's website which is [www.epbupindia.com](http://www.epbupindia.com)

## **2. Gold Card & Silver card:**

EPB issues Gold & Silver cards to different categories of Exporters. The card holders will be provided the following facilities from the State Government:

- Priority in Government work
- To acknowledge letter within 7 days & disposal of related issues within a month.
- The card holders will get priority in appointment with senior officials of the State Government after public representatives.
- The Gold card holder will get entry in U.P. Secretariat without obstacle.

## **3. Marketing Development Assistance(MDA):**

State Government offers assistance under MDA to the exporters from U.P under the following categories.

- Assistance against expenditure incurred on participation in International trade fair & exhibitions upto the limit of Rs.1.5 lakh per fair during a financial year.
- Assistance against expenditure incurred on sending free trade samples to foreign buyers upto the limit of 75% of actual expenditure subject to a maximum of Rs.50000/- per year.
- Assistance against expenditure incurred on publicity & preparing website upto the limit of 60% of actual expenditure subject to a maximum of Rs.60000 per year.
- Assistance against expenditure incurred on obtaining Quality control certificate upto the limit of 50% of actual expenditure subject to a maximum of Rs.75000 per year.

## **4 .Freight Rationalisation Scheme:**

Under the scheme, exporters of MSEs are provided assistance of 25% or Rs.5000/- per TEU (20 feet container). Maximum assistance under the scheme is Rs.10 lakhs per unit per year.

## **5. Air Freight Rationalisation Scheme:**

Under the scheme, assistance would be available to the Industrial, Agro & Food Processing export consignments sent through Air cargo complexes of the state. The assistance would be limited to Rs.50/- per kg or 20% of actual expenditure (whichever is lower) up-to a maximum of Rs.200000/- per year/per exporting unit.

Financial Assistance for the above schemes such as MDA, Freight rationalisation & Air Freight Rationalisation is electronically transferred to the beneficiary's account.

## **Shri Janeshwar Mishra State Export Award:**

Export awards are given to exporters in recognition of their outstanding achievement & export performance based on export turnover & growth achieved in 25 categories of items of export.

### **5.9 Make in India & Opportunities for Manufacturing Sector in U.P:**

The ambitious "Make in India" Campaign was launched by the Govt. of India on 25th Sept'2015. "Make in India" campaign attempts to make India a global manufacturing hub & to bring economic transformation in India while eliminating the unnecessary laws & regulations to create an ease of doing business environment in the country. This initiative also attempts to create a large number of employment opportunities for the youth of India.

The key objective of the mega programme is to ensure that manufacturing sector which contributes around 15% of the country's GDP is increased to 25% in next few years.

The 25 sectors identified under the programme include automobiles, auto components, aviation, bio-technology, chemicals, construction, defence manufacturing, electrical machinery, electronic systems, food processing, IT, leather, media & entertainment, mining, oils & gas, pharmaceuticals, ports, railways, renewal energy, roads & highways, space, textile & garments, thermal power, tourism & hospitality and wellness.

The state of U.P has the core competency & competitive advantage in the area of textiles, leather, food processing, tourism etc. The state has also favourable climate for investors & entrepreneurs both domestic & abroad.

Thus, it is high time that U.P showed its manufacturing prowess in the country.

### **5.10 Growth of GSDP of Uttar Pradesh:**

The State Gross Domestic Product for 2013-14 (RE) at constant prices (2004-05) was Rs.403509 crores against Rs.384458 crores in 2012-13, registering a growth of 4.95%. The share of primary, secondary & tertiary sector in the GSDP of the state in 2013-14, was 23.1 percent, 19.7 percent and 57.2 percent respectively.

The per capita income at constant prices (2004-05) was Rs.19233 for 2013-14. However, the per capita income at current prices during 2013-14 was Rs.36250.

### **5.11 Khadi & Village Industries:**

Khadi and Village Industries is another source for generating rural employment. The programme for promotion of Khadi & Village Industries includes interest subsidy to individual or partnership units, rebate on sale on Khadi products, development of hand made paper, reorganisation of leather tanneries, intensive bee keeping programme and other activities associated with these programmes. Khadi & Village Industries Commission (KVIC) and Khadi & Village Industries Board (KVIB), U.P. play an important role in promoting Khadi & Village industries in rural areas and help in providing employment opportunities to rural masses.

The programmes related to Khadi & Village Industries are being implemented by KVIC, Govt. of India and Khadi & Village Industries Board (KVIB), U.P. One of the key programmes is PMEGP.

### **Prime Minister Employment Generation Programme:**

To empower the first generation entrepreneurs for setting up of Micro Enterprises across the country both in rural and urban areas, Govt. of India launched a new scheme viz; Prime Minister Employment Generation Programme (PMEGP) on 26.09.2008. Khadi & Village Industries Commission (KVIC) has been designated as the Nodal Agency at national level for implementation of PMEGP and also at the field level. The programme is implemented by KVIC, State KVIB and District Industries Centres (DICs) under the jurisdiction of respective State Government.

