

UP's MSME POLICY: SUPPLEMENTING GROWTH

The MSME policy of Uttar Pradesh aims to further boost the growth of the sector by providing a range of incentives and support measures

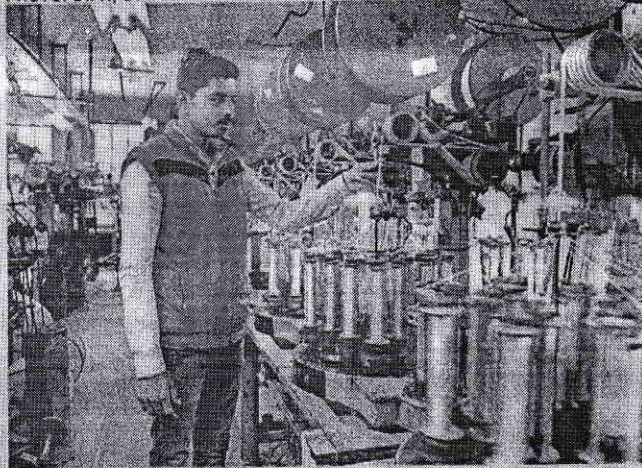
Uttar Pradesh is home to the largest MSME sector in India that contributes significantly to the state's GDP, accounting for over 30% of the total output. The MSME Policy 2022 has created an environment for establishment of MSMEs by providing many incentives:

- 10% to 25% of the project cost to be provided as capital subsidy with a maximum limit of Rs 4 crore
- Stamp Duty exemption for purchase/lease of land for establishment of industries
- 100% stamp duty exemption for women entrepreneurs
- Subsidy of upto Rs 5 lacs for setting national/international quality certification and required equipment
- For ensuring sustainable industrial growth, environment protection measures are facilitated. A grant of upto Rs 10 crore is provided for setting up of CETPs
- Time bound and online method of incentive disbursement
- A big focus on developing industrial infrastructure. 10 to 50 acre industrial parks are incentivised through PLEDGE (Promoting Leadership in Developing Growth Engines) where the development cost @Rs 50 per acre is provided at a 1% annual simple interest rate. 3 parks at Aligarh, Saharanpur and Kanpur Dehat have already been financed
- Through MSME Act 2020, acknowledgement is issued to industries within 72 hours, which exempts them from inspection of any development for 1000 days
- Facilitation Council System has been decentralised to division level for effectively tackling delayed payments

SUPPORT MEASURES:

- **Financial assistance:** The government will

PHOTO: DIPR, UTTAR PRADESH GOVT.



provide financial assistance to MSMEs in the form of loans, grants, and subsidies.

- **Tax incentives:** The government will provide tax breaks to MSMEs, including exemptions from excise duty and sales tax.
- **Infrastructure support:** The government will provide infrastructure support to MSMEs, such as land, power, and water.
- **Training and skill development:** The government will provide training and skill development programs to MSMEs to help them improve their productivity and competitiveness

KEY BENEFITS OF THE POLICY:

- **Increased investment:** The policy to attract increased investment in MSME sector, which will help to create new jobs and boost economic growth
- **Improved productivity:** This will help improve productivity of MSMEs by providing them with access to better technology, training, and infrastructure
- **Increased exports:** This will help to increase exports of MSMEs by providing them with access to new markets and trade opportunities
- **Improved competitiveness:** This will help improve competitiveness of MSMEs by reducing their costs & making them more efficient