Chapter I
Introduction
HISTORICAL OVERVIEW OF KANPUR DEHAT


History

Nestled on the banks of the eternal Ganga, Kanpur stands as one of North India's major industrial centres with its own historical, religious and commercial importance. Believed to be founded by king Hindu Singh of the erstwhile state of Sachendi, Kanpur, it is believed by some, derived its name from Kanhiyapur, the town of Kanhiya (Lord Krishna). In the course of time, Kanhiyapur probably was abbreviated as Kanhapur and subsequently as Kanpur (the anglicized spelling of which was Cawnpore during the British rule). Others believe that the name is derived from Karnapur and is associated with Karna, one of the heroes of Mahabharata. Duryodhan made Karna a king seeing him as a fitting match to Arjuna, and gifted him this area; hence the name Karnapur, which later became Kanpur. Historically, Jajmau on the eastern outskirts of present day Kanpur is regarded as one of the most archaic townships of Kanpur district.

Kanpur's growth until the thirteenth century is shrouded in the mists of time. It is interesting to note that while no reference to Kanpur is found in history, the history of two of its suburbs, Jajmau and Bitoor, can be traced back to legendary times. Bithoor is located about 20 km upstream of the river from the city and is approximately 10 km from the IIT Kanpur Campus. Jajmau is about 8 km east of Kanpur city and is nearly 20 km upstream of the river from IIT Campus. According to Hindu mythology, just after creating the universe, Lord Brahma performed the Ashvamedh Yajna (Horse Sacrifice) at Bithoor (also known as Brahmavart) and established a shivalingam there. Moving further to later times, another mythological site at Bithoor is the Valmiki Ashram, where the famous sage Valmiki is
epic, queen Sita, on being exiled by King Ramachandra of Ayodhya, spent her days in seclusion at the ashram bringing up her twin sons Lava and Kush.

At Jajmau there are remains of an ancient fort, now surviving as a huge mound. Some recent excavations on this mound tend to prove that the site is very ancient indeed, perhaps dating back to the Vedic age. Popular legends have it that the fort belonged to Yayati, a king of the ancient chandravanshi race, the eight in succession to lord Brahma. The famous sidhnath temple of lord Shiva and Siddha Devi temple at Jajmau belong to the Buddhist period. The place for a while was known as Siddhpuri.

In 1207 AD Raja Kanti Deo of prayag who was attached to the throne of Kannuj established the village Kohna, which later came to be known as Kanpur. Kanpur continued its association with Kannuj during the reins of Harsha Vardhan, Bhoj, Mihir, Jai Chand and early Muslim rulers. Later it came under the Jaunpur rulers and the Sur Dyansty. The first mention of Kanpur was made in 1579 during sher shan’s regime. Upto the 1st half of the 18th century Kanpur continued to survive as an insignificant village. Its fate, however, took a new turn soon after. In may 1765, Shuja-ud-daula, the Nawab Wazir of Awadh, was defeated by the British, near Jajmau. From 1773 to 1801, it was part of the oudh kingdom and then came into hands the British. It was probably at this time that strategic importance of the site of Kanpur was realized by the British. European businessmen had by this time gradually started establishing themselves in kanpur. In order to ensure protection to their lives and property the Awadh local forces' were shifted here in 1778. Kanpur passed into British hands under the treaty of 1801 with Nawab Saadat Ali khan of Awadh. This forms a turning point in the history of Kanpur Soon Kanpur became one of the most important military station of British India. It was declared a district on 24th March 1803. south of parmat were the British infantry lines and the parade grounds. Indian infantry occupied the space from the present Chunniganj to Christ Curch College. The Company Bagh was laid in 1847 and the construction of the Ganga canal was commenced in 1854.
First Freedom struggle of India (1857)

In the 19th century, Kanpur was an important British garrison, and had barracks for 7,000 soldiers. In 1857, during the Indian Mutiny, 900 Europeans (about two-thirds of which were women and children were besieged in the fortifications for 22 days by the rebels under Nana Sahib. They surrendered on the promise that they should be allowed to go safely to Allahabad, but as soon as they got off the boats to go down the river they were fired upon by cannon. Many were killed and the rest brought back to shore. The prisoners were then killed by their captors, and the corpses were discarded into a deep well. Three days afterwards (July 18), the British under General Havelock entered the city. The Bibighar was dismantled by the British during the reoccupation of Kanpur, and a memorial railing and a cross were raised at the site of the well. The well is now bricked over. Only the remains of a circular ridge survives, which can still be seen at the Nana Rao Park. The Kanpur Memorial Church – 'All Souls' Cathedral' – was raised in honor of the fallen at the north – east corner of Wheeler's entrenchment in 1862 by the British. The marble gothic screen with the famous 'mournful seraph' was transferred to the churchyard of all souls' Church after independence in 1947, and in its place a bust of Tantiya Tope installed as Nana Rao park.

Development of Industries

After 1857 it became an important center of the leather and textile industries. Government Harness and Saddler Factory was started for supplying leather material for army in 1860, followed by Cooper Allen & Co. in 1880. The first cotton textile mill, the Elgin Mills were started in 1862 and moiré Mills in 1882. The British India Corporation (BIC) was headquartered here and led the development of many industries. The Juggilal Kamlapat Singhania family launched many industrial units between 1930 and 1970 the group is known as J K Group of industries till date. The Jaipuria family contributed to the patriotic cause, by building the Swadeshi Cotton Mills in response to charges that the foreign rulers were raiding India of its cotton only to sell back textiles to the residents. Kanpur
was known as the “Manchester of India” during the 20th century. As of now, the city owns many leather tanneries, a 2 wheeler factory owned by LML India, under collaboration with Italy’s piaggio; and over a dozen Defense Ordnance Factories such as small-Arms Factory, ordnance Parachute Factory etc. It is also home to the pan masala and gutkha industry.

Many of the British contributed vigorously to charitable causes in the city by building the Ursula Horseman Hospital the “Hallet” Hospital, Harcourt Butler Technological Institute, by protecting the Allen Forest (now a Zoo) and many other efforts. Most of these are now renamed, though a lot of residents still call them by their old names. However the distortion of names is most visible at the railway crossing bridge next to the Railway Station, where the now-closed Murray company is conveniently called Mari (Dead) Company.

Cultural History

Kanpur was a tinderbox in the independence and literary movements during the 1900-1950 period. The largest shopping center is named Navin Market after the poet Bal Krishna Sharma aka “Navin”. Later poet included Gopal Das “Niraj” who also had a successful spell writing songs for “Bollywood” movies. Kanpur is also the birth place of Shyamlal Gupta ‘Parsad’, composer of the famous ditty Vijayee Vishwa Tiranga Pyara. The propagation and popularization of Hindi also owes much to this city, with great Hindu literatteurs like Acharya Mahavir Parasad Dwivedi, Ganesh Shankar Vidyarthi, pratap Narain Mishra and Acharya Gaya prasad shukla ‘Sanehi’. The Agricultural University is named after the revolutionary Chandrashekhar Azad and the Medical college after Ganesh Shanker Vidyarthi; both men spent much time in kanpur. While Chandra Shekhar ‘Azad’ was born in village in nearby district of Unnao and shot himself when surrounded by a huge posse of British soldiers at Alfred park, Allahabad, Ganesh Shankar Vidyarthi was killed during the Hindu-Muslim riots of 1948 at Kanpur in Phoolbagh.
**GOVERNMENT AGENCIES AND INDUSTRIAL DEVELOPMENT IN U.P.**

**Uttar Pradesh Fact Sheet**

<table>
<thead>
<tr>
<th>AREA</th>
<th>2,40,928 Sq. Kms</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISTRICTS</td>
<td>70</td>
</tr>
<tr>
<td>POPULATION (2001)</td>
<td>6.61 crores (Urban : 3.45 crores) (Rural : 13.16 crores)</td>
</tr>
<tr>
<td>DENSITY</td>
<td>689 persons per Sq. Kms</td>
</tr>
<tr>
<td>LITERACY</td>
<td>57.36%</td>
</tr>
<tr>
<td>NET STATE DOMESTIC PRODUCT (at current prices 2002-2003)</td>
<td>Rs. 170424 crores</td>
</tr>
<tr>
<td>PER CAPITA INCOME</td>
<td>Rs. 9895 (at current prices 2002-2003)</td>
</tr>
<tr>
<td>CROPS</td>
<td>Cotton, Forest Products, Millets, Oilseeds, Paddy, Pulses, Sugarcane, Wheat, Fruits</td>
</tr>
<tr>
<td>MINERALS</td>
<td>Fire clay, Glass sand, Lime stone, Marble, Dolomite, Magnesite Soaps stone</td>
</tr>
<tr>
<td>INDUSTRIES</td>
<td>Chemicals, Oils, Engineering, Glass, Handicrafts, Leather, Liquor, Paper, Sugar, Textiles, Cement</td>
</tr>
<tr>
<td>AREA UNDER FORESTS</td>
<td>21291 Sq. Km.</td>
</tr>
<tr>
<td>ROADS SURFACED</td>
<td>104000 Kms</td>
</tr>
<tr>
<td>RAILWAY ROUTE LENGTH</td>
<td>7088 Kms</td>
</tr>
<tr>
<td>AIRPOTS</td>
<td>Agra, Kanpur, Lucknow</td>
</tr>
<tr>
<td>BANK BRANCHES</td>
<td>8902</td>
</tr>
<tr>
<td>POST OFFICES</td>
<td>17627</td>
</tr>
<tr>
<td>TELEGRAPH OFFICES</td>
<td>4224</td>
</tr>
<tr>
<td>TELEPHONE EXCHANGES</td>
<td>3117</td>
</tr>
<tr>
<td>TV STATIONS</td>
<td>3</td>
</tr>
<tr>
<td>RADIO STATIONS</td>
<td>13</td>
</tr>
<tr>
<td>MAJOR RIVERS</td>
<td>The Ganges, Yamuna, Ramganga, Gomti and Ghaghra</td>
</tr>
</tbody>
</table>
Promotional Agencies In The State

The Government of Uttar Pradesh is playing the catalytic role in the process of industrial development in the State through a host of promotional agencies. The important ones are introduced below:

I) PICUP

The Pradeshiya Industrial & Investment Corporation of Uttar Pradesh (PICUP) is a nodal agency to foster industrial growth and development in Uttar Pradesh.

Ever since its inception in 1972, PICUP has striven assiduously to foster industrial growth and development in Uttar Pradesh helping new industries to come up and assisting existing industrial units to modernize, expand and diversify their operations by extending wide ranging financial and technical assistance, backed up by strong institutional support.

- PICUP provides secured terms loan at nationally competitive rates of interest.
- Since completion of legal formalities relating to term loans could take some time, PICUP provides Bridge Loans to expedite project implementation while these formalities are being completed. Such Bridge loans are generally to the extent of 50% of the sanctioned term loans.
- Interestingly, it is feasible to complete the formalities for availing Bridge Loan within one day.
- For projects costing more than Rs. 10 crores, PICUP can provide the entire range of services to arrange loan syndication and working capital.
- PICUP also extends loans to existing industrial units for the purpose of purchasing new capital goods/equipments. Such loans cover up to 77.5% cost of the equipment.
- An important feature of this scheme is that the loan is sanctioned by PICUP within a maximum period 30 days from the date of receipt of application and disbursement can begin within 7 days of the sanction of the loan.
Schemes
PICUP offers a vast spectrum of financial assistance and services for setting up new medium and large scale industries as well as modernization, expansion and diversification of existing units through a comprehensive range of schemes detailed below:

a) Term Loan
PICUP is providing secured term loans at nationally competitive rates of interest in accordance with the following lines:

- Debt Equity ratio : not more than 1.5:1
- Quantum of term Loan : Rs. 4 crores subject to project cost ceiling of Rs. 12 crores.
- Minimum promoter's : 25% Contribution

PICUP also participates in consortium financing with other Financial Institution/Banks, Bridges loan against sanctioned by PICUP may also be provided in deserving cases.

b) Equipment Re-Finance Scheme
Under this scheme, PICUP extends loans industrial units for the purpose of purchasing new capital goods/equipments. Such loans cover 75% cost of the equipment (the balance to be financed by the borrowers) and are available only to those companies which;

- Have been in operation for at least four years;
- Have earned profits and/or declared dividends on equity shares during the preceding two years;
- Have not defaulted to institutions/banks in payment of their dues;
- Have positive net worth and have also earned minimum average net profit of not less than Rs. 25 lakh for last two years;
- Have current ratio of at least 1.33 (as per the last available audited balance sheet).

Loan under this scheme can be sanctioned up to a maximum limit of Rs. 150 lakhs per proposal subject to a ceiling of Rs. 200 lakhs per concern. New projects are not eligible for this scheme.
c) Bill Discounting Scheme
The Corporation undertakes discounting of trade bills with or without letter of commitment, which may consist of either purchase bill or a sale bill for genuine trade transaction related to the company’s business with excellent track record in the portfolio of PICUP, subject to following conditions:

- The company shall have been in operation for the last more than three years, should have been in minimum of Rs. 100.00 laks of profit in each year for preceding two financial years and should preferably have declared divided in last two years.
- The turnover of the company should not less than above Rs. 10 crores.
- The net worth of the company should be at least Rs. 5.00 crores.
- The company should not be in default to any financial institution/banks/NBFCs as on date of applying to PICUP and not default track record even 30 days in last 2 financial years.
- Existing total short term borrowing (including bank borrowing as also Bill discounting assistance, short term loans and unsecured loans from promoters) should not exceed 30% of the turnover of the company as per the latest audited half yearly/annual results.
- The maximum and minimum limit is between Rs. 250.00 lakhs and Rs. 50.00 lakhs with adequate security for those companies whose track record under the scheme is found excellent during the period of one year.
- The value of each bill should not exceed Rs. 50.00 lakhs.

d) Re-Finance Scheme For Textile Industry Under Technology Upgradation Fund Scheme (Rtufs)
To provide encouragement to Textile Industry (non SSI Sector) for taking up Technology Upgradation and to modernize their product facilities, the scheme envisages interest incentive of 5% on the interest rate actually charged on the sanctioned Term Loans extended for Technology Upgradation and modernization.
Eligibility Criteria
Following categories of units would be eligible for assistance under the scheme:

- Existing units with or without expansion and new units.
- Existing units can modernize and/or expand with the state-of-the-art technology.
- Establishment of new units with upgradation technology.
- Units with multiple activities, i.e. by way of forward or backward integration.
- New units must set up their entire facilities only with the appropriate eligible technology.
- The project cost for coverage under the scheme should exceed Rs. 1200 lakhs.

