

Policy for the Establishment of Industrial Estates/Areas in the Private Sector-2022

1- Background and Vision:

The Government of Uttarakhand is actively promoting the use of private land for industrial use through the development of integrated Industrial Parks in the State. Industrial parks are the centre of economic activity and contribute heavily towards value addition and employment creation in the State.

The state is facing scarcity of government owned land during the time of accelerated industrial growth, to create the employment opportunities in Uttarakhand, more involvement of private parties is required. This policy encourages the participation of the private sector by establishing special industrial zones, export zones, theme parks, biotechnology parks, integrated industrial estates/ areas in the state of Uttarakhand, the Government of Uttarakhand promulgated a policy for the establishment of private industrial estates/ areas (vide G.O. no. 11/I.D./07-Industry/2004 dated 27, January 2004 and the G.O. No. 940/I.D./07-Industry/2004-05 dated 09 November 2004). Also, to promote industrial development in the hilly regions of the state, under Special Integrated Industrial Promotion Policy-2008, notified vide notification no. 488/VII-II/08/08 by Govt. of Uttarakhand, the minimum limit of land for the establishment of private industrial estates in hilly areas is 2 Acres and for the development of infrastructure facilities in industrial estates such as electricity, water, road, connecting roads & drainage system, 50 percent of the total expenditure on these facilities, maximum up to Rs. 50 lakh will be reimbursed as a grant to the promoters of the industrial estate.

A total of 49 private industrial estates have been notified in the state comprising 3113.30 acres of land. In addition to this, the State Government has also been notified 446.46 acres of land as Special Industrial Areas for 26 mega projects with an investment of more than Rs. 50 crores.

In the policy promulgated in the year 2004, no financial incentive was given on infrastructure facilities in private sector industrial estates/areas. In the Special Integrated Industrial Promotion Policy-2008 disseminated for the hilly area, provision was made to give financial incentives on the expenditure on the development of infrastructure facilities in the industrial estates to be set up in the private sector.

The Uttarakhand Policy for Establishment of Private Industrial Parks/Estates/Areas – 2022 is being proposed as follows:

2- Objective:

- i.** To attract investment in the state by promoting the establishment of industrial estates/sectors in the private sector.
- ii.** To ensure the availability of industrial plots/land for setting up industries.
- iii.** To encourage private sector participation for the development of industrial areas.
- iv.** Establishment of mini/major industrial estates and area specific parks in the state.
- v.** To ensure balanced and planned industrial development by developing industrial

infrastructure.

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Definition:

- i. 'Industrial Estate/Area' means the place/area which is declared by the State Government to be such estate/area through notification.
- ii. "Facility" includes road, water supply, street lighting, electricity supply, sewerage system, drainage, collection, treatment and disposal of industrial waste & garbage and such other community work, service or facility as may be prescribed by the State Government by notification, specify as a convenience for the implementation of this policy.
- iii. "Occupier" means a person (including a firm or a body of persons, whether incorporated or not) having the jurisdiction of any site or building within the industrial establishment/area and "Occupier" includes his successor and assignee.
- iv. Transferee means a person (including any firm or other body of persons, whether incorporated or not), to whom land or building is transferred in any manner under this Act and the transferee includes his successor and There is also an assignee.
- v. The words and expressions 'building', 'development', 'construction of building' and 'land' shall have the same meanings as defined in the State Building and Development Bye-Laws/Regulations, 2011 for the State of Uttarakhand.
- vi. 'Commencement of business activity' of the industrial estate means the date on which commercial marketing of the industrial plots has been commenced by the promoter after the installation of infrastructure facilities on a commercial scale, for which the originator has been authorized or approved.
- vii. Establishment of industrial estate/area means from the date of regulation of industrial estate/area approved in principle.
- viii. "Department" means the Department of Micro, Small and Medium Enterprises, Government of Uttarakhand.
- ix. "Empowered Committee" means the Empowered Committee specified in the Uttarakhand Micro, Small and Medium Enterprises Policy-2015 (as amended- 2016, 2018, 2019, 2020 & 2021).
- x. "Plain area" means the areas falling under Category C and Category D as per the Uttarakhand Micro, Small and Medium Enterprises Policy-2015 (as amended- 2016, 2018, 2019, 2020 & 2021).
- xi. "Hill Area" means the areas/districts falling under Category-A, Category-B and Category-B+ classified as per the Uttarakhand Micro, Small and Medium Enterprises Policy-2015 (as amended- 2016, 2018, 2019, 2020 & 2021).
- xii. "Industrial Park/Estate" means an industrial estate developed for the establishment of industrial units for the construction of a good or service and having developed plots, internal roads, water distribution facilities, sewage collection and treatment, there should be basic facilities like power distribution, communication facility.
- xiii. "Industrial Unit" means an industrial undertaking or a service sector unit other than a unit run by the Government departmentally, which is a registered business

enterprise under the Goods and Services Tax.