In the scheme, 10% of the project cost will be the own contribution of the beneficiaries for general category and 5% for weaker section beneficiaries and 15% subsidy in urban area and 25% in rural area will be provided by Government for general candidates. 25% subsidy in urban area and 35% in rural areas will be provided by State Govt. for SC/ST/OBC/Minority/Women/Ex-Servicemen/Physically Handicapped, North East Region, Hill and Border areas etc. Candidates shall be provided a maximum project cost up to Rs. 25.00 lakhs for manufacturing sector and up to Rs. 10.00 lakhs for service sector.

### **5.12 Handlooms:**

The main objective of handloom industries is to meet the requirement of cloth for the masses at reasonable price. Apart from this, it provides job opportunities to economically weaker section of the society namely; backward classes and minority community. Most of the schemes are sponsored by the Central Government for financial assistance.

Handloom sector of Uttar Pradesh has got the distinction of being a pioneer industry and is next to agriculture with regard to employment and rural development. Amongst the handloom producing states, U.P. comes 1<sup>st</sup> on the map of the country. Several cotton, Silk, Woolen and synthetic fabric of handloom of U.P. are famous all over the country. Silk Saree of Varanasi has got its name not only in the country but all over the world.

### **5.13 Sericulture:**

Sericulture is also an important income generating and employment creating cottage industry in U.P. It is also a source of self-employment in rural areas. The major activities taken-up under the Sericulture sector include reimbursement of cost of Mulberry Saplings, supply of rearing appliances / farm equipment, supply of disinfectant, incentive for production of boil-time cell and tusser sericulture development projects.

### **5.14 Clusters in U.P.:**

Formation of clusters for different products plays a significant role in promoting economic development of a country. The state of U.P has some traditional clusters such as Metal Lock Keys (Aligarh), Brass Items (Moradabad), Leather Shoes (Agra), Zari items for Textiles (Bareilly), Carpet (Sant Ravidas Nagar), Leather Items (Kanpur), Perfumery Items (Kannauj), Silk Sarees (Varanasi), Wooden Toys (Saharanpur), Sports Goods (Meerut), Chikan Textile (Lucknow), Glass products (Firozabad) & Pottery (Khurja).

However, a list of clusters in different districts under the jurisdiction of MSME-DIs for development in U.P. is given below in different tables.

**Table- 3**  
**Clusters under MSME-DI, Kanpur**

SI.No.	Cluster Identified	Place & District
1.	Chikan Embroidery Cluster	Lucknow
2.	Cold Storage Cluster	Kanpur
3.	Corrugated & Conversion Products	Dada Nagar & Fazalganj Indl. Area, Kanpur
4.	Paint & Allied Products	Fazalganj, Dada Nagar Indl. Estate, Kanpur
5.	Powerloom Cluster	Ranipur/Mouranipur, Jhansi
6.	Readymade Garments	Bans Mandi, Chamanganj, Colonelganj, Kanpur
7.	Soap & Detergents	Panki Indl. Estate, Dada Nagar, Kanpur
8.	Steel Furniture	Lucknow
9.	Bakery & Namken Industry	Kanpur
10.	Chanderi Saree Cluster	Lalitpur
11.	Chikankari Cluster	Barabanki
12.	Gaura Stone Cluster	Mahoba
13.	Harness & Saddlery	Kanpur
14.	Leather & Leather Products	Kanpur
15.	Leather Cluster	Chauri Chaura, Gorakhpur
16.	Perfume & Fragrance Industry	Kannauj
17.	Plastics Cluster	Gorakhpur
18.	Power Loom Cluster	Gorakhpur City, Gorakhpur
19.	Readymade Garments	Gorakhpur City, Gorakhpur
20.	Rice Milling Cluster	Kanpur Dehat
21.	Rice Milling Cluster	Shahjahanpur
22.	Rice Milling	Raebareli
23.	Sandals & Chappals	Kanpur
24.	Screen Printing Cluster	Farrukhabad
25.	Stationary Cluster	Gorakhpur City, Gorakhpur
26.	Steel Furniture & Almirah	Kanpur
27.	Terra Kota Toys Cluster	Lucknow
28.	Woolen Carpet and Durri	Shahjahanpur
29.	Zari & Zardozi Art Cluster	Farrukhabad
30.	Zari & Zardozi	Unnao
31.	Zari and Karchobi Vastra	Shahjahanpur
32.	Zari Zardozi	Hardoi
33.	Banarsi Saree Cluster	Raebareli
34.	Pharmaceutical Cluster	Kanpur
35.	Plastic Industry Cluster	Lucknow
36.	Jewellery Cluster	Gorakhpur
37.	Pottery Cluster	Bhathat & Chargawan Block, Gorakhpur
38.	Readymade Garment Cluster	Faizabad
39.	Cotton Hosiery Industry Cluster	Kanpur
40.	Lalitamba Textile Cluster Pvt. Ltd.	Kanpur