Total repayment period of RTUFS should not be more than ten years including gestation period of two years.
The scheme would remain in force up to March 31.2005.

e) Venture Capital Scheme For Infotech Sector
To facilitate start up ventures in the field of Information and Technology and to encourage professionals, venture capital assistance to the extent of Rs. 15 lakhs would be sanctioned to a single promoter and would be to the extent of Rs. 5 lakhs if there is more than one promoter.

II) U.P.F.C.
U.P.F.C. (Uttar Pradesh Financial Corporation) has been established by the State Government on the 1st November, 1954 under SFC’s Act 1951. The Corporation, through its twenty Regional Offices, situated at all the divisional head-quarters and other important places like NOIDA, Greater NOIDA and GHAZIABAD and two Branch Offices in Remote hill areas of Kumaun & Garhwal, is endeavouring for industrial development of the State. U.P.F.C. has so far extended financial assistance to the tune of Rs. 1482.80 crores to 34915 units (as on 1st March 1994).
UPFC provides assistance to industrial and service concerns for their new projects as also for expansion, diversification and modernisation schemes. Small and medium scale units whose paid up capital and free reserves are under Rs.10 crores and whose project outlay is of upto Rs.10.00 crores can avail of UPFC’s range of schemes. Joint financing with PICUP/scheduled banks is undertaken. Besides this, UPFC has also been granted authorisation as category-I Merchant Banker status by SEBI, which confers it the right to provide a whole range of services such as issue management, underwriting, equity participation, project certification etc. for raising finance from the primary market.
Norms For Financing Debt Equity Ratio

1:1 to 2:1 depending upon the quantum of loans, nature of industry, nature of scheme and security of coverage available.

Interest Rate [Including Interest Tax]

<table>
<thead>
<tr>
<th>S.No</th>
<th>Particulars</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A. Loans upto Rs. 0.50 Lacs</td>
<td>11.75%</td>
</tr>
<tr>
<td></td>
<td>B. Loans above Rs. 0.50 Lacs to Rs. 2.00 Lacs (including loan under SWS/MUN/NEF Scheme/Marketing Scheme for SSI Products)</td>
<td>12.25%</td>
</tr>
<tr>
<td></td>
<td>C. All loans under RTDM/ISO 9000 Scheme</td>
<td>11.75%</td>
</tr>
<tr>
<td>2</td>
<td>Above Rs. 2.00 lacs (including loan under SWS Cases/MUN/NEF Scheme/Marketing Scheme for SSI Products/RTUF/Tannery Modernization Scheme and Information Technology Scheme) for “A” &amp; “B+” Category*</td>
<td>13.50%</td>
</tr>
<tr>
<td></td>
<td>For other Categories*</td>
<td>14.50%</td>
</tr>
<tr>
<td>3</td>
<td>ERS for All Categories*</td>
<td>13.50%</td>
</tr>
<tr>
<td></td>
<td>EFS for All Categories*</td>
<td>14.00%</td>
</tr>
<tr>
<td>4</td>
<td>Working Capital Term Loan</td>
<td>15.00%</td>
</tr>
<tr>
<td></td>
<td>For “A” Category* only</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For Other Category*</td>
<td>16.00%</td>
</tr>
<tr>
<td>5</td>
<td>Short Term Loan Scheme</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For “A” &amp; “B+” Category* only</td>
<td>16.00%</td>
</tr>
<tr>
<td></td>
<td>For Other Category*</td>
<td>16.50%</td>
</tr>
<tr>
<td>6</td>
<td>Marketing Infrastructure Scheme (Financial Permissible for “A” Category * only)</td>
<td>16.00%</td>
</tr>
<tr>
<td></td>
<td>For other Than “A” Category*</td>
<td>15.00%</td>
</tr>
<tr>
<td></td>
<td>(Higher by 1%)</td>
<td>16.00%</td>
</tr>
<tr>
<td>7</td>
<td>Penal Interest</td>
<td>3.5% (Per annum on defaulted amount for defaulted period)</td>
</tr>
<tr>
<td>8</td>
<td>Terminal Interest Rebate Benefit</td>
<td>Rebate @ 1% per annum to all the entrepreneurs to remain regular in payment throughout the currency of loans</td>
</tr>
</tbody>
</table>

*Category will be ascertained at the time of appraisal of loan proposal.
Limit Of Accomodation
1. Up to Rs. 200.00 lacs for sole Proprietorship and Partnership Concern.
2. Up to Rs. 500.00 lacs for Private/Public Limited Company.

a) Scheme For Fixed Assets Term Loans

New Units: UPFC provides monetary assistance to new units for acquisition of fixed assets such as land, building, plant and machinery etc.

Existing Units: Easy assistance for upgrading and modernizing units with an eye on giving a boost of production and increasing efficiency.

b) Equipment Re-Finance Scheme (ERS)

UPFC gives assistance for expansion, modernization, replacement of old and obsolete machinery with the latest indigenous or imported machinery to those units under the ERS scheme which have been operational for the last four years and have earned profit in previous two years.

c) Equipment Finance Scheme (EFS)

The EFS scheme replicates the ERS scheme except that these units should have been in existence for three years and should have recorded profits for the previous two years.

d) Schemes For Hotel And Tourism Sector

With an aim of giving a fillip to the burgeoning tourism industry in Uttar Pradesh, UPFC provides easy financial aid for establishing of hotels, motels, restaurants, traveling agencies, amusements parks etc. Assistance is also within arms reach for the expansion and refurnishing of existing facilities in the tourism sector.

e) Schemes For Nursing Homes And Electro-Medical Equipment

The UPFC cares not only for industry but also for health. With a view to provide modern medical care and diagnostic facilities, the UPFC provides financial assistance for setting up small hospitals, and nursing homes
having 20 or more beds and/or for the purchase of the latest electro-medical equipment for diagnostic purposes.

**f) Single Window Schemes**

With an aim of extending financial assistance both for fixed assets as well as working capital to small units under its single window, UPFC provides long term easy loans to units.

**g) Schemes For Making Assistance**

UPFC provides financial assistance for setting up new sales outlets/showrooms as well as for the renovation and expansion of existing sales outlets for marketing products of small/cottage and village industries.

**h) Schemes For Working Capital Term Loan**

UPFC is financing small and medium scale units with a good track record for their working capital requirements.

**III) UPSIDC**

Uttar Pradesh State Industrial Development Corporation (UPSIDC), the premier industrial promotion and infrastructure development undertaking of the State Government, has been the chief motivating force behind scores of industrial ventures since 1961. Its major promotional and development activities are:

- Development of Industrial Areas (IAs) equipped with all necessary industrial environs.
- Identification and promotion of industrial projects in Joint/Assisted Sector.
- Financial assistance to limited companies through Equity Participation and Underwriting.
- Execution of civil construction works for public and semi-public organizations on deposit basis.
- Provision of institutional support by way of escort services for speedy cleareness, consultancy etc.
Statistics apart, transformation of Ghaziabad, Mathura, Agra, Moradabad, Bulandshahar and few others, including extremely backward areas such as Orai and Kanpur dehat, into industrialized towns in a short period reflects a glowing tribute to the Corporation's endeavours in infrastructure development and support to industries in more ways than one. Prestigious units such as Dubar, Telco, Tata Fertizer, Bindal Agra, VAM, LML, Escorts, DCM Toyota, JP Industries, Asian Paints, Swadeshi Polytex, Nirma, Willard India, Nicco Batteries, Indo-Gulf Fertilizers, Arihant Industries, Hawkins, Pepsi, Parle, Glaxo, Raunaq, Dalmia, SRF Nippon DENSO, Rath, Goodlass Nerolac, Hindustan Lever, Avon Cycle, Shamkeen Multifab, Atma Steel, Bhushan Steel, Jain Tube, Indo Gulf Explosives, super house, raymonds, Somaiya Organics, Paam Pharma, Delhi Press, Ambuja Agra, BHEL, BEL, CEL, Uptron, Hindustan Petroleum etc. are already working in the industrial areas of UPSIDC.

UPSIDC has developed nearly 150 industrial areas encompassing more than 4000 acres of land with a huge range of infrastructure facilities. 9127 acres of land is still available in various industrial areas for allotment out of which 6827 acres is available as undeveloped bulk land and 2300 acres as developed land. UPSIDC has housed more than 5000 units in various industrial areas which have provided direct employment to 3,50,000 persons. These units involve a capital outlay of over Rs. 17,500 crores.

IV) UPEC

Uttar Pradesh Export Corporation (UPEC) establishment in 1966 to promote export of handicrafts, the task of marketing within the country has also been assigned to the Corporation. Besides this, the Corporation is undertaking training programmes in carpet weaving, chikan embroidery, wood carving etc. To help fast movement of export consignment, the Corporation is also operating an Air cargo Complex at Varanasi.

- A special Transport Subsidy of 50% on the cost of transportation of raw materials and finished goods within the Hill shall also be provided.
- Special facilities to Scheduled Caste/Tribes, Women and Ex-Servicemen Entrepreneurs-
- A special rebate of 1% in interest rates on the loans provided by PICUP/UPFC.
- 5% Special Capital Subsidy upto a maximum of Rs. 1 lakh.
- Special State Capital subsidy to 100% Export Oriented Units- The units registered as 100% export oriented unit by the Government of India Would be eligible for 10% susidy (maximum Rs. 10 lacs) on total fixed capital investment. This special subsidy would be in addition to the other subsidies payable/available under this package.

Special Incentives to Non Resident Indians
- "Udyog Bandhu" is functioning as a nodal agency for the NRIs through which all facilities/incentives will be made available.
- A special NRI Cell has been set up in PICUP to ensure quick processing of loan applications of NRIs.
- Allotment of plot/sheds to the NRIs industrialists in industrial areas/estates would be done on priority. The development authorities and housing boards would also give topmost priority for allotment of residential houses/plots to the NRIs under their residential scheme. These facilities will be available to those NRIs who make the payment in foreign currency.
- Uttar pradesh state Industrial Development Corporation (UPSIDC) will extend equity participation to the tune of 15% of the total project cost to technically qualified NRI entrepreneurs.
- PICUP and U.P Financial Corporation would provide seed capital up to a limit of Rs. 1 lacs to the technically qualified NRI entrepreneurs on topmost priority.

V) UPDC
Government of Uttar Pradesh has set up a Council named “Uttar Pradesh Developed Council" (UPDC) to boost the development of the State especially industrial development. The Council comprises of prominent industrialists and Head of the Departments.
VI) UDYOG BANDHU

Udyog Bandhu is a non-profit body set up by the Government of Uttar Pradesh to provide Single Window assistance to the industries in Uttar Pradesh.

It functions from Lucknow and is comprised of a team of officers from various Industrial Corporations. Udyog Bandhu acts as an effective catalyst facilitating growth of industries in the State. Udyog Bandhu provides:

Useful information on availability of incentives and various facilities such as land, power and finances. The services of a NODAL Agency for the Non Resident Indians. Liaison with various government departments. An opportunity to entrepreneurs for taking up their cases before the High Power Committee. Udyog Bandhu takes up problems with respective departments separately on fixed days. It is an attempt to sort out the problems on a tripartite basis.

The High Power Committee is a unique concept. It is a team of officers heading the various government departments, corporations, financial institutions etc. It meets every month to take up various pending problems of all the sectors of Industry.
INDUSTRIAL DEVELOPMENT IN UTTAR PRADESH

Potential And Prospects

1. Uttar Pradesh has ample natural wealth and resources, especially in the form of perennial and plentiful water supply and rich alluvial soil. Its major rivers originate in the Himalayan region above the show-line and provide ideal conditions for the generation of hydro-electric power. However, there is urgent need to regulate water supply and control recurrent floods which periodically devastate vast agricultural areas although, at the same time, they also enrich the soil.

2. These natural advantages have not been made full use of during the last 40 years or more of independence. The reasons include the agrarian system and perhaps also the apathy that comes from easy life. Over the ages, U.P. has developed a work ethos which has not been very congenial for the promotion of entrepreneurship. No wonder that there are no family names in U.P. that have made any worthwhile contribution to the Industrial development of that state or any other. Whosoever has ventured in this field is invariably from outside, either Punjab, Haryana or Rajasthan.

3. Leaving the question of establishment of public sector units in U.P. which can be counted on one’s fingers and the total investment in them which has been very low, the successive Governments of the state do not seem to have done as much as many other did in order to attract industries to them. One used to hear murmurs that industrial licenses were not given as generously to U.P. as to other States. Whatever the truth of such statements, now that industrial licensing is no longer necessary, it will be the responsibility of the Government of U.P. to create conditions in the state which attract investment and bring about attitudinal changes in the official machinery. This will make it possible for the prospective industrialists to choose locations in U.P. rather than in other states. Foreign investment will also have to be attracted but let it not be forgotten that it will come tied to the apron strings of Indian investors and follow their example.
4. While it cannot be said that the incentives given by the state to the intending entrepreneurs have been less than comparable to those offered by the other states, poor implementation and follow up and the absence of enterprise-friendly climate seem to be the main reasons for this state of affairs. It would also appear that the hiatus between promise and performance, precept and practice, planning and implementation has continued to widen over the last seven five-year plans. Huge amounts spent by the state in setting up the various centers of training and extension, model farms and nurseries, programmes of rural development, health and hygiene, education facilities, rural electrification and allied infrastructure, especially of roads, have not yielded the desired results. A great deal of activity is seen on the paper but much less on the ground. As already stated, the main reason for this failure is the absence of entrepreneurship and work ethos.

5. A detailed study of the potential and prospects of U.P. 's economy shows that although there is an abundance of water resources and good quality agricultural lands, other natural endowments of the state by way of industrial raw materials, minerals, etc. are inadequate to support large-scale industry, except for a range of agro-based enterprises. But the overall picture, as regards natural resources, is not as bleak as it is made out to be. It is only that even these resources and their potential has not been exploited adequately and properly.