- xiv. 'Mini Industrial Estate' means such industrial estate/area developed on minimum 2 acres or more land in the hilly areas of the state, where at least 5 independent micro and small industrial units are established.
- xvi. "Policy" means Policy-2022 for Establishment of Private Industrial Estates/Area.
- xvii. "Sector Specific Industrial Park" means a specific park identified for sector specific industries, namely:
 - a) Garment Fibre and Textile Park
 - b) IT Park/Software Technology Park
 - c) Gem and Jewellery Park
 - d) Food park
 - e) Biotech
 - f) Ayush and Wellness Park
 - g) Automobile Ancillary Industry Park
 - h) Aroma Park
 - i) Aerospace & Defence Park
 - j) Any other specific sector park

4- Policy Validity Period:

- i. This policy will come into force from the date of issue of the notification and will be effective for the next five years.
- ii. The State Government can amend this policy at any time on the approval of the Hon'ble Cabinet as and when needed.
- iii. The right to provide any kind of relaxation in the provisions of this policy will be vested in the Government.

5- Eligibility & Procedure:

- i. Private industrial estate/area can be set up by an individual promoter/partnership firm/LLP/company or any entity registered under the Companies Act/Society Act.
- ii. The promoter will have to arrange the land himself for the establishment of the industrial estate/area. To purchase land for industrial purpose under section-154 (4)(3)(a)(v) of UZALR Act for the necessary approvals/permissions/no-objections from various departments for the establishment of the Estate and for the acquisition of land. Cooperation will be provided by the department in obtaining permission.
- iii. Assistance would be provided to the following participants:
 - a) Manufacturing/ Infrastructure companies
 - b) Anchor Investors
 - c) Industry Associations having large numbers of regional and national memberships
 - d) Group of Enterprises

iv. Project Land:

- a) Investor to procure land from private parties from own sources
 - b) In case investor desires to obtain land from SIIDCUL, it will make the same available from existing land bank at concessional rates as per Industrial Policy Resolution 2015.
 - c) SIIDCUL to enter into a Long Lease Agreement of 90 years for land
 - d) Investor shall be permitted to sub-lease the land on the same terms and conditions to individual industrial units as SIIDCUL does for its own industrial estates
- v.** For the establishment of a private industrial estate, it is necessary to have a minimum of 30 acres in the plain area and a minimum of 2 acres or more land in the hilly area.
- vi.** For establishment/ regulation of IT Park/ Biotechnology Park in the private sector, it is necessary to have a minimum built-up area of 18,000 square meters in 5 acres of land, which should have 30 percent permissible ground coverage and 2.0 floor area ratio.
- vii.** The proposed land should be duly in full possession of the promoter and free from any encroachment.
- viii.** These private industrial areas would follow SIDA norms for development.
- ix.** SIIDCUL Brand image may be utilised with the brand equity charge of 7.5%; (2% for quality control and 5.5% will be used for infrastructure development by SIIDCUL)
- x.** For the development of industrial estates/area, necessary Approvals/ Acceptance/ No-objection will be required to obtain from various departments, the promoter/ organization/ company will be obtained himself, in which the Department of Micro, Small and Medium Enterprises will provide the requisite support in obtaining the desired approval/ permission/ approval/ no-objection under the provisions of the Single Window Clearance System.
- xi.** General Industrial Development Control Regulations-2022 / Unified Building by-laws for the development of industrial estates/areas will follow the prescribed land use standards for building construction and land subdivision and industrial estates, for which Uttarakhand State Industrial Development Authority, regulatory will act as authority.
- xii.** In such industrial establishments, the responsibility of maintaining the infrastructure facilities, maintenance of drains, internal roads, lighting and other civic amenities will be the responsibility of the promoter organization / company/ owner of the concerned estate/area.
- xiii.** In the private industrial estate, the rates of industrial plots will be determined and marketed by the promoter / board of directors of the estate itself. The state government will have no role in this.
- xiv.** An agreement will be signed with the allottees by the promoters of the Estate, in which all the primary infrastructure facilities to be provided in the Estate, the

rates of the plot, the amount to be charged annually for maintenance and the conditions must be clearly mentioned.

- xv. It will be necessary to establish a minimum of 10/ 15 independent manufacturing units in the micro, small and medium enterprises sector in a large industrial estate / area and minimum 5 in a mini-industrial estate/ area (hilly). For IT Park/ Biotechnology Park this limit will be minimum 5 units.
- xvi. It will be necessary for the promoter to use the land in the private industrial estate/ area for industrial purpose to a certain extent as per the norms prescribed by SIDA.
- xvii. The process of In-Principle approval/regulation for the establishment of a private industrial estate/area will be of two stages. In the first phase, only In-Principle approval will be given on the application of the entrepreneur/ institution/ company desirous of setting up the Industrial Estate. In the second phase on production of completion certificate according to the layout plan approved by SIDA in the land acquired for the estate/ area and to ensure that the conditions and restrictions are fully complied within the In-Principle approval letter issued for the establishment of the Estate. A formal notification will be issued in this regard.
- xviii. For the maintenance, repair, and operation of infrastructure facilities in the private industrial estate, such as internal roads, drains, etc., the promoter/ company/ institution of the private industrial estate will also give a Bank Guarantee of a certain amount along with its proposal, so that if the promoter ensures to provide primary facilities. In case of failure, this Bank Guarantee may be forfeited and used for the maintenance of the Industrial Estate.
- xix. In order to obtain In-Principle approval for the establishment of an industrial estate in the private sector, in the first phase, the interested entrepreneur/ institution/ company with its business profile, financial status, DPR, pre-feasibility report, details of available or identified land parcel (khasra-khatauni), Sajra (proposed layout plan/ key plan) and bank guarantee will be made available along with the application form to the Department of Micro, Small and Medium Enterprises through the Directorate of Industries. The opinion of different departments/ regulators/ agencies (UKPCB, Fire, SIDA, UPCL etc.) will be obtained on the application received. After examining and scrutinizing the proposals at the Directorate of Industries level, the proposal will be sent to the Government for In-Principle approval along with the opinion/ recommendation. For this, the Directorate of Industries will act as the Nodal Agency.
- xx. After the issuance of In-Principle approval and establishment of infrastructure facilities, the promoter has to re-apply to the government through the nodal department for regulation of the industrial estate before starting the business activity.