**Table- 4**  
**Clusters under MSME-DI, Agra**

<b>S.N.</b>	<b>Cluster Identified</b>	<b>Name Of District</b>
1.	Foundry Cluster	Agra
2.	Nylon Brush Cluster	Agra
3.	Carpet Cluster	Agra
4.	Stone Craft Cluster	Agra
5.	Shoes Cluster	Agra
6.	Zari Cluster	Agra
7.	Petha Cluster	Agra
8.	Marble Cluster	Agra
9.	Plastic Brushes Cluster	Agra
10.	Metal Chain Cluster	Agra
11.	Stone Cluster	Agra
12.	Embroidery, Garment And Zari Cluster	Agra
13.	Upgradation of Industrial Estate.	Agra
14.	Lock & Hardware Cluster	Aligarh
15.	Flour Mill Cluster	Aligarh
16.	Zari Cluster	Aligarh
17.	Pottery, Khurja	Buland Shahar
18.	Dairy Processing Cluster	Buland-Shahar
19.	Mentha Cluster	Baudun
20.	Zari- Zardozi Craft On Garment & Furnishing, Zari Karchobi Cluster	Baudun
21.	Carpet, Woolen Carpet Cluster	Baudun
22.	Zari, Zari Karchobi Cluster	Baudun
23.	Rice Mill Cluster	Bareilly
24.	Zari Cluster	Bareilly
25.	Cane And Bamboo Cluster	Bareilly
26.	Zari-Zardozi Cluster	Bareilly
27.	Readymade Garment Cluster	Bareilly
28.	Painting Brush Industries Cluster	Bijnor
29.	Metal utensil Manufacturing Cluster	Bijnor
30.	Bell Metal Cluster	Etah
31.	Steel And Wooden Furniture Cluster	Etah
32.	Food Processing Cluster	Etah
33.	Embroidery, Garment And Zari Cluster, Kasganj	Etah
34.	Glass Cluster	Firozabad
35.	Pakki Bhatti Cluster	Ferozabad
36.	Glass Bangle Cluster	Ferozabad
37.	Scissors Cluster Cluster	Meerut
38.	Embroidery Cluster	Meerut
39.	Artificial Jewellery Cluster	Meerut
40.	Sports Goods Cluster	Meerut
41.	Gas Petromax & Spair Manufacturers Cluster	Meerut
42.	Leather Goods And Equipments Cluster	Merrut
43.	Industrial Estate Upgradation Cluster	Merrut
44.	Band Baja Cluster	Meerut
45.	Glass And Wooden Beads Cluster	Meerut
46.	Sports Goods Cluster	Meerut
47.	Brassware Cluster	Moradabad
48.	Brass & Aluminum Ingot Making Cluster	Moradabad
49.	Handloom Cluster, Bilari	Moradabad
50.	Carpet Artistic Dari-Rugs Woollen Industrial Cluster (Cadri)	Moradabad

51.	Jeans & Other Readymade Garments Cluster	Moradabad
52.	Edible Oil Cluster	Moradabad
53.	Leather , Shoes & Chappal Cluster, Chandausi	Moradabad
54.	Moradabad Tools And Training Centre	Moradabad
55.	Horn And Bone Cluster, Sambhal	Moradabad
56.	Brass Taps And Cocks Cluster	Mathura
57.	Metallurgical Cluster	Mathura
58.	Zari-Zardozi Cluster	Mainpuri
59.	Wooden Furniture Cluster	Muzzafar Nagar
60.	Handloom Cluster	Muzzafar Nagar
61.	Mat Cluster	Muzzafar Nagar
62.	Agriculture Implements Cluster	Muzzafar Nagar
63.	Glass And Wooden Beads, Sikandra Rao And Hasayan Block	Mahamaya Nagar
64.	Readymade Garment Cluster	Mahamaya Nagar
65.	Zari Zardozi Cluster	Pilibhit
66.	Rice Mill Cluster	Pilibhit
67.	Patchwork Cluster	Rampur
68.	Handloom And Handmade Carpet Cluster	Rampur
69.	Woodwork Cluster	Saharanpur
70.	Textile Cluster	Saharanpur
71.	Foundry Cluster	Saharanpur
72.	Leather Footwear Cluster	Saharanpur
73.	Hosiery Cluster	Saharanpur
74.	Amroha Jacket Garment Cluster	Jyotiba Phule Nagar
75.	Textile Cluster	Jyotiba Phule Nagar
76.	Led Acid Battery Cluster	Jyotiba Phule Nagar