6. The state has a poor infrastructure of roads and communications and suffers from severe shortages of power, essential for setting up industries. Poor infrastructure is, in fact, its weakest point.

7. Establishment of industries based on imported raw materials from neighbouring areas and states is a possibility but the pressure it would exert on the existing infrastructure of roads and rail may not make this a feasible proposition in the short term. Broadly speaking, industries based on raw materials available in the state itself or those based on semi-finished materials brought from outside, using associated gas as fuel or electricity as the motive power, would be more suitable for establishment or expansion.
8. In particular, U.P. is more suitable for the following types or categories of industries:-

a. Agro-based and forest produce-based industries: these have to be high-tech and not on traditions lines like the existing sugar or textile industries based on old and outmode technology, which renders them uneconomic and sick. The industries that could be considered as feasible include food and vegetable processing, molasses and alcohol based value added chemical industries, babasse based paper, meat and fish processing and preservation, etc.

b. Medium scale industries based on locally available raw materials and minerals, e.g. cement, ceramics, glass, etc.

c. A wide range of metallurgical, engineering, chemical (including fertilizers), petro-chemical, pharmaceutical, electrical and electronics industries large medium and small scale (as the case may be). Some details are given later.

d. The traditional handloom and handicrafts industries of U.P., already well-dispersed all over the state, need modernization of technology and equipment and of their management and marketing methods. These industries are too many to enumerate here. Howere, some well-known crafts like brasswares, chikan work, embroidery, lock and scissors making, builders 'hardware, glasswares and cutglass chandeliers and bangles, etc., carpet weaving and handlooms may be mentioned.

The priorities - who should do what?

It is considered desirable to indentify and pinpoint a few industries which can be set up by the private sector on a priority basis. No doubt, Government has also to give desired push and provide necessary enterprise and is free from bureaucratic hassles and red tape, adequate and dependable infrastucture (including power and roads), and a peaceful law and order situation.

A. Action by private sector:

The private sector may consider setting up the following industries and/or expand the already existing capacities:
a. Electronics, including computers (software and hardware) computer peripherals, telecommunication equipment and accessories, equipment for transmission of electronic data, radio receivers, televisions, VCPs, VCRS, etc.

b. At least one watch and clock making unit should be set up somewhere in the western U.P. hills (one is already near Haldwani), where the atmosphere is pollution free, the climate is suitable and land and water are easily available. The township of Kalagarh built during the construction of Ramganga dam and later virtually abandoned is suitable for the purpose.

c. Light engineering industries, including machine tools and computarised numerically controlled (CNC) machine tools. Two and three wheelers and automotive ancillaries, bicycles and parts, sewing machines, electric fans, etc.

d. Down-stream petro-chemical industries, such as drugs and pharmaceuticals, inorganic dye-stuffs, paints and varnishes, etc.

e. Agro-based industries other than sugar e.g. industrial alcohol, chemicals and food, fruits and vegetable processing industries, meat and fish preservation and processing.

f. Tea plantation and cultivation of herbal and medicinal plants and their commercial exploitation are the other possibilities in the agro-industry sector.

g. At one time areas around Berinag, Dunagiri, Pauri, Dehra Dun and Mussoorie were covered with sizeable tea plantations which have decayed and deteriorated. There is some renewed interest in tea plantation now which needs to be encouraged.

h. Similarly, Himalayan herbs and medicinal plants also have a potential. Many of the species have been destroyed or have depleted due to the decline in forest cover. These herbs and plants could be cultivated in an organized manner as a commercial activity.

i. Gas-based fertilizers and gas-based power plants. The gas pipeline from Hazira now terminates at Babrala (near Aonla) and Jagdishpur. It should be extended to Gorakhpur in the east from Jagdishpur.
(Amethi), and to Moradabad and Kalagarh-Kashipur area from Babrala or Aonla and to the Kanpur-Mirzapur area from Auraiya.

j. Three gas-based sponge iron plants of medium size (like the one now coming up at Jagdishpur) should be set up, one each in the north-western, north-eastern and south-eastern region of the state.

k. The feasibility of setting up an integrated steel plant of 2-4 million tonne capacity, based on coal and most modern technology should also be examined.

l. Tourist facilities, e.g., hotels and motels, guest houses, tourists road taxi services, air taxis, setting up of facilities at winter sports complexes, such as at Auli near Joshimath and Pindari Glacier.

B. Action by state Government, and/or central Government:

(i) A network of first class road connecting all important cities and towns of the state should receive the highest priority, because road and the automobile have led to economic prosperity in other countries and even in some of the states in the country, notably Haryana, Gujarat and Tamil Nadu. It must be appreciated that economic progress follows the roads. Road development and expansion must, therefore, receive the highest priority of the state Government.

(ii) In particular, the State should construct an all-weather metalled two to four lane highway running through the belt of land between Tarai and the Gangetic plains, starting from Paonta Sahib in the west to Paadrauna (Deoria) in the east. This road should pass through towns like Dehra Dun, Haridwar, Afzalgarh, Kotdwara, Kashipur, Ramnagar, Haldwani, Pantnagar, Pilibhit, Nanpara, Balrampur, Gorakhpur and Paadrauna. This road already exists but with some detours. It has many missing links and weak bridges and culverts.

(iii) The highway systems from east to west through the central districts of U.P. and the southern fringe are already parts of national highways. However, there are certain areas especially in Mirzapur-Chitrakoot Buldelkhand region where roads have to be widened and strengthened.
(iv) The national and the state highways connecting industrially and commercially important towns between Delhi and Bihar and running through cities and towns like Ghaziabad, Bulandshahr, Aligarh, Etawah, Kanpur, Fatehpur, Allahabad and Varanasi, have to be widened to four-lane highways with a central verge. This will help quicker movement of traffic with relatively lesser chances of accidents and hold-ups.

(v) Two four-lane national highways should be developed to connect central U.P. with the two major ports, viz Kandla on the west coast and Paradeep on the east coast. The Kanpur-Jhansi-Shivpuri national highway No. 25, should be extended from Shivpuri national highway Chittaurgarh and Udaipur and thence to connect Bundi; Chittaurgarh and Udaipur and thence to Gandhinagar and Kandla. The major length of this proposed highway is already under national and/or state highways. The national Allahabad, Mirzapur, Renukoot, Rourkela and Cuttack. A major part of the highway already exists. It needs to be improved and modernized.

(vi) The central Government should improve and double the broad-gauge railway lines between Kanpur to Paradeep on the south-eastern side, passing via Katni, Bilaspur, Korba, Sambalpur and Cuttack and from Kanpur to Kandla in the west, passing through Jhansi, Ratlam and Gandhinagar.

(vii) While on railway expansion, it is also imperative that the decision to convert the metre-gauge rail tracks to broad-gauge in the northern and north-eastern parts of U.P. is implemented expeditiously. This will help in speedy transportation of fruits and vegetables from hilly areas to the plains and boost tourism.

(viii) The Ganga should be desilted and made navigable for smaller sized motorized goods transport vessels, down-stream from Kanpur. Similar action on the Yamuna is needed down-stream from Agra-Kalpi area.

(ix) Octroi wherever applicable should be abolished and sales tax 'nakas' reduced to the minimum to promote quicker flow of traffic and saving of fruit.
(x) The state Government should ensure uninterrupted power supply at reasonably economical and stable rates. For this purposes the proposed four gas-based thermal power plants should be commissioned on an emergency basis. Import of gas-turbines seems to be the main problem. The Government of U.P. might approach the central Government for arranging a work Bank loan or similar credit from a suitable international lending organization (s) like the Asian Development Bank, etc.

(xi) Medium and small-scale irrigation dams, also capable of generating hydro-electricity, in the sub-montane area should be constructed. The places in the foothills where these dams may be constructed would also develop as new centers of industrial activity.

(xii) As for other infrastructure, the following measures are needed to implemented on a priority basis

a Establishment of an international airport with all the facilities required by passengers and a air-cargo terminal with facilities for customs clearance of both export and import goods, and allied infrastructure. This should be located in the Lucknow-Kanpur area.

b Establishment of two more air cargo terminals with cargo clearance facilities, one in the western part of U.P. and the other in east. All the three air cargo terminals should function as full-fledged dry-ports.

c Quick and reliable communications are a must for all-round economic progress. Commerce and industry cannot do without fast and reliable phone lines and telex and fax services. Since part of the telecommunication area has already been opened to the private sector (e.g. manufacture of phone instruments and equipment, cables and wires, etc.) the installation of phone lines and setting up switching equipment and telephone exchanges should also be opened to private sector. A beginning can be made from U.P. which is such a large state that it deserves to have a telecommunication system of its own which is efficient and dependable. This can be provided efficiently by the private
sector. The state Government should therefore invite reputed multinational telecommunication companies to set up telephone, Telex and fax services in the state. (This will need an amendment to the constitution: Seventh Schedule-list I, s.n. 31).

C. Tourism
The state has also to strengthen the infrastructure of road electricity connecting all places of tourist interest. This already exists in bits and places, but has to be upgraded and modernized along with the provision of quick communication facilities and other services needed by the tourists.

At present tourism in U.P. can be broadly divided into: (i) religious tourism, and (ii) excursion tourism. Certain well-defined tourist circuits combining religious and excursion tourism could be developed, such as:

a Pilgrim routes in hills to the four prominent places of religious importance, namely, Yamnotri, Gangotri, Badrinath and Kedarnath can be combined with trips to the temples of Baijnath, architecturally famous all over the north, and with excursion tourism to places like Auli, the valley to Flowers, the Nanda Devi National Park and the Pindari Glacier. Adequate Precautions, however, need to be taken to protect the environment and the flora and the fauna of the area.

b The other places which are not unknown like those mentioned earlier but deserve to be given better attention and sold abroad through tourist and travel agencies are Agra, Mathura, Vrindavan areas which may be combined with Khajuraho (in M.P.) and Chitrakoot, Vindhyachal, Varanasi in the southern and south-eastern U.P.

c The state Government may also run on its own, or in collaboration with private sector/NRTS, air-tax and helicopter services to connect places of tourist interest referred to above.
D. Rural Development and literacy

The following action needs to be taken by the private sector and/or the state Government.

- Adoption of one or more village(s) in each district of the state by the private sector.
- Development of mandis with necessary infrastructure facilities (by the private sector or in the joint sector).
- Opening up literacy campaign centers in every village. Roads and literacy are the two basic pre-requisites of economic development.
- Setting up of Bio-Research centers with Tissue culture facility to promote High Yielding varieties of seeds, particularly oil-seeds and cash crops like cotton, sugarcane and spices.

E. Education

Two more engineering colleges of the status of IIT, two high level institutes of Business Management (one with specialisation in financial and fiscal management), two medical colleges and two Nurses' Training centers should be established at the earliest.

F. Mineral Resources

It is generally believed that U.P has paucity of mineral resources although in the foothills of Himalayas there are occurrences of copper, soap-stone, dolomite, magnesite, etc. Traces of iron are having also been found. There is general belief that there must be bauxite and enough coal in the southeastern parts of U.P what is, therefore, necessary is that a thorough geological survey should be undertaken with technical collaboration of companies which have developed expertise in remote sensing with capability of looking deep into the bowels of the earth. Assistance of UNIDO should be asked for this purpose. Late Shri K.D. Malviya used to say that there must be plentiful deposits of oil and gas under the alluvial plains of U.P. right upto the Bay of Bengal. How deep are they is the question? Explorations in Badaun region have not been very promising so far. But how about going still deeper? The Sundarbans and bay of Bengal which had been ruled out as a potential source of oil are now being
Bengal which had been ruled out as a potential source of oil are now being reckoned as promising. A systematic geological survey is an idée which must figure prominently on the agenda for U.P.'S development.

G. Law and order

Last but not the least, there is need to take effective measures to improve the deteriorating law and order situation.

In conclusion, it may be reiterated that there is need for attitudinal change and work ethos of the people. It is also essential that the state Government and the administration at the grass-roots level, the elected representatives of the people, the workforce and the population as whole must develop a new sense of purpose and work-culture which promotes enterprises and industries. A stable and encouraging industrial climate, adequate and dependable infrastructure, uninterrupted power supply, a continuity of sound and pragmatic economic policies and maintenace of good law and order are the essential pre-requisites.

In conclusion, it may be reiterated that there is need for attitudinal change and work ethos of the people. It is also essential that the state Government and the administration at the grass-roots level, the elected representatives of the people, the workforce and the population as whole must develop a new sense of purpose and work-culture which promotes enterprises and industries. A stable and encouraging industrial climate, adequate and dependable infrastructure, uninterrupted power supply, a continuity of sound and pragmatic economic policies and maintenance of good law and order are the essential pre-requisites.
OBJECTIVES OF THE PROPOSED STUDY

The secondary sector i.e. industry stands only next to the primary sector, the Agriculture in economic setup of the Country. Economic development is crucially dependent on industrial development, both with respect to the industrial sector's pivotal contribution to economic growth and even more conspicuously with regard to the structural transformation of an economy.

Often, industrialization is seen as a motor behind many of the processes usually termed "social transformation" and "modernization". More specifically, there seem to be at least three ways in which industry helps to achieve the goals of social development:

- Industry's substantial contribution to economic growth helps to create a large portion of the resources needed to fund social development programmes.
- Creation of employment and hence generation of income take place in the industrial sector directly and are indirectly fostered in other sectors -- like agriculture or services -- through their linkages to industry.
- Industry promotes various aspects of social integration through its general thrust towards modernization and makes a specific contribution to the integration of women by way of productive employment.

Economic progress and employment could be possible through industrial sector therefore industrial advancement achieves top priority among all national and state programmes. The formulation of new industrial policy proves the fact. National and state Government are highly sensitive in this direction.

U.P. is one of the most important states in India. With a disciplined, productive and inexpensive manpower, it has attracted some of the largest international companies to set-up their business in the state. Thus today U.P. has Coca-Cola, Pepsi, Glaxo, Daewoo, Honda, Piaggio, and innumerable others doing thriving business. U.P. is presently the address of every one who matters in the industry in India.
In case of the Industries sector, the State Government of UP is giving emphasis on setting up of export oriented units and units where substantial foreign investment is forthcoming. There is considerable scope for investment in this sector in U.P. as traditionally this state has a large population of the persons engaged in this manufacturing.