6- Financial incentives and institutional facilities for the development of private industrial parks:

The State Micro, Small and Medium Enterprises Department will act as nodal agency and a facilitator for institutional support along with the financial

incentives. The financial incentive/ grant assistance to the units of industrial area/ park will be payable after the establishment and starting of business activities. Private industrial estates/ areas to be established under this policy/ scheme will be allowed to avail the benefits on the same component at once from one source only, either from the scheme run by the Government of India and the State.

- i. All the necessary approvals/ permissions/ clearance/ consents required from various departments for establishing the private industrial park/ estates shall be obtained through State's Single Window System.
- ii. **Self-sustainable Repair & Maintenance:** Capital expenditure fund for O&M will be created by the promoter of the estate for the repair and maintenance of the external and internal infrastructure in the park. 1% of the amount collected by the promoter from the sale of land parcels will be deposited in this fund as FD. A society/ committee (under the Societies Act 1928) will be constituted to manage and operate this FD. The committee will consist of promoters and representatives of the units established in the estate. At any point of time, a maximum of 33% of the fund can be used for infrastructure repair and maintenance.
- iii. **SIIDCUL Industrial Infrastructure Development Fund (SIIDF):**
 - a) Initial corpus of INR 100 crore will be made available for setting up of external infrastructure for the estates such as power, water supply, link roads etc.
 - b) This corpus of INR 100 crore under the SIIDF shall be managed by SIIDCUL through an escrow account.
- iv. **Capital Subsidy on Infrastructure:**
 - a) Government will provide capital grant at the rate of INR 10 lakh per acre on saleable area (INR 250 per square meter/ Pro-rata Basis) of infrastructure cost of each industrial parks/ estates promoted by any private sector investor, business entity etc.
 - b) The government will release the approved capital subsidy amount as follows:
 - 1) After issuance of 'in-principle approval' of the project, 50 percent of the sanctioned amount will be given in a phased manner at the time of commencement of infrastructure construction (Construction of internal roads, drains for drainage, installation of electric poles inside the place and leveling of land etc.) on the basis of mutual interaction during the submission of detailed project report and the project outline:
 - i. First Phase – 25% disbursement of approved subsidy
 - ii. Second Phase – 50% disbursement of approved subsidy
 - iii. Third Phase – 75% disbursement of approved subsidy
 - iv. Fourth Phase – 100% disbursement of approved subsidy
 - 2) Remaining amount of approved subsidy (50%) shall be payable in proportion to the sale of land parcels on pro-rata basis [1 (subsidy

amount) : 2 (total saleable land parcels)]

- 3) All sanctioned subsidies/ incentives shall be disbursed through the escrow account managed by SIIDCUL after duly approved by the Competent Authority/ Empowered Committee.
- v. **Exemption in Stamp Duty:** Investor/ promoter of the industrial estate and the established units in the estate, both will be eligible to avail 50% exemption in stamp duty charge on execution of purchase/ sale deed of land parcel.
 - vi. **Interest Reimbursement Assistance: Interest reimbursement assistance of 5 percent** in interest payable on term loans taken from banks/financial institutions for the next 5 years from the date of commencement of business activity to the industrial estate to be established under the policy, maximum up to Rs.10 lakh per annum.
 - vii. **Grant on setting up of CETP:** 40 percent Capital Subsidy, maximum up to Rs. 1 Crore of the fixed capital investment made on the plant for setting up a common effluent treatment plant.
 - viii. All grants/incentive assistance provided by the Government and expenditure on external infrastructure (i.e. electricity to the place, water and access roads etc.) development shall not exceed the total fixed capital investment made by the promoter/investor.
 - ix. Under this policy, the benefits of financial incentives provided in the MSME Policy-2015 (as amended- 2016, 2018, 2019, 2020 & 2021) / Large Industrial Investment and Employment Promotion Policy-2018 / Mega Industrial and Investment Policy-2021 to the industrial units set up in the private sector will be on the basis of the Eligibility.

Standard operational procedure and guidelines for the implementation of the policy will be issued separately by the administrative department.