**Table- 5**  
**Clusters under MSME-DI, Allahabad**

SI.No.	Cluster Identified	Place & District
1	Carpet Baking	Sant RavidasNagar
2	Glass Beed	Chandpur, Varanasi
3	Mirzapur Brassware	Mirzapur
4	Wooden furniture	Maharajganj
5	Brassware	Sant Kabir Nagar
6	Aonla	Pratapgarh
7	Silk Brochedas	Lohta, Varanasi
8	Stone Carving	Khojwa, Varanasi
9	Juteball hanging	Pahadpur, kala, Ghazipur
10	Powerloom	Mau
11	Black Pottery	Nizambad, Azamgarh
12	Jute Rope/Yarn	Kaulasa, Azamgarh
13	Jute Rope/Yarn	Rani Ki Sarai, Azamgarh
14	Hi-Tech Silk Weaving	Varanasi
15	Rice	Mirzapur
16	Fabrication	Allahabad

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## CHAPTER- 6

### INSTITUTIONAL SUPPORT TO MSMEs

There are a number of Central & State Government organisations/offices/undertakings operating in the state of U.P to extend institutional support to MSMEs. The role & functions of some of these institutions are discussed below.

#### **6.1 Central Govt. Organizations and their functions:**

##### **6.1.1 Micro, Small & Medium Enterprises Development Organization (MSME-DO)**

MSME Development Organization, Ministry of MSME, Govt. of India functions as an Apex-body and is the nodal agency for formulating, coordinating and monitoring the policies and programmes for promotion and development of MSMEs all over the country. It maintains close liaison with Central Govt. Ministries, Planning Commission, State Governments, Financial Institutions and other organizations concerned with the development of MSMEs. It provides a comprehensive range of facilities and services including consultancy in techno-economic & managerial aspects, trainings, common facility services, common processing and testing facilities, tooling facilities etc. MSME-DO provides these facilities and services through a net-work of MSME Development Institutes, Branch Institutes, Testing Centers, Testing Stations, Tool Rooms, Technology Development Centres and other specialized Institutions. MSME-DO is headed by Addl. Secretary & Development Commissioner (MSME).

#### **Micro, Small & Medium Enterprises Development Institutes in U.P.**

Micro, Small & Medium Enterprises Development Institutes are the field offices of MSME-DO. Presently there are three MSME-DIs in Uttar Pradesh located at Kanpur, Agra & Allahabad and a Branch MSME-DI at Varanasi which is running under the administrative control of MSME-DI, Allahabad.

The operational jurisdiction of MSME-DIs in U.P. is as under:-

**MSME-DI, Kanpur**

1. Auraiya
2. Barabanki
3. Kushinagar
4. Etawah
5. Farrukhabad
6. Fatehpur
7. Hamirpur
8. Hardoi
9. Jalaun
10. Jhansi
11. Kannauj
12. Kanpur Nagar
13. Kanpur Dehat
14. Lakhimpur Kheri
15. Lalitpur
16. Lucknow
17. Mahoba
18. Rae Bareli
19. Shahjahanpur
20. Sitapur
21. Unnao
22. Deoria
23. Faizabad
24. Gorakhpur
25. Basti

**MSME-DI, Agra**

1. Agra
2. Aligarh
3. Bagpat
4. Bareilly
5. Bijnor
6. Budaun
7. Bulandshahr
8. Etah
9. Firozabad
10. Hathras
11. Amroha
12. Mainpuri
13. Mathura
14. Meerut
15. Moradabad
16. Muzafarnagar
17. Pilibhit
18. Rampur
19. Saharanpur
20. Kasganj
21. Sambhal
22. Shamli

**MSME-DI, Allahabad**

1. Allahabad
2. Ambedkar Nagar
3. Azamgarh
4. Bahraich
5. Banda
6. Balia
7. Balrampur
8. Chitrakoot
9. Chandouli
10. Ghazipur
11. Gonda
12. Jaunpur
13. Kaushambi
14. Sant Kabir Nagar
15. Sant Ravidas Nagar
16. Amethi
17. Maharajanj
18. Mau
19. Mirzapur
20. Pratapgarh
21. Shrawasti
22. Siddharth Nagar
23. Sonbhadra
24. Sultanpur
25. Varanasi

**MSME-DI, New Delhi**

1. G.B Nagar
2. Ghaziabad
3. Hapur

**Functions of MSME-DIs:**

MSME-DIs are headed by Directors and assisted by Technical Officers of various disciplines belonging to Indian Economic Services, Indian Statistical Services, Industrial Management and Technical Experts. The main functions of MSME-DIs in U.P. are to provide Techno-economic and Managerial Consultancy Services to MSMEs & Entrepreneurs. These institutes also provide Common Facility Services through Workshop.

MSME-DO has set-up six MSME-Technology Development Centres through out the country with the objective to provide multiple facilities to MSME units. Four of them are located in U.P. These are FFDC at Kannauj, CDGI at Firozabad, Process & Product Development Centre at Agra & Process cum Product Development Centre at Meerut. One MSME-Training Institute (CFTI) is also located at Agra. These institutions provide Research & Development facilities to MSME units and are mainly engaged in extending Common Facility Services through latest technology and Research Network.