Kanpur Dehat District is in UP an important site had been extremely backward and has been declared as Zero Industry District. It was devoid of any strong hold of income and capital formation. It is a quite backward district of the state. There are only three developed blocks where industrial areas & estates are available. These are Jainpur, Sarvankhera and Rania in Akbarpur Tehsils. Besides above, some industrial development has also taken place in Bhognipur and Amraudha. Rest all the blocks come under zero industry category.

However with formation of few government organizations like UPSIDC, UPSIC, UPFC and UPKVIB etc, the pressure of population has clearly shifted from agriculture sector to industry on account of industrial development in Uttar Pradesh. These state government undertakings have been working relentlessly towards upgrading the infrastructural profile of the state and taking humble step for the industrial development of the State of Uttar Pradesh by providing term loan assistance to small and medium scale units. As a result the renewed thrust is directed towards attracting new investments in U.P. and makes existing investments more productive.

U.P Finance Corporation (UPFC) – the main public sector financing body was organized in 1954 has provided long time and short time loans to the tune of 2846.33 crores in about 39969 cases by March 31, 2001.

U.P State Industrial Development Corporation (UPSIDC) was setup in 1961. The main object for establishing this Government Organisation was to provide financial assistance and developed land for industrial growth. It also develops industrial sites for rapid industrial development.
U.P Khadi and Village Industries Board (UPKVIB)- a State Government owned organisation, it functions to have rural industrialisation in the state of U.P. through development of Cottage and Village Industries.

Another and the last of financial unit established in 1958 is U.P Small Industries Corporation (UPSIC) besides its main objective of extending financial aid it contains various other schemes for training, raw material and technical know-how etc.

The extension and level of economic and industrial growth in any defined area forms the basis of evaluation and appraisal of activities of any public sector organization. The proposed study focuses its attention upon the contribution of public sector organization in the industrial development of Kanpur Dehat.

The research objectives are

- Bring out the significance of these organizations in respect of their functions and achievements. The appraisal of role of government organisation in relation to economic growth etc. could be of relevance.
- The researcher is inspired for investigation with the motive that the study in addition to finding out the real existing position of public sector organization in respect to envisaged industrial development also aims at providing orientation for proper utilization of existing means and resources for desired development as well as for suggesting certain structural reforms.
- To examine the case for government intervention in a range of sectors with different economic characteristics in different national political and market contexts.
- In the various sectors and national contexts, to identify alternative forms of relationship between government and the operators of services, and the institutional conditions on which they depend.
- To evaluate the performance of alternative forms of government-operator relationship in the provision, production and delivery of public
services, with respect to both the performance of roles and the efficiency and equity of outcomes.

- To identify the factors, which affect the capacity of government to undertake its roles, particularly those of regulation and enablement, taking into account internal and external constraints.

Although the state government has established so many agencies for industrial development but for specific investigation the researcher has selected four important agencies i.e. UPSIC, UPSIDC, UPFC and UPKVIB.

The proposed study has been divide into eight chapter - Introduction, Kanpur Dehat - a General overview, UPSIC, UPSIDC, UPFC, UPKVIB, Kanpur Dehat - An Industrial Overview and last Conclusion, Findings and Suggestions.

The proposed study could prove significant presently an in times to come for future Researcher, Planning Department, Finance Department, District Development Department and also to Various Corporations, Government Agencies and Industries. It will be multipurpose utility in the defined area.
The Highlights of new policy are as follows:

**Infrastructure**
- Creation of Industrial Infrastructure Development (IIDF) with a Budgetary Provision of Rs. 50 crore. Rs. 50 crore budgetary provisions will be made in the next four years also. Fund will finance and subsidize Initiatives in infrastructure creation;
- Establishment of Industrial Infrastructure Development Authority (IIDA) to manage IIDF. IIDA to work under a whole-time managing director, drawing professional personalities in its management. IIDA will have right to collect user-charges and raise capital and will become self-sustaining through professional project planning and implementation;
- Creation of world-class infrastructure through private partnership. Facilities like transshipment centers, integrated transport and trade centers, exhibition halls, trade centers, container depots, way-side facilities, display centers etc.;
- Maintenance of Industrial Estates by a Co-operative Society of the Entrepreneurs. The Society will receive 60% of taxes collected by the local authority and may be granted necessary financial assistance as and when necessary;

**Power & Energy**
- Uninterrupted power supplies for 24 hours to Industrial Areas. IT/BT/Food Processing/Agro-based industries involving investment of more than 10 crores and other industries involving investment of more than 50 crores will be supplied electricity through dedicated feeders;
- Feeders having 75 per cent or more industrial load will be deemed as industrial feeders and will be exempted from power cuts;
Dedicated feeders built at the cost of industries shall not be tapped for any other purpose, except where such industry consents to tapping of such feeders for another industrial unit under mutual agreement;

- Captive and Co-operation to be promoted;
- Natural gas to be promoted as an alternative source of energy;

Fiscal Assistance-Infrastructure Projects

- Financial Assistance for investment in infrastructure projects:-
  - Industrial Estates for IT/BT units are eligible for 50 per cent of investment or Rs.250 lac, whichever is less;
  - Other industrial estates are eligible for 20 per cent of investment or Rs.250 lac, whichever is less;
  - Call center hubs having covered area of not less than 10,000m² are eligible for 50 per cent of investment of Rs.50 lac, whichever is less;
  - Convention halls, multimedia centers, exhibition grounds and business/trade centers having recreational facilities:
    - Covered area of not less than 5,000m² but less than 10,000m² are eligible for 50 per cent of investment or Rs. 50 lac, whichever is less;
    - Covered area of not less than 10,000m² are eligible for 50 per cent of investment or Rs. 100 lac, whichever is less;
    - Common facilities in industrial clusters, which are recommended by industrial associations are eligible for 50 per cent of investment or Rs.200 lac per whichever is less;
    - Laboratories for quality control and Research and Development for products of small scale industries are eligible for 50 per cent of investment or Rs.100 lac, whichever is less;
  - Case to case approval by Cabinet on the recommendation of high powered committee under the chairmanship of chief Secretary;
Stamp Duty & Registration Charges on Land

- 100 per cent exemption from payment of stamp duty:
- new small scale units in 24 districts of Poorvanchal and 7 districts of Bundelkhand;
- infrastructure projects;
- IT/BT, and food processing units and call centers;
- Service sector projects as enumerated below:
  - Multi-Facilities hospitals with specified facilities and having 100 beds;
  - Super-specialty hospitals with specified facilities;
  - Hospitals at block headquarters with specified facilities and having at least 50 beds;
  - Hospitals in rural areas other than a block head-quarter with specified facilities and having at least 30 beds;
  - IT/Technical education institution at block headquarters teaching syllabus approved by the State Government for this purpose and having at least 75 student/apprentices;
  - Medical and dental colleges, other educational institutions, multiplexed cinema halls, shopping malls and entertainment centers investment in building and machinery in which is not less than Rs.10 crore;
- 50 percent rebate in stamp duty on all industrial projects;
- Facility of registration of all industrial projects at concessional rate of Rs.2 per thousand, subject to a maximum of Rs.5,000. This facility is available on services sector projects listed;

Fiscal Incentives- Service Sector

- Service sector projects listed will also be eligible for:
  - exemption from acquisition charges if land for the project is acquired by the Government;
  - exemption from entry tax on plant and machinery used for the establishment of project;
  - exemption from electricity duty for 10 years from the date of establishment;
  - exemption from development charges and malba charges levied by the development authority/local authority;
exemption from house-tax, water and sewage tax and all other taxes/charges levied by the development authority/local authority for five years from the date of establishment;

**Incentives for new investment in the State-**

- per cent capital subsidy on investment in new small scale units in 24 districts of poorvanchal and 7 districts of Bundelkhand, subject to a maximum of Rs.5 lac;
- units of women and SC/ST entrepreneurs in such areas to get 15 percent capital subsidy subject to a maximum of Rs.7.5 lac;
- 5 per cent interest subsidy to new small scale units for five years subject to a maximum of Rs.2.5 lac per annum;
- concessional rates of 2 per cent of CST instead of 4 per cent;
- power bill subsidy equivalent to trade-tax paid on raw materials;
- exemption from entry tax on plant and machinery used in establishment of new units;
- first new units in every district with an investment of least 10 crores in case of IT/BT/food processing units and 25 crore in case of other units to be reckoned as pioneer units. Pioneer units will get interest free loan under Industrial Investment Promotion Scheme(IIPS) for 15 years instead of 10 years;
- new industrial units employing more than 50 percent or 500 women and 25 percent or more SC/ST employees will be entitled to addition 20 percent of interest free loan under IIPS.
- all new industrial units will be exempted from payment of electricity duty for 10 years. Pioneer units will be exempted for 15 years.
- projects having investment of more than Rs. 500 crore will be considered on a case to case for providing incentives.
Incentives to Existing units

- Stamp duties on business transaction to be rationalized to Rs. 2 per thousand for;
- Agreement relating to deposit of title deeds for pawn or pledge, from existing Rs. 5 per thousand;
- Bank guarantee, subject to a maximum of Rs. 10,000 from existing Rs. 5 per thousand subject to a maximum of Rs. 10,000;
- Conveyance of movable property belonging to the industry, from existing Rs. 20 per thousand;
- Mortgage deed in which possession is not transferred, from existing Rs. 70/- per thousand;
- Collateral security, from existing Rs. 10 per thousand;
- Rates of interest on arrears of declared trade tax and assessed trade tax to be reduced to 14 per cent and 12 per cent respectively from existing 24 per cent and 18 per cent respectively;
- Reimbursement of 50 per cent expenditure incurred on registration of patents and other intellectual property rights, subject to a maximum of Rs. 5.0 lac;
- Interest rates of state financial institutions to be brought at par with bank/market rates;
- Reimbursement to small scale units of expenditure incurred on-
  - Obtaining quality certification, 50 per cent of expenditure subject to a maximum of Rs. 2.0 lac;
  - Market and technical studies and study of production skills, 90 per cent of expenditure subject to a maximum of Rs. 50,000;
- Incentives to existing small scale units under U.P Small Industries Technical Upgradation Scheme;
- 50 per cent subsidy, subject to a maximum of Rs. 2.5 lac for purchase/import of technical know-how from government recognized institutions;
- 50 per cent capital subsidy, subject to a maximum of Rs. 2.00 lac for purchase of additional machinery for increasing production;
- 5 per cent interest subsidy for five years, subject to a maximum of Rs. 50,000 per annum, on loans from banks/financial institutions for purchase of machinery;
- Purchase of diesel for captive power plants permitted against form 3-B;
- Identification of trade fairs and exhibitions will be made at the beginning of the year itself and participating industrialists shall be chosen through a transparent process at least 6 months before the event. State Government will bear 50 per cent of transportation and space renal expenditure;
- Deregulation and Simplification;
- An Act to be passed for effective implementation of Single Window Clearance System;
- System of self-certification and third-party certification will be introduced;
- Only one combined inspection of industries in a year;
- Small scale units having less than 25 employees exempted from labour laws;
- Entrepreneurs and traders having turnover upto Rs. 3 lac exempted from trade tax registration;
- Automatic approval of industrial building maps on submission except for a restricted list of highly-polluting industries;
- Compulsion of giving employment to land-holder in lieu of acquired land removed;
- In case of recovery of dues-
  - Stamp duty to be charged on actual auction amount;
  - recovery charges on actual amount recovered/amount of OTS only;
  - Breaking local truck cartels;
  - U.P. Shops and Establishments Act, 1962 will be amended considering the needs of Call Centres, Multiplexes, Shopping Complexes and other services facilities which keep open for 24 hours;
Industrial Corridors

Based on certain natural advantages and existing investments, the Industrial Policy has identified certain specific areas as industrial corridors. The State Government has decided to develop these areas as ‘Areas of Excellence’ by accelerating infrastructural facilities with active participation of private sector.

The areas identified to be developed as Industrial Corridors in the first phase are:
1. Noida-Greater Noida-Ghaziabad-Gautam Budh Nagar
2. Meerut-Moradabad-Bareilly
3. Agra-Aligarh-Firozabad-Khurja (Bulandshahar)-Kosi (Mathura)
4. Lucknow-Unnao-Kanpur
5. Allahabad-Bhadoi-Varanasi-Mirzapur
6. Gorakhpur-Basti-Deoria
7. Jhansi-Lalitpur-Jalaun

Infrastructure Mapping

Considering the importance of infrastructural facilities, the State Government undertook an exercise for ascertaining the position regarding their availability in industrial areas. This has enabled identification of infrastructural gaps as well as assessment of requirement for the future.

As a result of detailed infrastructural mapping, conducted through expert agencies, 68 infrastructure projects have been identified in the 7 industrial corridors of which 52 are to be implemented in the private or joint sectors.

Private Sector Participation In The Development Of Infrastructural Facilities

A policy for encouraging private sector participation in providing top class infrastructural facilities has been adopted. Special emphasis will be laid on providing following infrastructural facilities with the help of private sector.
• Development of model industrial area.
• Power generation and distribution.
• Development of Air Transport.
• Express Highways, bye passes and bridge construction.
• Setting up of Inland Container Depots/Container Freight Stations.
• Development of Technology Park.

Development Of Model Industrial Areas In Selected Places With Private Participation

It is proposed to take up the development of Large Model Industrial Areas at following places in the first phase:

1. Ghaziabad
2. Akbarpur(Kanpur Dehat)
3. Gorakhpur

The following places are also proposed for providing facilities for industrial development with the help of private sector:

1. Bulandshahr 8. Bareilly
3. Muzaffarnager 10. Etawah
4. Saharanpur 11. Mirzapur
5. Mathura 12. Sonbhadra

A Committee under the Chairmanship of Industrial Development Commissioner & Principal Secretary, Industry has been constituted to consider the proposals for developing industrial areas in the joint sector.

The following facilities shall be made available for the development of industrial area in the joint sector:

• Construction of the external drainage and the road connecting the industrial area with main road shall be undertaken as far as possible with the help of the Government.
The State Government will provide all possible support to seek assistance from the Government of India for the Development of infrastructure facilities in such industrial areas.

