



Uttar Pradesh Micro, Small and Medium Enterprises Promotion Policy-2022

Why In News?

- The Uttar Pradesh Micro, Small and Medium Enterprises Promotion Policy-2022 was approved in the cabinet meeting chaired by Chief Minister Yogi Adityanath on September 27, 2022. Any amendment in this policy can be made only after the approval of the Chief Minister.

Key Points

- Under the new policy, subsidy ranging from 10 percent to 25 percent will be made available as capital subsidy to the new MSME enterprises to be set up. Capital subsidy (rebate) is available for investment on plant and machinery etc.
- In Bundelkhand and Purvanchal, would get capital subsidies in the range of 15 to 25 percent. In central and western Uttar Pradesh, the corresponding capital subsidies will be set at 10 to 20 percent. 2 percent more relaxation will be given for SC-ST and women entrepreneurs.
- The maximum limit of gratuity has been fixed at Rs 4 crore per unit. There is a provision for capital subsidy of up to 25 percent on investment and up to 50 percent interest subvention on loans taken.
- There will be 100 percent exemption in stamp duty on the purchase of land for setting up MSME parks of more than 10 acres in the state and 50 percent interest subsidy (maximum Rs 2 crore) will be provided for 7 years on the loan taken. Also, financial assistance of up to Rs 10 crore can be given for the Common Effluent Treatment Plan (CETP) for the disposal of effluents.
- Under the capital interest subvention for new micro industries to be set up in the state, 50 percent discount will be available on the annual interest payable on the loan. This interest subsidy will be given for 5 years and the maximum limit will be Rs 25 lakh per unit. For SC-ST and women entrepreneurs, this interest subvention will be up to 60 percent.
- According to the policy, MSME units will be encouraged to list on the stock exchange to provide credit from as many sources as possible. All such entities will be compensated for 20 per cent of the expenditure of listing and a maximum of Rs 5 lakh. Establishment of flatted factory will be encouraged.
- The process of allotment of plots and sheds in industrial establishments will be made online. In order to encourage MSMEs in rural areas, 5 acres or more of gram sabha land will be recaptured and transferred to the Directorate of Industries free of cost.
- 5 km on either side of the expressway. MSME units will be encouraged through development of industrial estates within a distance of Rs. There is also a provision to encourage CETP in view of the problem of effluent treatment in traditional industrial clusters.
- Financial assistance up to 75% of the total cost and up to a maximum of Rs 5 lakh will be provided for achieving quality standards such as Zero Effect-Zero Defect, WHO GMP, Hallmark etc. and up to Rs 2 lakh for obtaining GI registration and patent etc.
- Financial assistance up to a maximum of Rs 20 lakh will be provided to MSME units for adopting clean and green technology.
- Entrepreneurship Development Institute will be developed as a center of excellence and entrepreneurship will be spread among the youth of the state on the basis of entrepreneurship courses.

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