**6.1.2. National Small Industries Corporation (NSIC):**

NSIC with its Headquarter at Okhla Industrial Estate, New Delhi functions under the Ministry of MSME, Govt. of India. It provides Integrated Technology, Marketing, Financial and intermediary support to MSE sector. It also facilitates export of MSME products and helps to develop export capability of MSMEs.

It also plays an important role in setting-up of MSE units in other developing countries . It has offices all over the country. It also has offices in South Africa and Dubai.

Due to the changed Industrial scenario and Globalization of economy, the MSE sector has to face stiff competition as the insulated and protected market conditions are no more going to be available to it. To enable the MSE sector to meet these challenges, NSIC has already initiated various steps in this regard.

National Small Industries Corporation has 11 Branch offices in Uttar Pradesh.

### **6.1.3. Small Industries Development Bank of India (SIDBI)**

SIDBI was set-up as a subsidiary of IDBI by an act of Parliament in 1989. It commenced operation on 2<sup>nd</sup> April, 1990. SIDBI has been fairly successful in its promotional and developmental initiatives which helped a large number of entrepreneurs in MSE sector. As an apex Development Financial Institution for MSE sector in the country, it continued with its promotional and developmental initiatives to improve the efficiency and competitiveness of MSE sector. Special emphasis was given on employment generation. The major developmental programmes are as under:

1. Rural Industries Programme.
2. National Programme for Rural Industrialization.
3. Mahila Vikas Nidhi.
4. Entrepreneurship Development Programme.
5. Human Resource Development Programme.
6. Cluster Development Programme.
7. Environment Management.
8. Marketing initiatives.
9. Support to Industry Organization etc.

During last 18 years, SIDBI has introduced a series of schemes for the development of MSE sector. Starting as a re-financing Organization, the Bank has entered into direct lending and has supported credit requirements of the sector through schemes like; Bill discounting, Export Finance, Support for Technology development and Modernization of MSMEs.

SIDBI has 5 Branches in the state of U.P.

### **6.1.4. National Bank for Agriculture and Rural Development (NABARD)**

NABARD with its Head office at Mumbai and Regional office at Lucknow is functioning to provide assistance to the core sectors of economy i.e. Agriculture and Rural Development. It provides finance through a net work of banking system to Agriculture, MSEs, Cottage & Village Industries, Handicrafts and other sectors on the one hand and re-finance assistance to cooperative Banks, Regional Rural Banks and Scheduled Commercial Banks on the other hand.

### **6.1.5. Export Credit Guarantee Corporation (ECGC)**

Export Credit Guarantee Corporation formally known as Export Risk Insurance Corporation was established in 1964 under the Ministry of Commerce, Govt. of India to cater to the following requirements of MSE units with regard to export and import facilities.

- i. To provide a range of Credit Risk Insurance to Exporters against loss in export of goods and services.
- ii. To offer guarantee to Banks and Financial Institutions to enable exporters to obtain better facilities from them.
- iii. To offer a Credit Insurance Policy to provide protection against Commercial risks that is inherent in all export transactions.

### **6.1.6 Khadi & Village Industries Programme in U.P.:**

The Khadi and Village Industries Programme is being implemented in U.P. by registered Institutions of Khadi & Village Industries Commission (KVIC) and U.P. Khadi and Village Industries Board. U.P. Khadi and Village Industries Board was formed during 1967.

## **6.2 State Government Departments & other Organizations:**

**6.2.1 Directorate of Industries:** Govt. of Uttar Pradesh has set up a full fledged Directorate of Industries at Kanpur headed by Commissioner & Director of Industries, U.P. with 18 Zonal Offices through out U.P. & 75 District Industries Centers at each district head-quarters to promote and develop industries in the State.

**Function & Activities of Directorate of Industries:** The Directorate of Industries, U.P. has been entrusted with the main responsibility of implementing various policies and over-all promotion and development of Micro, Small & Medium Enterprises and Cottage Industries in the State. The main functions of Directorate of Industries, Govt. of U.P. are:

1. Formulation and Implementation of policies relating to over-all development of industries in U.P.
2. Dissemination of all policy matters relating to Industrial Development.
3. Implementation of policies on Entrepreneurial Development.
4. Registration of MSE Units under Rate Contract for State Govt. purchases.
5. Recommendations for Industrial licenses.
6. Organizing Seminars, Intensive Campaigns & Exhibitions.
7. Liaisoning with the Micro, Small & Medium Enterprises Development Organisation (MSME-DO), all Promotional and Developmental Agencies, Financial Institutions etc.
8. To conduct the work as a Chairman in MSEFC, U.P. under MSME Act 2006.