- Offices of concerned Government Departments shall be set up in the industrial area as per the requirement special incentives would be considered in such industrial areas. Decisions in this regard will be taken by the Empowered Committee under the Chairmanship of the Chief Secretary.

Arrangement Of Land For Industry

Rationalisation of Procedure for producing land above 12.5 acres

Procedure for obtaining land for industrial projects has been considerably streamlined. Divisional Commissioners have been authorised in place of the State Government to grant permission for obtaining land above 12.5 acres.

Quick Disposal of issues pertaining to acquisition of land

With the objective of making the acquired land quickly available units, the Empowered committee under the Chairmanship of the Chief Secretary has been authorized to take final decision. Consequently, files will no more be required to go through the District Collector and the other departments of the Government.

Land acquisition through negotiation

In order to save un-necessary disputes and to allot land in due time, an arrangement has been made to solve them through negotiations and mutual undertaking. The District Collector will supervise these negotiations and award land for acquisition.

Rationalisation of procedure pertaining to exemption of surplus urban land, such an arrangement will be made under which the permission of Director of Industries/Divisional Commissioner shall be sufficient for exemption under the Urban Land (Ceiling and Regulations) Act 1976 under Section 20 for the purpose of industrial projects. Consequently, files would not
need to go to the various levels of administration and the State Government. 

U P has around 11 lacs hectares of usable/waste land. With the objective of improving the environment, creating employment opportunities, availability of raw materials for industrial units and for the economic development of the State, it has been decided to utilize such land for free plantation. A detailed policy will be announced for allowing industrialists to grow trees on such land which would be allotted to them on lease.

**Procedure For Allotment Of Plots In Industrial Areas**

Entrepreneurs intending to get industrial plots in various areas developed by UPSIDC are required to submit formal request on prescribed application form along with a copy of brief project profile, and a rough sketch plan for utilization of land along with requisite amount of earnest money fixed for each industrial areas. After assessing the requirement of land as per the norms the formal allotment letters are issued. The allottees are required to pay 25% amount of the total premium of plot in fast moving industrial areas and 10% amount of total premium in slow moving industrial areas within 30 days from the date of issue of allotment letter. The allottees are expected to commence construction within 9 months and put their units into commercial production within 24 months from the date of license agreement.

**Special Efforts For Development Of Air Transport**

U P Government is laying special emphasis on the development of Air Transport. Presently domestic airlines are providing transport facilities to Agra, Lucknow and Varanasi. Efforts are being made to provide such services at Kanpur, Allahabad and Gorakhpur as well.

The State currently has 20 airstrips and 3 major airports. Lucknow airport has recently been upgraded as an International Airports and flights are now available from there to Sharjah, and Abu Dhabi. Efforts are being made to get flights to Singapore also. The State use of various airstrips by private air operators.
There is a tremendous potential for development of airstrips at a number of places. In case any industrial organization wants to develop an airstrip near its unit which can be used for public purpose as well, free land and other concessions would be considered on a case to case basis.

**Upgradation Of Telecommunication Facilities**

Government is laying special emphasis on providing quality telecommunication services in industrial areas. Efforts are being made at an appropriate level in the Government of India for expanding and upgrading telecommunication facilities. Special efforts shall be made by U P State Industrial Corporation, various development authorities and UPTRON for the development of telecommunication facilities in the private sector. Equity participation shall also be undertaken in the joint sector for the purpose of development of telecommunication facilities. Land, electricity etc. shall be made available on priority for this purpose. The State Government will provide all possible assistance for procuring sanctions from Government of India.

**Setting up of Industrial Cooperatorative Societies For Maintenance Of Industrial Areas**

Maintenance of industrial areas is also important apart from the development of such areas. Industrial policy of the State had resolved that Industrial Cooperative Societies will be constituted an associated with the maintenance of industrial estates.

**U.P Industrial Area Development Authority**

UPSIDC has been converted into U P Industrial Area Development Authority with specific funds for the upkeep and maintenance of industrial areas in the State.

**Positive Change In The Functioning Of The Adminstration**

The State Government is committed to develop new work culture for the purpose of industrial development in the changing economic scenario. In this context, special emphasis will be laid on the following:
• Positive outlook
• Friendly and Cooperative Attitude
• Transparency in administration
• Large scale computerization of various departments of the State
  administration
• Quick Decision
• Rationalization of procedures
• Timely sanctions
• Effective coordination
• Time bound disposal of problems
• Information dissemination and guidance

Abolition of Inspector Raj
In keeping with the commitment, the State Government has taken the
initiative to abolish Inspector Raj for the purpose of removing hindrances
to speedy industrialization. As a first step, various departments have
issued amendments to the existing administrative orders. Consequently,
inspectors of various departments will not be able to undertake inspections
at their own discretion. Only 5 units shall be inspected on the basis of
random sampling. The identification of units to be inspected will be done
either by the Head of the Departments or the District Magistrates.

Deregulation Commission
The State Government has constituted a Deregulation Commission to look
at all the laws, rules and procedures and suggest charges whenever
required. The Commission is likely to submit its report shortly after which
comprehensive review of all the laws would be made.

Empowered Committee
The Empowered committee has been constituted under the Chairmanship
of the Chief Secretary to ensure timely release of sanctions for putting up
an industry. This Committee has been authorised to consider special
concessions to industrial units which have an investment of more than
Rs.50 crore on a case to case basis.
The Empowered Committee has been authorised to take decision on following issues:

- Such matters referred to the Government pertaining to sanction of electricity.
- Sanctions to industrial units under the Urban Land Ceiling Act and acquisition of such land.
- Sanctions pertaining to land acquisition for industrial purpose.
- Interdepartmental coordination for the purpose of making infrastructure facilities available.
- Allocation of raw materials to industrial units by various departments.
- Rationalisation of trade tax structure and procedures for the purpose of industrial development.
- Decisions pertaining to industrial units which have an investment of more than Rs. 50 crores on a case to case basis.
- Water allocation from rivers and canals to industrial units.
- Government guarantee for loans to be taken by State Level Financial Institution, Industrial Authorities and Public Sector Undertakings.
- Analysis and improvement of the existing policies, rules and regulations.
- Any other matter pertaining to industrialisation of the State.

**Improvement In The Decision Making Process**

**Strengthening of ‘Single Window’ System**

The ‘Single Window’ System is operational through the Udyog Bandhu at the district level under the Chairmanship of District Magistrate, at the divisional level. Under the Chairmanship of Divisional Commissioner and at the State level under the Chairmanship of the Chief Minister. Prescribed committees of the Industrial Development Authorities have been authorised to issue most of the sanctions at their own level.

**Change In The Outlook Of Officers**

Steps have already been taken with the help of some industrial organizations to bring about a change in the attitude of officer and officials.
at the lower level. Considering the importance of such a change in the present context, efforts shall be made to organize workshops and interactions with industrialists.

**Environment And Industrialisation**
Considering the importance of environment, special efforts will be made for protecting the ecological balance and environment while promoting industrialization. Directorate of Environment will also play the role of friend and guide. It is in this context that Working Group has been constituted under the Chairmanship of Director, Environment. This Working Group has representatives from industrial organizations.

The Pollution Control Board and the Directorate of Environment shall effectively publicise information pertaining to prevention of pollution. Accreditation shall be given to private institutions so that the objectives of keeping the environment clean is fulfilled and industrialists too are not unnecessarily harassed. Efforts shall also be made to rationalize the various procedures.

**Improvement In Labour Relations**
The State Government is committed to the protection of the interest of the labour. Such an arrangement will be evolved in which the interest of labour class shall be protected and that there is no adverse effect on industrialization. It is in this context, that a Joint Working Group pertaining to labour has been constituted under the Chairmanship of Labour Commissioner so that there is a continuous dialogue between the Government, industrial organizations and labour organizations.

**Special Emphasis On Technical Education**
The State Government is equipped with a large number of institutes imparting Technical education. Special emphasis is being laid on providing useful and relevant course content in such institutes. For this purpose, assistance shall be sought from the industrial organizations as well. Private sector shall be encouraged to set up technical training institutions.
and land on concessional rates shall be Considered on a case to case basis for such units.

**Strengthening Of Udyog Bandhu**

Udyog Bandhu will be made more effective at each level for the purpose of solving the problem of the industrialists and to provide information and guidance to them. This organisation has initiated the process of tripartite discussions at the State level which has yielded encouraging results. Now this arrangement has been extended to district and divisional levels. Udyog Bandhu also undertakes the task of analysing and examining various policies/rules/procedures and prepare proposals for initiating necessary changes and amendments. This organisation will also undertake follow up of the IEMs filed by entrepreneurs, foreign direct investment, foreign technical collaboration and NRI proposals and ensure all possible assistance within a time frame. Udyog Bandhu will also function as the information dissemination center with reference to industry.

**Close Association And Dialogue With Industrial Organisations**

Considering the ever changing economic scenario, the State Government maintains close association and dialogue with the industrial organisations for the purpose of changing the policy and procedures pertaining to industry.

**Joint Working Groups**

The following Working Groups have been constituted which have representations from the State Government and industrial organisations:

1. Electricity
2. Trade Tax
3. Infrastructure
4. Labour
5. Environment

Through the aforementioned arrangement, the Government formally receives suggestions and recommendations of industrialists from time to time.
High Level Joint Committee
A high Joint Committee has been constituted under the Chairmanship of Principal Secretary, Industries which has represented from various industrial organizations and the Government. This high level Committee deliberates upon the issues pertaining to industrial policy and the problems faced by industrialists. It makes recommendations on the basis of such deliberations.

Advisory Council
For the purpose of creating a congenial industrial atmosphere, Industry Advisory Council is being constituted under the Chairmanship of the Chief Minister. Apart from the senior officers of the State, this Council would have representatives from Central Institutions, Labour, Educations and industrialists as its members. This council will provide a forum for discussions at the highest level for the purpose of policy changes to foster industrial development in the State.

The State Government is committed to create an ideal industrial environment with active cooperation from the industrial organization and industrialists.

Incentives and Facilities

Incentives Available
a) Trade Tax
b) Freight Compensation
c) Income Tax

Trade Tax on Raw Materials
All the industrial units except distilleries and breweries are allowed to purchase Raw materials, processing material, consumable stores, machinery equipments, Plant spare parts, accessories, components, fuel and lubricants required for use in the manufacture of goods or packing of finished goods at a concessional rate of trade tax of 2.5%. The purchase
of natural gas for manufacture for scale of chemical fertilizer, however, is liable to tax @5%.

The State has decided to grant the benefit of exemption from entry tax to all the exporters on purchase of raw material, packing materials and other goods required for use in the manufacture of such goods.

**Finished Goods Bi-Products and Waste Products**

All new units, units making expansion or diversification and units making backward Integration are entitled to exemption on finished goods, bi-products and waste Products as per following details:

- Industrial in pipeline as defined in the notification and starting production up to 31.12.2001 shall be entitled for the benefits of exemption on finished goods, bi-products and waste products. Units using fly-ash as raw material between 10 to 23% and above 25% by weight, will be entitled to a rebate of 25% and 50% respectively, of the benefits under the act for the period notified.

- Units certified by Khadigramodyog/Commissions granted benefit of exemption On the goods and manufacturing by them on the turn over of total sales both Under and certified in the Act subject to the maximum of Rs.50 lakhs in an Assessment year.

- Units making an investment of Rs.50 crores or more and manufacturing Goods of special importance as declared under section 14 of CST Act and Granted the benefit of MODVAT under section 4BB of the Act shall be entitled to benefit of exemption on purchases, subject to over all monetary limit.

**Freight Compensation Scheme**

Freight compensation scheme is available to exporters in certain selected cases. This subsidy is disbursed through the Export Promotion Bureau of the State Government.

**Income Tax**

New industrial units established in the districts of Siddharth Nagar, Bahraich, Banda, Pratapgarh, Maharaj Ganj, Basti are eligible for full
exemption from income Tax for the first five years of operation and for
subsequent five years 30% rebate To the companies and 25% to other
units shall be admissible.
In case of units established in Kanpur Dehat, Hardoi, Farrukhabad,
Hamirpur, Badaun, Fatehpur, Lalitpur, Azamgarh, Etah, Barabanki,
Etawah, Deoria, Ghazipur, Ballia, Jaunpur, Sitapur, Jalaun, Unnao,
Faizabad, Manipuri, Gonda, Sultanpur, Mirzapur, and Mau districts, full
exemption from income tax for three years shall be admissible and in the
next 5 years, 30% rebate from income tax To companies and 25% rebate
in case of other units shall be admissible.

UP POWER POLICY 2003
Top Priority To Power Availability

UPSEB was trifurcated in the year 2000 and three different corporate
bodies were formed to take its place. UP Power Corporation Ltd. is now
responsible for transmission and distribution of power in the State. By the
year 2006 it is expected that all the newly formed corporate bodies would
be privatized. Already the State Government has initiated to privatize
electricity distribution in Kanpur, Morabad and Noida.
UPPCL has resolved that industrial sector would be provided electricity on
top priority. Load shedding to industry would be resorted to only when
there is a threat to the Grid.
Encouragement shall be given to industrial units for co-generation. For this
purpose a policy has been formulated in consultant will industrial
organizations.
District and Divisional level Udyog Bandhu shall be authorized to dispose
off financial dispute pertaining to electricity on the basis of tripartite
discussions.

Up Power Policy 2003
The Policy aims to improve the State’s power sector with a view to make
more power available to consumers in the State.
Objectives of the Policy are:

UP Power Policy 2003 is structured with consumers as the focal point & aims at fulfillment of the overall need for universal access and for providing reliable, quality & affordable power. The following are the principle objectives in this direction:

- To provide reliable, quality and cost efficient power for social upliftment and economic development of the people of the state.
- To increase the availability of power (a) encouraging augmentation of environment friendly generating capacity in the state particularly based on natural gas and renewal sources of energy and (b) sourcing competitive and reliable bulk power from source both within and outside the state.
- Optimum utilization of existing generation capacity through appropriate Renovation & Modernization Programmes.
- To augment the transmission and distribution capacity and refurbish the existing capacity with a view to improving efficiencies, reliability & quality of supply and reducing losses.
- To encourage efficient usage of electricity & facilitate energy conservation measures including demand side management.
- To aim at building up a sophisticated and skilled trading entity with a view to utilizing the including the significant opportunities offered by the new Act.
- To facilitate consumers benefiting from competition & towards this end encourage private sector participation in all areas viz. generation, transmission, distribution, trading and R&M.
- To strive towards expeditious electrifications and supply of electricity to all villages and households in the state.
- To reduce the financing burden on the state over a period of time while recognizing the fact that during the initial transition period, state support would be a key determine for the success of entire exercise.
- To support the UP Electricity Regulatory Commission with all policy and other administrative measure with a view to ushering in a rationalized tariff framework with efficient distribution of subsides.
Period Of Validity
The Power Policy would be valid till 31st March 2009.