### **6.2.2 District Industries Centers (DICs):**

In pursuance of the decisions taken by the Union Cabinet, the District Industries Centers were established on the 1<sup>st</sup> May, 1978 under the administrative control of Directorate of Industries, U.P. A full fledged DIC division has been established in the O/o the Development Commissioner (MSME), New Delhi to cater to financial and technical requirements and to monitor implementation of progress and functioning of the DICs. There is no limit for grant under promotional activities but is subject to allocation of funds from Central Govt. DICs act as nodal agency at the district level for promotion and development of Micro, Small, Medium, Village and Cottage Industries and aim at providing all essential services and inputs required for setting up of MSME units. The main thrust of activities of DICs is to create favorable climate for industrial development in Rural, Semi-urban and Backward areas with a view to removing regional imbalances to the maximum extent possible. Presently, 75 DICs are functioning in the State of U.P.

#### **Functions and Activities of DIC:**

1. To conduct Industrial Potentiality Survey of the district and its updation from time to time.
2. To prepare and Implement the Action Plan for the Development of the District.
3. To release EM Part-I & EM Part-II data of all type of units Online/Offline.
4. To identify products having potentials for development in the area and guide prospective entrepreneurs for setting up of their own enterprise.
5. To provide Techno-economic Consultancy Services to the prospective Entrepreneurs.
6. To collect, maintain and disseminate information and data pertaining to industries.
7. Coordination and implementation of PMEGP.
8. Allotment of Industrial Sheds/Plots in the Industrial Estate/ Area.
9. To conduct EDPs and other Training Courses in the districts.
10. Capacity Assessment of Industrial units.
11. Any other work assigned by the Central and State Govt. Authorities.

### **6.2.3 U.P. State Industrial Development Corporation (UPSIDC)**

UPSIDC is a U.P. Govt. Company registered under the Company's Act 1950. It was incorporated and established in 1961 with its head office at Kanpur and several Regional offices/Branch offices located at Agra, Aligarh, Allahabad, Bareilly, Faizabad, Ghaziabad, Gorakhpur, Jhansi, Kanpur, Lucknow, Meerut, Moradabad, Surajpur, Transganga, Tronica City & Varanasi.

UPSIDC plays an important role for rapid industrialization by providing Industrial Accommodation for Industries. It has developed 159 Industrial Areas (including Uttarakhand) since inception.

The Corporation has been following the Industrial Policy of the State Government & has made remarkable changes besides other development for making Uttar Pradesh the most preferred location for investment. UPSIDC has been making sincere efforts for removing the infrastructure gap and putting Uttar Pradesh at number one position. UPSIDC has developed a series of Industrial Areas, Integrated Townships, EIPs, Textile Prks, Agro parks, Leather parks, SEZs and Technology Parks at different places of the state.

**Major Activities are :**

1. Acquisition of land for Industrial Development Land Development in Industrial Areas.
2. Activities related to land allotment in Industrial Areas.
3. Development of Special Economic Zones (SEZ)
4. Industrial Infrastructure updation plan under MSE-CDP.
5. Integrated Infrastructure Development Centre.
6. Development of Industrial Area.

**6.2.4 U.P. Financial Corporation (UPFC).**

UPFC was set up in November, 1954 under State Financial Corporation Act, 1951 with headquarters at Kanpur & 12 Regional offices spread all over the State. UPFC provides financial assistance to new/existing Industrial units going for diversification/ Modernization/ Expansion for acquisition of fixed assets such as land, Building, Plant & Machinery. It provides assistance to existing units with sound track record and also to new units under single window scheme. The maximum assistance which UPFC can provide is Rs. 500 lacs in case of Companies and Rs. 200 lacs in case of Proprietary and Partnership Firms. The present ceiling of cost of project for manufacturing is Rs. 12 Crores and for service sector is Rs. 20 Crores. The ceiling of paid-up Capital and free reserves of assisted concerns is Rs. 10 Crores. However, this ceiling is likely to increase to Rs. 20 Crores.

**6.2.5 U.P. Small Industries Corporation Ltd. (UPSIC):**

The Govt. of Uttar Pradesh has set up UPSIC in June, 1958, as a State Govt. Undertaking under the company's Act. 1956 to accelerate the pace of industrialization in the State. The Corporation provides assistance to MSMEs through pre-implementation support activities like; supply of machines under hire purchase scheme, equity participation in joint sector, sheds in complexes and in ancillary Industrial Estates established by UPSIC. But due to block of funds in these schemes, now the corporation is concentrating in post implementation support activities like; marketing assistance & providing raw material on fair prices through various Depots spread all over the state.

The main activities and functions of UPSIC are illustrated below:

1. Procurement & distribution of ferrous & Non-ferrous metal, Chemical raw material and Coal.
2. Marketing assistance to MSME units by participating in tender and Rate contract with Directorate of Industries.
3. Financial assistance to MSME units for completion of orders allotted to them.
4. Construction activities.
5. Technical assistance in establishing Anti-pollution Apparatus in Foundries, Paper Mills, Lime factory etc.