Generation
Capacity requirement for providing power to all by 2012 is substantial. Even with the present electrification levels, the additional energy requirement for supplying continuous power is 1,300 MW. For universal access requirements would be over 11,250 MW that would shoot up to over 14,200 MW if UP were to attain the national per capita consumption, compared to this requirement the availability in FY 09 would be just 8,650 MW as per present estimates if all planned projects fructify.

With a view to attracting fresh investment into the sector, GOUP would extend the following benefits in all projects in Generation (new capacity and R&M), Transmission and Distribution in where the aggregate capital outlay within the policy period i.e., up till March 31, 2009 is Rs. 100 cr or more.

a) The State of UP would provide an interest free loan of an amount equivalent to the Entry tax and State tax due and payable during the construction period and for a period of 7 years from Commercial Operation Date of capital outlay between Rs.100 cr and Rs.1500 cr. The loan would be repayable over a period of 7 years starting after COD.

b) For capital outlay above Rs.1500 cr Entry tax and State tax an interest free loan of an amount equivalent to the Entry tax and State trade tax due and payable would be provided by GOUP during the construction period and for a period of 12 years from Commercial Operation Date. The loan would be repayable over a period 12 years starting 12 years after COD.

Specially, the qualifying projects would include the following:

- Creation of new generation capacity
- Creation of new transmission system
- Creation of new distribution system
- Investment for refurbishment or up gradation of existing transmission and distribution networks including those taken over from existing
SEBs or successors as part of their restricting and privatization programme.

- R&M of generation stations.
- The targeted investment can be either made by a single company or its group or associate companies. The investments can be either through equity, debt or a hybrid of any two or a mix of all of them.
- Specifically, the qualifying projects would include the following:
  - Creation of new generation capacity
  - Creation of new transmission system
  - Creation of new distribution system

Investment for refurbishment or upgradation of existing transmission and distribution networks including those taken over from existing SEBs or successors as part of their restructuring and privatization programme.

The target investment can be either made by a single company or its group or associate companies. The investments can be either through equity, debt or a hybrid of any two or a mix of all of them.

c) Required land would be acquired for the project and transferred at the acquisition price. Cost of acquisition shall be exempted and registration shall be exempt from stamp duty.

d) State Government land is presently leased at the market price plus a premium equal to the market price. In addition there is a lease rental equal to 1% of the market rate. Land would be made available on lease for 99 years at lease rental of Rs. 100 per acre. No market price or premium would be charged.

e) GOUP would acquire the required land for the project and transfer the same to the project. Land for the project would include for generation purposes, land required for setting up the power plant & other associated facilities and for & other associated infrastructure.

f) To facilitate the phasing up of new capacity and R&M in existing capacity in generation, transmission and distribution, GOUP would provide right of way on the following terms:

- No approval to be required by the licensee for obtaining ROW on any land, premises, etc. to lay lines/others' works subject however to the
condition that the Licensee informs the owner and pays him compensation, if required.

- No charges to be paid for obtaining these ROWs in case land belongs to Government or Local Authority or in case of private land where works involve laying underground cable subject to the condition that licence returns the land/premises in proper shape after filling up, compacing the surface, etc.

- Where the works involve laying overhead conductors on a private land, appropriate changes to be paid to the owner as damage/compensation.

g) When the sale of power is only to the State utility, necessary transmission lines and substations would be created by the State utility or the generating company would be allowed to create the same & necessary administrative support for it would be extended by GOUP.

h) GOUP would maintain law and order and set up the entire connected infrastructure like roads, bridges and water resources for the project.

i) One of the key requirements for Atomic Power plants is availability of adequate waste source. GOUP would encourage setting up of Atomic Power plants in the State and would make necessary water resources available.

j) GOUP would encourage and facilitate private sector investment setting up new small hydro projects. GOUP would also purchase power generated from small hydro projects at agreed and approved tariff.

k) In addition to building up new generation capacity, GOUP would also source power from competitive cost from both within and outside the state.

Renovation and Modernisation

GOUP would frame guidelines consistent with GOI for Renovation and Modernisation of existing plants.

1) GOUP would encourage Joint Ventures with the private sector at the plant level for Renovation and Modernization schemes with suitable bidding criteria.

2) Further GOUP would allow Lease-Rehabilitate-Operate Transfer contracts with private investors so as to share investments and utilize the
O&M expertise of investors so as to share investments and utilize the O&M expertise of the partner. The ownership of the plant would be with the Government owned utility. The PSP would invested and carry out the R&M of the power station and its operation and maintenance till the duration of the lease period.

3) GOUP would encourage 'Management Contract 'for existing plants to brings in management skills and improve plant efficiency.

4) GOUP would consider outright sale of plants with efficiencies below benchmark levels that requires substantial investment in R&M through a competitive bidding process to ensure tariff and generation efficiency from these plants.

Cogeneration and Captive Power Policy
The UP Electricity Regulatory Commission had issued a policy for Renewable Energy Sources base IPPs in September 2001 and a Captive Power Policy in July 2000. Pursuant to the enactment of the Electricity Act 2003, GOUP would have a relook at all these policies and suitable take up the matter with the Commission with a view to aligning the various policies with the new legislative environment.

Underutilized captive capacity would be supported by way of purchase of power at appropriated tariff with the approval of the Commission. GOUP would encourage a policy that allows the banking and absorption of surplus capacity.

Transmission and Trading
GOUP will encourage an Industry structure that ensures Commercial discipline on the entities to perform efficiently. However the Discoms would have the freedom to purchase from any generator as mandated in the Act. GOUP would encourage private participation in Transmission so as to attract the necessary investments for strengthening and expansion of the Transmission system. However the SLDC and the STU would remain Government companies.

Considering the constraints imposed by the Act and also the significant opportunities offered by Trading, GOUP would form a trading company for
Intra State and inter State trading of power. Trading being a highly knowledge and skill intensive activity, the trading company would require considerable professional skills and for this purpose GOUP would encourage private sector participation in the trading company in view of specialized skill required for the trading business.

UP would adopt ABT for all States Generations Stations so as to reduce the risk of all market operators. The PPAs with UPPCL/Discoms would be modified to suit the arrangement. There shall be adequate training and development of SGS personnel for scheduling, dispatch and billing with the new settlement mechanism.

Considering the significant advantages of Availability Based Tariff (ABT) regime, one of the key priority areas for GOUP would be ensure that ABT is implemented on an intra-state basis at the earliest. For this purpose, GOUP would render all possible support including expediting the matter with commission.

Intra-State implementations of ABT would have significant advantages, viz improvement in grid discipline, significant opportunities for trading & optimum utilization of resources, particularly, the existing surplus idle capacity of the captive power plants would become available at competitive prices and almost immediately which would significantly improve the demand-supply position of power in the state.

**Distribution**

The State Government recognizes that the operational efficiencies (T&D loss and collect efficiency, quality & reliability of supply) need to improve significantly to address the issue that plague the sector at present. The state government also recognizes that the operational efficiencies are inextricably linked to the governance of the sector. Industry structure and competition, which ensure commercial pressure on the utility, and private ownership sensitive to commercial pressure are the most powerful tools to improve efficiencies on a sustainable basis and ensure sector viability of the distribution business. The objectives of the quality & reliable has also to be achieved in an expeditious manner.
Goup accordingly would pursue privatization of the distribution business in a priority basis. Private Sector Participation of the distribution business would be though a transparent and open process of competitive bidding. GOUP recognize that the case for competition and private sector participation is a strong and relevant in the urban areas as in the rural for improving customer satisfaction and efficiency. GOUP would accordingly involve Private Sector participation for as large a consumer base as possible in the rural and urban areas. The actual earmarking of distribution areas for the purpose of distribution privatization would however depend on a number of factors including viability of the discoms on a self-sustaining basis, achieve an optimum balance between the various discoms investor, interest etc. if need be, and GOUP would consider reworking the configuration of the Distribution companies also.

In line with the Act, GOUP would also consider the possibility of appointing Franchisees for carrying out part or whole of its distribution activities area in the state.

GOUP would in line with the Act aim for 100% metering by June 10, 2005.

Rural Electrification

GOUP is committed to providing 100% village electrification in the policy period. This would require an annual outlay of Rs.800 cr for village connectivity. Power is a fundamental need and GOUP declares 100% village electrification as one of the most important tenets of this state policy. The State Government declare village electrification as a State Policy and that the instructions of the State would be focused on village electrification and electricity supply for a minimum of 14 hours of power to the rural areas. GOUP will arrange for necessary financing to fund the capital requirements and also seek GOI support as per the GOI policy in this regard.

The funding for RE would be channeled through the utility would have to commit to the targets of rural electrification so as to meet overall objectives of 100% village electrification by the end of the policy period and universal access by 2012.
All household electrification including agricultural tube wells in future would be on a 100% metered basis.

Some RE institutional models are being experimented with in India like the Rural Franchisee Concept, the Single Point Supply and Metering and the Cooperative Model. GOUP would explore various options for improving the quality of supply in the rural areas such as permitting stand alone systems and management of local distribution in rural areas through Panchayati Institutions, user’s associations, cooperatives, non-Government Organization or franchisees. GOUP recognizes the diversity and would encourage multiple forms of governance. GOUP would provide the necessary ingredients for the success orientation and efficiency parameters.

c) a political setup of the local body with appropriate performance incentives.

INFORMATION TECHNOLOGY

Up Information Technology Policy- 2004

The State Government announced New IT Policy-2004 with the vision to use IT as a vehicle for economic development and to create a high tech society with a high quality of life in Uttar Pradesh.

Uttar Pradesh has managed to keep up the national growth rate with a growth rate of about 25% (export turnover of approximately Rs.2000 crores during 2001-02 and around Rs.2500 crores during 2002-03). The growth of IT export has mainly been due to rise in exports from the software export houses.

Infrastructure For IT:

Budget for IT activities

Each Department shall earmark 5% (or as recommended by the GOI from time to time) of its budget for IT applications. Out of this, 50% would normally be spent on software development and training. Priority shall be given to units located in the State for award of software development work.
IT Pool Fund for e-Governance

A pool fund for e-Governance shall be established with contribution from the government, profit making state PSUs, co-operative institutions and other public sector organizations. The pool fund shall be utilized for developing replicable and reusable models of e-Governance. IT innovations in administration; IT supported resource optimization, decision support system, MIS, intranets and other applicable enabling technologies. The fund shall have an initial Corpus of Rs.5 crores and shall be administered by a Government Body headed by the industrial Development Commissioner. Government of UP Flagship applications may also be developed from this fund as proof-of-concept applications for building confidence in others Departments, Boards and Corporations. These flagship applications shall be finalized by the IT Vision Group.

Wide Area Network

The State shall be established backbone network UP Wide Area Network (UPNET) for voice, data and video transmission. The network shall be utilized for inter-department connectivity, multi-user and multi-service facilities. Video conferencing, file transfer facility, email, on-Line application processing, query and response. UPNET shall enable better communication, information sharing, allowing people to work together more effectively resulting in cohesive administration. The UPNET shall extend to all Government Departments, State Secretariat, Divisions, Districts, Tehshils and Block Head Quarters. The UPNET will use the most cost effective technologies and resource consolidation using free bandwidth available from OFC laying operators. UPNET shall provide multi-user, multi-service facility and shall strengthen the current NIC infrastructure and existing intranets.

Internet Connectivity

Measure would be taken to provide strong basic internet infrastructure support to increase internet penetration in the State of UP. The Government will, in coordination with the Central Government and private vendors, expand the internet network to all districts, town villages of the
state. Microwave link and VSAT facilities of telecom licensees/cellular services operators will be effectively employed in partnership with them for this purpose.

**High Speed Telecom Links**
The State will endeavour to create a high speed Telecom backbone to match the national Telecom backbone. For this the already existing facilities of other national entities will be optimally employed. Impetus will be provided for creation of a district headquarters, sub-divisions and blocks.

**Rural Telephony**
Appropriate telecom infrastructure will be created in the private. Joint sector to provide connectivity to all 1.12 lakh villages of the state.

**IT Cities**
Noida, Agra, Kanpur, Lucknow, Allahabad and greater Noida are proposed to be built into IT Cities with special facilities for IT enabled services.

**IT Parks**
Software Technology Parks at Noida, Agra, Kanpur, Lucknow and Allahabad will be built in collaboration with Software Technology Parks of India Ltd. a Government of India organization. The Government of UP shall provide land and Rs.2 crores as capital. The provision for internet gateway shall be made by STRI.

**NIC Infrastructure**
The already existing IT infrastructure of the NIC will be optimally utilized. NIC will be pursued to provide high bandwidth based VSAT links so that government business can be transacted on-line.

**Standardization of IT Resources**
In order to ensure inter operability, portability and integration of resources created in the State. The procurement of hardware, software, networking
equipment etc. shall be according to standards and specifications as laid down by the Technical Committee of the Department of IT and Electronics, and UPDESCO shall as its Secretariat and resource centre.

Intellectual Property Rights (IPR)
The State shall aim to become a piracy free state and will actively support Central Government initiative in this direction. The State shall promote R&D initiatives of corporate houses and laboratories by them enforcement of IPR.

Promoting Hardware Industry
The State shall provide full support to IT and electronics hardware industry especially in cities of Noida/Greater Noida, Agra, Kanpur, Allahabad and Lucknow. All incentives etc., Provided to software and ITES industry shall be made available to IT and Electronics Hardware Industry.