UPSIC has six regional offices in the state.

#### **6.2.6 The Pradeshiya Industrial & Investment Corporation of U.P. Ltd. (PICUP):**

PICUP is another State Govt. Corporation which was set up in March' 1972 with its headquarters at Lucknow under Company's Act .1956. The Corporation is engaged in faster development of industries in U.P by providing assistance to new medium and large scale units and also for Modernization, Diversification and expansion of the existing units. The Corporation has its services in the field of financial and technical assistance along with strong back-up by Institutional support. The main activities of the Corporation are:

1. Sanction of Term loan.
2. Refinancing Scheme.
3. Lease finance.
4. Arrangement for working capital.
5. Equipment finance Scheme.
6. Venture Capital Scheme.
7. Agent for implementation of Govt. financial assistance Scheme.
8. Sanction of under writing Shares.
9. Sanction of bridging loans.

#### **6.2.7 U.P. State Leather Development & Marketing Corporation Ltd.,**

U.P. State Leather Development & Marketing Corporation Ltd. has been set up at Kanpur to undertake the following activities:

- (i) To promote and assist in setting up of Cottage Footwear Industries and also to improve the quality of footwear by way of providing technical assistance to existing units.
- (ii) To prepare a strong base for promotion of exports of the leather products.
- (iii) To establish design centers and raw material Depot.
- (iv) To stretch out marketing outlets of leather products of cottage and small scale industries.
- (v) To carry out Research and Development activities.
- (vi) To make arrangements for imparting training to Shoe makers with a view to upgrading the technical skills and also to keep them abreast of the latest Technological Development in the industries .

### **6.2.8 U.P. Handicraft & Marketing Corporation (Earlier known as U.P. Export Corporation):**

The U.P. Handicraft Corporation was incorporated as a Public Company Ltd. on 20<sup>th</sup> January, 1966 under the Company's Act.1956 with its registered head office at Lucknow. The activities of the Corporation may broadly be classified as follows:

#### **(i) Commercial Activities:**

The Corporation is engaged in export of the product manufactured by MSE units and Handicraft units. It is running a chain of emporia in important cities like; Agra, Allahabad, Bangalore, Bhopal, Kolkata, Mumbai, New Delhi, Lucknow, Chennai, Nagpur and Hyderabad where handicraft items are displayed and sold. The Corporation also participates in National and International Fairs. It also provides Warehousing facilities in abroad. The Corporation also provides assistance to exporting small scale units by way of importing scarce raw material and other inputs and also by receiving Central Cash assistance claims and disseminates export documentation information to exporting units. It sponsors entrepreneurs to seek export ventures in abroad and also to obtain export orders from Foreign Buyers.

#### **(ii) Developmental and Project Implementation Activities:**

Another thrust area of the activities of the Corporation is to enhance production and productivity both in Quantitative and Qualitative terms by way of imparting training at its Product-cum-training Centers with a view to boost up export of the products of Cottage and Village Industries.

### **6.3 Other Developmental Institutions/Organizations/Authorities:**

- National Productivity Council, Kanpur
- Director General of Foreign Trade, Kanpur
- Central Leather & Research Institute, Kanpur
- Software Technology Park of India, Lucknow, Kanpur
- Federation of Indian Export Organisation, Kanpur
- Directorate of Silk, U.P., Lucknow.
- Directorate of Mines and Minerals, U.P., Lucknow.
- Institute of Entrepreneurship Development, U.P., Lucknow.
- Export Promotion Bureau, PICUP Bhawan, Lucknow.
- U.P. Investment Centre, New Delhi.
- U.P. State Textile Corporation Ltd., Kanpur.
- U.P. State Spinning Co. Ltd., Kanpur.
- U.P. Electronics Corporation Ltd., Lucknow.
- U.P. Industrial Co-operative Association Ltd., (UPICA), Kanpur.
- U.P. State Tourism Development Corporation Ltd., Lucknow.
- U.P. State Leather Development and Marketing Corpn. Ltd., Agra.
- U.P. State Sugar Corporation Ltd., Lucknow.
- Udyog Bandhu, U.P.
- Bhadohi Industrial Development Authority, Bhadohi.
- Satrahiya Industrial Development Authority (SIDA).
- Gorakhpur Industrial Development Authority (GIDA).
- New Okhla Industrial Development Authority, Noida, G.B. Nagar.
- Greater Noida Industrial Development Authority, Greater Noida, G.B. Nagar.