Fiscal And Other Incentives:

a. Preferential Allotment of Land
Preferential allotment of land will made for IT industry by Noida/Greater Noida, UPSIDC/Development Authority in the State.

b. Exemption of Stamp Duty and Registration Fees.
IT units and call centres shall be given 100% exemption from payment of Stamp Duty and Registration fees.

c. Uninterrupted Power
Continues and uninterrupted power supply for IT industries. Exemption from power cuts without limit.

d. Captive Power Generation
Encouragement to captive power generation in IT locations. IT units with 5 KVA power requirements can be setup anywhere irrespective of master plan or land use classifications.

e. Social Infrastructure Linked IT Locations
Special efforts will be made to develop high quality social infrastructure like schools, housing, and health and entertainment/leisure facilities with high standard of ambience in IT locations.
f. Incentives to Mega Investment Units

Information Technology or Electronics units set up in the State with an investment of Rs.50 crores or more shall be classified as Mega Investment Units. The mega investment units shall:

1. Be given interest free for a period of 15 years up to the amount of the sales/trade tax liability or 10% of the total turnover of the unit, which ever is less,

2. Be allocated land on priority,

3. Be made available land at a rate which is at least 25% lesser than the sector rate, by development authorities, Industrial Development Authorities, Avas Vikas Parishad.

4. Be covered by the facility of MODVAT.

5. Be allowed interest free loan of 2.5% of trade tax liability for goods under Form 3B which shall be finally adjusted against their final value of finished product/goods,

6. Be allowed CST @ 0.5% or at a lower rate as given by Government of India,

7. Be given set off from Trade Tax on all materials required for manufacturing which shall include among others raw materials, processing materials, machinery, plant, equipment, consumable stores, spare parts, accessories, components, sub-assemblies, fuels, lubricants.

8. Packing materials etc.

9. Be given exemption from payment of any Entry under Section 4B Tax Act on all materials, plant, equipment and machinery required for manufacturing and the finished product/goods of the industry unit.

10. Be permitted to own tax liabilities of suppliers or contractors, dealers whose raw material is purchased and distributors of finished product/goods working for such industry.

11. The rate of tax on transfer of right to use goods/products of IT industry (software and hardware) shall not exceed the maximum rate applicable on direct sale of such products/goods.

12. Be given, on a case to case basis on new units only, facility to pay taxes at the rates as applicable at the date of incorruption of the
industry for a fixed period of time, even if the rate of tax is enhanced at a later date. However, if the rates are reduced the same shall be applicable to the IT industry.

13. Be permitted annual defeasement of taxes.
14. Be given Single Window Clearance through a High Power Committee under the Chairmanship of the Chief Secretary of UP.

g. Incentives to Industry
1. Facility given to new industrial units, if not specially mentioned to be for new unit only, shall be made applicable to diversification and expansion of old existing units also.
2. The Business Processing Outsourcing Agencies or call centres having employment of 100 or more employees shall be declared as industry and special rebates as admissible in the General Industrial Policy of UP on sale to such agencies shall be permitted.
3. New IT Industry shall be permitted to lease/sell out their premises.
4. All incentives as given by the State to other industries in general and as revised from time shall be available to the IT and electronic units.
5. Under the New Industrial and Investment Policy, the first information technology or electronic unit with an investment of Rest. 10 crores or more, established in any district shall be declared as pioneer units; under the State Industrial Investment Promotion Scheme shall be interest free loans for a period of 15 years, as envisaged earlier.
6. Under the New Industrial and Investment Policy, the information technology or electronic units with an investment of Rs. 10 crores or more shall be given all benefits to IT/BT units in the General Industrial Policy.
7. Information technology or electronic units with an investment of more than Rs. 250 crores shall be provided special incentives, on a case-to-case basis, after approval of the Cabinet.
8. Information technology or electronic units shall be allotted land on priority by Noida/Greater Noida, UPSIDC and Development Authorities.
h. Venture Capital Fund
Creation of Venture Capital Fund State Government/ PICUP/ UPSIDC/ UPFC / Private Enterprises/SIDBI and others for IT industry.

i. Special Financing Packages
Understanding the unique needs of the sectors special financing packages, aligned to the industry, will be developed by the State Financial Agencies to fulfill the unique needs the IT sector.

j. Key Person Insurance/Sweet Equity
Key person insurance/sweet equity concepts as developed by Government of India/RBI/All India Financial Institutions /Banks shall be recognized by the State level institutions as well.

k. Quality Certifications Centers
The State shall facilitate setting up of quality certifications centers with the help of industry and academia for getting ISO 9000 and software engineering certification.

l. Escort Services
Escort services will be provided for obtaining easy clearance and approvals from various government departments. Escort services to be provided by PICUP and Udyog Bandhu.

j Trade Tax Concessions
- No trade tax on raw material used for exports.
- Remaining facilities as per the State Government’s policies.
- Raw material, plant and machinery purchased on from 3B shall be made tax free Fuel purchased on Form 3B shall be charged at the floor rate as decided by the empowered committee

Power Tariff
IT units in information technology parks and STPs will be charged the same power tariff as the SSI.
a Exemption from Pollution Control Provisions
Complete exemption to software industry from the provisions of Pollution Control Act both for air and water pollution.

b Exemption from Routine Inspections
IT software and IT services companies, being constituents of the knowledge industry shall be exemption from inspections by inspectors like those for factory /boiler /excise /labour/pollution /environment etc.

c FAR Relaxation
50 % more FAR to be allowed for IT units in earmarked areas /information IT parks and STPs.

d Private STPs
Units situated in private sector STPs will be provided the same concessions as the Government STPs.

Enabling Administrative System

Nodal Department
A full-fledged department of information technology and electronics at the Government level to act as the nodal agency for the sector.

Institutional Structure
The IT developments in the state shall be governed on the philosophy of maximum facilitations and minimum interference by creation of investor friendly environment.

Divisional Steering Committee
A district / divisional steering committee will be set up under the chairmanship of DM/Commissioner /CEOs for implementation of computerization program. The steering committee will be also including academicians and professional.

Trade Promotion
The state shall organize / participate in annual IT events with the help of industry associations.
AGRO INDUSTRY

Unlimited Potential of Agro Based & Food Processing Industries In Uttar Pradesh

Within the country, U P is the largest producer of wheat, sugarcane, vegetables and potatoes. It also has the largest livestock population and milk production, offering excellent opportunities for setting up processing units. Floriculture, mushroom and other industries based on horticulture produce, also provide exciting prospects.

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>India</th>
<th>U P</th>
<th>% Production</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Wheat</td>
<td>66.00</td>
<td>26.00</td>
<td>35</td>
<td>First</td>
</tr>
<tr>
<td>2.</td>
<td>Sugarcane</td>
<td>234.00</td>
<td>108.00</td>
<td>46</td>
<td>First</td>
</tr>
<tr>
<td>3.</td>
<td>Rice</td>
<td>80.00</td>
<td>12.90</td>
<td>15</td>
<td>Second</td>
</tr>
<tr>
<td>4.</td>
<td>Maize</td>
<td>09.00</td>
<td>01.39</td>
<td>14.40</td>
<td>First</td>
</tr>
<tr>
<td>5.</td>
<td>Fruits</td>
<td>42.00</td>
<td>8.80</td>
<td>18</td>
<td>Sixth</td>
</tr>
<tr>
<td>6.</td>
<td>Vegetables</td>
<td>72.00</td>
<td>17.1</td>
<td>20</td>
<td>First</td>
</tr>
<tr>
<td>7.</td>
<td>Oil seeds</td>
<td>15.00</td>
<td>01.00</td>
<td>9</td>
<td>Fifth</td>
</tr>
<tr>
<td>8.</td>
<td>Livestock</td>
<td>396.00</td>
<td>70.00</td>
<td>16.6</td>
<td>First</td>
</tr>
<tr>
<td>9.</td>
<td>Milk</td>
<td>71.00</td>
<td>14.34</td>
<td>18</td>
<td>First</td>
</tr>
</tbody>
</table>

Production

(Figure in million tones except s. no. 8 in million and s. no 1 in million litres)

The twin objectives of state agro policy are generate maximum employment and ensure sustained integrated development through proper utilization of agriculture and animal husbandry resources available in the State.

Strategy

- Separate Sectoral identification of agricultural produce and animal husbandry resources.
- Establishment of high level infrastructural facilities.
- Financial support and provision of linkages like raw material, storage, transportation and marketing for establishment of industries based on agricultural and animal husbandry resources.
• Special facilities with the objectives of encouraging industries, based on agricultural produce and animal husbandry resources.
• Special efforts for export of produce of industries based on animal husbandry resources.
• Simplification of prevalent rules and procedures.
• Creation of 'DATA BASE ' for raw material and marketing and technical upgradation.

Identification of District Areas
The following sectors have been identified for provision of special incentives and support facilities:
• Industries based on fruits and vegetables and mushroom production; floriculture;
• Industries based on animal husbandry resources.
• Milk, meat and poultry.
• Pisciculture: Industries based on food grains (inclusive of pulses) and oil seeds.

Financial Support

State Capital Scheme
For the promotion of new industries, a State Equity Fund has been created in PICUP and UPSIDC to provide equity capital to entrepreneurs. This Equity Fund shall be augmented with additional funds from Government for promotion of agro-based industries.

Venture Capital Fund
A Venture Capital Fund shall be in the private sector for promotion of agro-based industries entailing high risk and high profit and necessary State financial participation shall be ensured.

Infrastructural Support
The State Government has made available extensive infrastructure base for the agro-based and food processing industries. UP Mandi Parishad has
645 notified agriculture markets (264 main markets and 381 sub markets),
38 fruits and vegetables markets, 3 fish markets and 168 haats/painths,
238 rural warehouses.
The State has 1027 cold storages. Besides, UP State Warehousing
Corporation has set up following facilities:

<table>
<thead>
<tr>
<th>No.</th>
<th>Warehouses</th>
<th>ICD dry port</th>
<th>Total</th>
<th>Under constructor/processed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>168</td>
<td>2</td>
<td>170</td>
<td>23</td>
</tr>
<tr>
<td>Capacity (lac mt)</td>
<td>39.00</td>
<td>0.10</td>
<td>39.10</td>
<td>5.66</td>
</tr>
</tbody>
</table>

Cold storage for horticulture produces at Sahibabad
Dry ports at Meerut & Rudrapur now in Uttaranchal well linked to ICD,
Tughlakabad, and Delhi.

Agri Export Zones (AEZs)
The following Agri Export Zones have been set up/approved in Uttar
Pradesh to promote exports of different commodities:

<table>
<thead>
<tr>
<th>Product</th>
<th>Districts/Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetables</td>
<td>Lucknow</td>
</tr>
<tr>
<td>Mangoes</td>
<td>Lucknow, Unnao ,Hardoi,Sitapur &amp; Barabanki. Saharanpur(approved)</td>
</tr>
<tr>
<td>Basmati</td>
<td>Bareily ,Shahajanpur ,Pilibhit, rampur ,Badaun</td>
</tr>
<tr>
<td>Rice</td>
<td>Bijnor,Morabad,Phulenagar,Saharanpur,Mujjafarnagar,Meerut,Bulandshahar &amp; Ghazibad</td>
</tr>
<tr>
<td>Potatoes</td>
<td>Agra,Kanoj,Hathras,Farrukhabad,Meerut,Aligarh and Bagpat</td>
</tr>
</tbody>
</table>
Integrated Agro Parks

UPSIDC is also developing integrated agro parks for development of agro industries and allied activities at sites selected by the Corporation near large markets and growth centres. Parks will have well developed agricultural and industrial infrastructure, abundant availability of raw materials and would have good road and rail networks. The parks would be developed at Saharanpur, Chola, Lucknow and Varanasi.

Opportunities In Food grains & Cereals

There is vast potential for setting up units based on the agriculture produce viz. Wheat-based Gluten, export-oriented rice mills in the State of Uttar Pradesh which are as under:

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Paddy Processing Complex</td>
<td>Paddy-5 million</td>
<td>Gorakhpur</td>
</tr>
<tr>
<td></td>
<td>,Cattle, Feed, 8 MW captive power</td>
<td>Rice, Rice Bran Oil</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Export oriented Raw Basmati Processing</td>
<td>Raw &amp; Par Boid Rice 72000 TPA</td>
<td>Dehradun, Saharanpur</td>
</tr>
<tr>
<td></td>
<td>Project</td>
<td></td>
<td>Muzarffarnagar, Nainital</td>
</tr>
<tr>
<td>3.</td>
<td>Wheat-based Gluten Project</td>
<td>Gluten-6000</td>
<td>Meerut</td>
</tr>
<tr>
<td></td>
<td>TPA, Wheat Starches-4000</td>
<td></td>
<td>Ghaziabad</td>
</tr>
<tr>
<td></td>
<td>Wheat Bran-185000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fruits & Vegetables

The total area under Fruits & Vegetables cultivation, including Potatoes, was 920 million hectare, which yielded 13 million tones of producing the year 1994-95. Fruits like Mango, Guava, Lemon, Papaya and Grapes are successfully growth in the plains area of the State, whereas Apple, Peach, Pear, Apricot, Lemon, Litchi, etc are grown in the hilly region of testate. There is scope for setting up frozen and cannot meat, poultry & egg processing projects in the State, which are as under:
<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Frozen Fruits &amp; Vegetables Project</td>
<td>IQF Products-4800 TPA</td>
<td>Ghaziabad, Bulandsahar</td>
</tr>
<tr>
<td>3.</td>
<td>Vacuum Freeze dried Fruits &amp; Vegetables</td>
<td>Freeze dried products-300 TPA project</td>
<td>Ghaziabad</td>
</tr>
<tr>
<td>4.</td>
<td>Potatoes based Alcohol Project</td>
<td>Potable Alcohol-11000, KL/annum</td>
<td>Farrukabad</td>
</tr>
<tr>
<td>5.</td>
<td>Potato Processing Complex</td>
<td>Potato Flakes-2700 TPA, Frozen Potato, French Fries -12000 TPA, Potato Chips-600 TPA, Mashed Potato Products-4800 TPA</td>
<td>Farrukabad</td>
</tr>
<tr>
<td>6.</td>
<td>Potato Flakes/Granules Project</td>
<td>Potato Flakes Granules-4200 TPA</td>
<td>Ghaziabad</td>
</tr>
<tr>
<td>7.</td>
<td>Onion/Garlic Powder Project</td>
<td>Onion Flakes-600 TPA, Onion Power-600 TPA, Garlic Power-800 TPA</td>
<td>Mainpuri, Etawah</td>
</tr>
<tr>
<td>8.</td>
<td>Integrated Fruits &amp; Vegetables grading, packaging &amp; cooling centres</td>
<td>Handling of Fruits &amp; Vegetables</td>
<td>Ghaziabad, Bareily &amp; Saharanpur</td>
</tr>
</tbody>
</table>
Livestock Potential

There is scope for setting up of frozen meat, poultry & egg processing projects in the State, which are as under:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Abattoircum – Slaughtering &amp;</td>
<td>Slaughtering &amp; Manufacturing of Frozen</td>
<td>Eastern Uttar Pradesh</td>
</tr>
<tr>
<td></td>
<td>Meat</td>
<td>Buffalo Meat-35850</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Processing Project Fresh</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sheep Meat-2240 TPA</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Integrated Poultry Project</td>
<td>Parent Farm -36000 Hens, Hatchery-270000 Eggs, Poultry Farm -10000 Broilers/day, Processed Chicken Products -18000</td>
<td>Meerut, Kanpur-Dehat</td>
</tr>
<tr>
<td>3.</td>
<td>Frozen Buffalo Meat</td>
<td>Freeze Buffalo Meat-6000 TPA</td>
<td>Ghaziabad/Gorakhpur</td>
</tr>
</tbody>
</table>

DAIRY /DAIRY PRODUCTS

Uttar Pradesh is the largest milk producer in the country with a total milk production of 11.2 million tones. Considering surplus availability of milk in the State, there is considerable scope for setting up of milk processing projects in Eastern UP for manufacturing of value added including Lactose, Casein. Whey Protein, Weaning foods non dairy Coffee Whitener, Baby Food, and Butter & Cheese which is detailed as under:
**Particulars** | **Capacity** | **Location**
--- | --- | ---
Milk Processing | Edible Casein-2205 TPA, Proteins-556 TPA, Lactose-3340 TPA, Ghee-4475 TPA | Eastern Uttar Pradesh

**Sugarcane**

The State of Uttar Pradesh is the largest producer of sugarcane in the country having sugarcane of 2.3 million hectares and 117 sugar mills, having a total installed capacity to crush 0.238 million MT of sugarcane per day.

Setting up of integrated Sugar-Complexes, envisaging paper production based on Baggase, Alcohol & Alcohol-based on Molasses and Co-generation of electricity apart from the production of Sugar itself within these complexes is being encouraged.

Potential Projects based on sugarcane are as under:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Sugar Complex with captive Power Plant</td>
<td>Sugar Plant 2500 MT capacity crushing per day Power Plant 6.5 MW</td>
<td>Eastern or Western part of UP</td>
</tr>
<tr>
<td>2.</td>
<td>Alcohol –based Chemical Complex with captive distillery</td>
<td>Distillery 1800 KL per year, Acetic Acid 6000 MT per day Plant Acetic Anhydride 3000 MT per day Plant, Ethyl Acetate 3000 MT per day plant</td>
<td>Western part of the State</td>
</tr>
<tr>
<td>3.</td>
<td>Integrated Paper-cum-sugar Complex</td>
<td>Paper Unit 500 MT per day, Sugar Unit 5000 TCD</td>
<td>Western part of UP</td>
</tr>
</tbody>
</table>

Apart from the above, there is scope for putting up non-conventional units like floriculture, mushroom Cultivation and Neem.
Based Pesticide primarily for exports. The tentative capacities of these projects are as under:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Floriculture Cut Rose Flowers</td>
<td>11.2 million/annum</td>
<td>Saharanpur</td>
</tr>
<tr>
<td>2.</td>
<td>Mushroom Project Canned Mushroom</td>
<td>2000 TPA</td>
<td>Bulandsahar / Ghaziabad</td>
</tr>
<tr>
<td>3.</td>
<td>Spices Based Oleo Resin Project</td>
<td>300 TPA</td>
<td>Ghaziabad</td>
</tr>
<tr>
<td>4.</td>
<td>Margarine Project Bakery Margarine</td>
<td>2000 TPA</td>
<td>Ghaziabad</td>
</tr>
<tr>
<td></td>
<td>Refined Edible Oil</td>
<td>15000 TPA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Table Margarine 400 TPA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Neem Based Azadirachtin Extract</td>
<td>(15%) - 9 TPA</td>
<td>Pilibhit / Saharanpur / Varanasi</td>
</tr>
<tr>
<td></td>
<td>Neem Oil 480 TPA</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Neem Cake 2370 TPA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Due to its proximity to Delhi and large market for agro food products, groups like Hindustan Lever, Heinz, Ferro Alloys Corporation, Warren Tea, Kissan, Flex, Oswal, Tarai Foods, Sahas Agro have already set up Agro Food Processing Industries in the State.

**Promotion Of Tourism Industry In The State Tourism Policy Of UP Government**

The State Government announced a tourism policy in 1998 that provides a Comprehensive package of incentives/facilities to the private entrepreneurs a rapid development of the tourism infrastructure in the State. It is to be noted that the policy was announced for the entire undivided State.
Major highlights of the policy are given here under.

Objectives

- To promote tourism with the tourist and pilgrim as the focus.
- To provide special facilities to the religious, adventure and monument based Traveller.
- To improve efficiency of the industry, for enhanced social and economic benefit, and consequential increased economic benefits, including increased employment generation.
- To prepare and implement Master Plans for integrated development and marketing of identified circuits.
- To improve, diversify and expand the marketing of the tourism products of our State.

Identification & Development of circuits for speedy Tourism Development

The following circuits are identified for development. The activities related to promotion of tourism will receive priority attention in these circuits:

1. Buddhist circuit
2. Bundelkhand circuit
3. Braj(Agra-Mathura)circuit
4. Avadh circuit
5. Vindhya circuit
6. Kumaon circuit
7. Garhwal circuit
8. Char Dham circuit
9. Forest, Eco tourism and Adventure sport circuit
10. Water-cruise circuit
Tourism related activities and units

The following activities will be regarded as related to the development of tourism and the units involved in these activities would be recognized as tourism units.

- Creation of tourism related infrastructure, like approach road, drinking water and electricity facilities, landscaping etc.
- Hotel and Restaurants
- Wayside amenities with restaurants and parking space on National and State highways
- Tourist resort/tourist village
- Amusement parks and children parks etc.
- Establishment of walks like nature walks, city walks, heritage walks etc.
- Manufacture and promotion of items related to the traditional crafts and other arts
- Works pertaining to preservation of culture and historical heritage monuments.
- Established and management of museums
- Established of Tourist Information Centre
- Tourism related human resource development activities
- Tourism activities pertaining to environmental conservation/Jungle safaris
- Paying guest scheme (Home Stay facilities)
- Facilities for adventure sports such as trekking, mountaineering, rock-climbing, water sports, rafting and canoeing, skating, skiing, angling, aero-sports etc. including training in these activities
- Arrange package tours/conducted tours
- Established and operation of ropeways
- Yoga, Ayurvedic and Naturopathy centres
- Construction and operation of traditional Bajra/house boats etc.
- Established of boats clubs and operation of different types of boats
Package of incentives / facilities

Availability of Land

- Land Bank – The Department of Tourism has introduced a land bank Scheme with the objectives of attraction investment in tourism sector, under which land would be made available at important places by the Tourism Department at appropriate rates to tourism units.

- Land will be earmarked with the assistance of the Travel Trade/Tourism entrepreneurs by the Collectors in identified circuits where tourism units can be established and tourism industrial areas are to be established on the pattern of industrial estates. Such land will be allotted in consultation with the Tourism Department.

- Wherever an entrepreneur himself selects a site, the Tourism Department will take appropriate action to ensure that the land is made available as per rules through the concerned District Magistrates.

- If a request is made by an entrepreneur for the beautification or development of a green belt in the land belonging to the Government or Development Authorities, such land would be made available for management to the concerned entrepreneur for beautification free of cost on condition that ownership will remain with the Government and land shall be reverted to the Government if so desired. Only landscaping, tree plantation and activities with these shall be permitted on such land.

Eligibility of Transfer of land

In pursuance of order no. 180/-one-1(43)94, dated 30.5.94 issued by Revenue Section –1 under the section 154(2) of the UPZamindari Abolition and Land Reforms Act 1950, in exercise of the power invested in Government, the powers for permitting the purchase of land in excess to 12.5 acres of land for industrial purposes have been delegated to the Divisional Commissioner. As tourism has been given the status of industry, therefore such delegation would be made applicable for uses related to the tourism industry.
Area Development fund

The Government will establish special fund for the development of basic amenities and maintenance at major tourism centers and provision will be made for collecting maximum funds from private sources also. Representative of the private sector, Travel Trade would also be included in the Committee which will setup for operating these funds.

1. Luxury Tax

Luxury tax will only be levied on such hotels which charge a rental of Rs. 1000/- or above and the norms and procedures for assessment of luxury tax will be rationalised.

2. Subsidy Schemes

a) Heritage Hotel subsidy Scheme

A 15% capital investment subsidy scheme subject to a ceiling of Rs. 7.50 lakh will be introduced for non recurring expenditure incurred on establishment of such heritage hotels which are established in conformity with the standards formulated by the state government and avail of institutional finance for reconstruction, expansion and furnishing. Special efforts will be made to attract non-resident Indians, in this direction.

b) Capital Investment Subsidy Scheme

A subsidy @ 10% subject to a ceiling of Rs. 5.00 lakh will be given on investments in identified circuits and for activities on the project approved by financial institutions. These benefits would only be given to such tourism units which are in conformity with the prescribed guidelines and where projects have been approved. Special efforts will be made to attract Non-Resident Indians, in this direction.

3. Tax Holiday

- All recognized tourism units of the state shall be entitled for the facility of exemption/deferment from luxury tax for a period of five years from the date of commencement of operations.
• New ropeways established in the state shall be eligible for the facilities of exemption/deferment from luxury tax for a period of five years from the date of commencement of operations.

• New Tourism units which are recognized will be eligible for trade tax exemption on the pattern of industrial units and the restaurant located in them will be eligible for total exemption/deferment of trade tax for a period of five years from the date of commencement.

• Programmes shown on television channels in hotels either through dish antenna or cable operator shall be eligible for a compounding scheme to assess the levy of entertainment tax on the concerned hotel/tourism unit.

• Units recognized under the Paying Guest Scheme with a capacity of up to 5 room (maximum of 10 beds) shall be exempted from Trade and Entertainment tax.

• The State Government has exempted existing and new amusement parks from Entertainment tax vide G.O. No. 741/11 ka.sa.v-6-98-30-E-B-4(12/90 dated 22.5.98 of the Department of Institutional Finance, Section-6.

4. Bar Licence

The facilities for Beer Bar licence is available for ITDC and UPSTDC units, but private sector units are not eligible. Such facilities for beer bar licence would also be made available as per rules to recognized hotel units in the private sector which have restaurant facility. The department of Excise would accordingly make appropriate amendments in their policies and frame the rules within two months from the issue of this policy.
Road Development Policy Of Uttar Pradesh


Objectives:
- To keep the roads free of potholes and patches all the time by continuously maintaining and repairing them.
- To construct village roads under the minimum needs programme.
- To maintain and modernize National Highways, State Highways, Major District Roads, other District Roads and Village Roads in the State.
- To construct and reconstruct bridges, rail overhead/under bridges and Flyovers in the State.
- To construct byepasses, ring roads and expressways in the State.
- To develop urban roads.
- To arrange financial resources for the road development works.
- To promote participation of the private sector in road development projects.
- To ensure quality in construction and maintenance of roads.
- To ensure financial discipline, deliver and dovetailing in the road construction Work.
- To check ribbon development, encroachments in the Public Works Department.
- To conserve environment.

Salient Features of Road Development Policy
- Construction of village roads
- To keep roads free from potholes and patches
- Maintenance of National Highways, State Highways, MDRs, ODRs and Village Roads
- Construction, Reconstruction of Bridges, Rail Over Bridges and Flyovers on BoT basis
- Construction of Bye-Passes, Ring Roads and Expressways on BoT basis
- Development of roads in Urban Areas
• Financial Resources for Road Development
• Construction of Roads and Bridges by Private Sector
• Quality control in construction and maintenance works
• Financial Discipline and Dovetailing in construction works
• Ribbon Development, Encroachments on the roads and road safety
• Organizational and Procedural Reforms
• Environment
Research Methodology

Research basically aims at obtaining solutions for specific problems and answer to identified questions by use of scientific methods. It is an intellectual process which brings into light new knowledge or improves upon the old conceptions, conventions & derivations and thereby adds to the existing treasure of information & knowledge.

Any research carries two objectives namely
1. Intellectual objectives – for satisfaction on acquisition of knowledge.
2. Practical Objectives - for performing any function more efficiently. In the proposed study, the objectives are both intellectual as well as practical.

Fundamental to the success of any formal research project is sound research design. The function of a research design is to ensure that the required data are collected & they are collected accurately & economically. A research design is purely & simply the framework or plan for a study that guides the correction & analysis of the data.

There are three basic types of research design viz, i) exploratory, ii) descriptive, iii) casual or experimental.

The present study is exploratory type of research design because it is characterized by the following method.

1. Literature surveys
A large volume of published & unpublished data available have been scanned in a relatively small period of time. Useful sources of the related information in this regards are books, newspapers, government documents, journals, professional journals & other different published source of information.

2. Experience survey
a Here individuals with expertise, knowledge & ideas about the subject are questioned.

b Questionnaire based survey of the industrial development in Kanpur Dehat.
c Discussions with industrialists & entrepreneur who have set up in Kanpur.

d Discussions with the important Government authorities & district administration.

e Interviews & discussions with the employes of UPSIDC, UPFC, UPSIC, UPKUIB.

f Interviews & discussions with selected economics for obtaining their opinion on the problem of industrial development.

3. **Analysis of selected cases**

Detailed & intensive case analysis of a few selected organizations has been carried out. Emphasis is placed on understanding the subject of investigation as a whole.

Finally, the data & information collected would be classified, computed & analyzed for preparation of the proposed research work, based on findings & conclusions, suitable recommendations would be made for rapid industrial development.