#### **6.4 Prominent Industry Associations in U.P**

Some of the prominent industries associations of U.P. which are extending co-operation to MSMEs are as follow:

1. Indian Industries Association (IIA)
2. Merchant Chamber of U.P (MCUP)
3. Provincial Industries Association (PIA)
4. Indian Council for Women Entrepreneurs (ICWE)
5. Laghu Udyog Bharti
6. Associated Chambers of Commerce & Industry
7. PHD Chamber of Commerce & Industry

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## CHAPTER – 7

### INFRASTRUCTURE & INDUSTRIAL INVESTMENT POLICY (IIIP) -2012 of U.P

The Government of Uttar Pradesh has approved and announced the new Infrastructure and Industrial Investment Policy 2012 – with an objective to attain an industrial growth rate of 11.2% per annum. The policy envisions establishing Uttar Pradesh as the most preferred destination of investment by accelerating industrial development, creating a conducive business environment & developing high-end infrastructure facilities to create new employment opportunities.

The main incentives offered in the policy are detailed below:

#### **7.1 Key Financial Incentives offered in IIIP- 2012 of Govt. of U.P**

##### **Stamp Duty Concessions:**

1. 100% stamp duty concession to be given to –
  - a. New IT, Bio-tech, BPO, Food Processing, Food Park, Alternative Energy Resources units.
  - b. Private sector infrastructure development projects excluding PP Projects.
  - c. Industrial units in all sections on purchase, lease or acquisition of land by industrial units in Eastern U.P., Central U.P. and Bundelkhand region.
2. 75% stamp duty concession to new units on purchase of land from Government agencies and 50% stamp duty concession on purchase of land from private sources in Western U.P.
3. In case of attachment of assets of a closed unit by UPFC, PICUP or commercial banks, stamp duty shall be payable on sale price fixed by competent authority instead of circle rate.
4. Reimbursement of 25% of stamp duty, if a private developer completes development of industrial estate or area within 3 years after purchase of land and a minimum of 50% land is sold.
5. Reimbursement of stamp duty on land transfer by a parent / holding company to a subsidiary company which starts production within 3 years of the said land transfer.

##### **Exemption in Entry Tax & Other Taxes:**

- Entry tax on iron & steel to be used as raw material will be rationalized.
- Facility of input tax refund or set-off will be allowed to manufacturers who export outside India through export houses in the course of export under sub-sec.(3) of Sec. 5 of Central Sales Tax Act 1956.
- List of schedule II part C (tax liability of only 4 per cent) will be expanded to include more items of raw material /processing material and packaging materials.

##### **Exemption from Mandi Fee:**

- For 5 years on purchase of raw material to all new food processing units with investment of Rs. 5 crores or above in plant, machinery and spare parts.

##### **Energy Sector related Incentives:**

- Exemption from Electricity Duty for 10 years to new industrial units and to captive power generating units for own consumption.

**Investment Promotion Scheme:**

- Interest-free loan equivalent to VAT and Central Sales Tax paid by industrial units or 10 percent of the annual turnover whichever is less will be provided for a period of 10 years repayable after 7 years from the date of first disbursement.

**Who is eligible:**

- In Eastern U.P, Central U.P and Bundelkhand, new industrial units with total capital investment of Rs.5 crores or more.
- In Western U.P, new industrial units with total capital investment of Rs. 12.5 crores or more.
- Industrial units undertaking expansion by minimum 25% of existing production capacity.

**Capital interest subsidy scheme:**

- Interest on loan taken for plant and machinery by new industrial unit set up in Eastern U.P, Central U.P and Bundelkhand ,will be reimbursed @ 5 percentage points with a ceiling of Rs. 50 lakh per annum for a maximum period of 5 years.
- For new textile units, interest on loan taken for plant and machinery will be reimbursed @ 5 percentage points with a ceiling of Rs. 100 lakh per annum in Easter U.P, Central U.P and Bundelkhand and up to Rs. 50 lakh per annum in Western U.P. for a maximum period of 5 years.

**Infrastructure interest subsidy scheme:**

- Interest on loan taken by industrial units for developing infrastructure facilities for self use, such as road, sewer, water, drainage, powerline etc. will be reimbursed @ 5 percentage points with a ceiling of Rs. 100 lakh per annum for a maximum period of 5 years.

**Industrial Quality Development Subsidy scheme:**

- Interest on loan taken by industrial association, group of industrial units for establishing testing labs, quality certification lab, tool-rooms etc. will be reimbursed @ 5 percentage points with a ceiling of Rs. 100 lac per annum for a maximum period of 5 years.

**EPF reimbursement Scheme:**

- Any new industrial unit employing more than 100 unskilled workers will be reimbursed 50% of the EPF contribution for 3 years.

**Special facilities for Mega Projects:**

- Mega projects with an investment of more than Rs. 200 crores and less than Rs. 500 crores will be provided with special concessions within schemes covered under this policy on case-to-case basis on recommendation of Empowered Committee and approval of the State Cabinet.
- Mega projects with an investment of more than Rs. 500 crores will be provided with additional incentives over and above those provided in this policy on case-to-case basis on recommendation of Empowered Committee and approval of the State Cabinet.