



UTTAR PRADESH

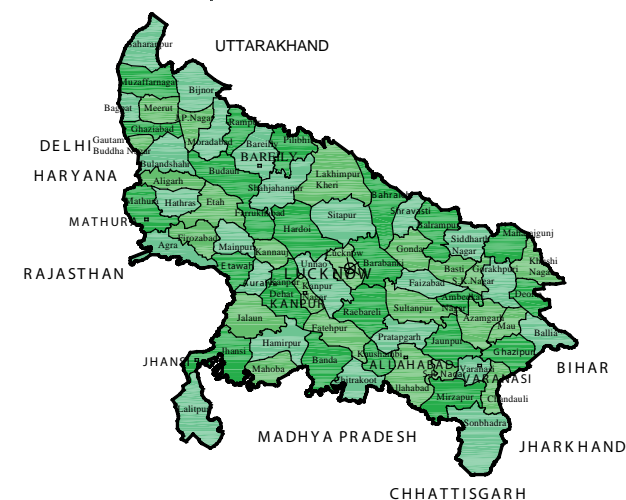
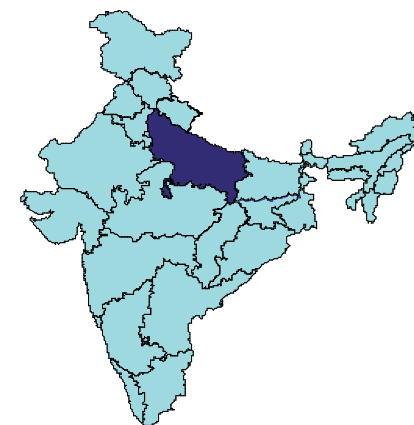
October 2007



STATE ECONOMY & SOCIO-ECONOMIC PROFILE

Uttar Pradesh – A Snapshot

- Located in the Northern region of India, Uttar Pradesh has a population of 166 million, making it India's most populous state (16% of India)
- Occupies an area of 240, 928 sq km (9% of India)
- The State covers a large part of the highly fertile and densely populated upper Gangetic plain
- Shares an international border with Nepal and is bounded by the Indian states of Uttarakhand, Himachal Pradesh, Haryana, Delhi, Rajasthan, Madhya Pradesh, Chhattisgarh, Jharkhand and Bihar
- The state is divided into 74 districts 300 tehsils, and 813 community blocks
- Administrative and Legislative capital is Lucknow, and the Financial and Industrial capital is Kanpur



Socio - Economic Snapshot

Capital	Lucknow
Area	240, 928 sq km
Population (Census 2001)	166 million
Density (2001)	689 person per sq km
Sex Ratio (Census 2001)	898 females per 1000 males
Principal Languages	Hindi and Urdu
Literacy Rate (Census 2001)	56.27%
Major Minerals	Limestone, Dolomite, Copper, Gypsum, Glass, Sand, Marble, Fireclay, Coal and Phosphorite
Major Industries	Cement, Vegetable Oils, Jute, Brassware, Sugar Production, Carpet, Handloom, Cotton & Woolen Textiles, Leather & Footwear, Distilleries & Breweries, Glassware & Bangles

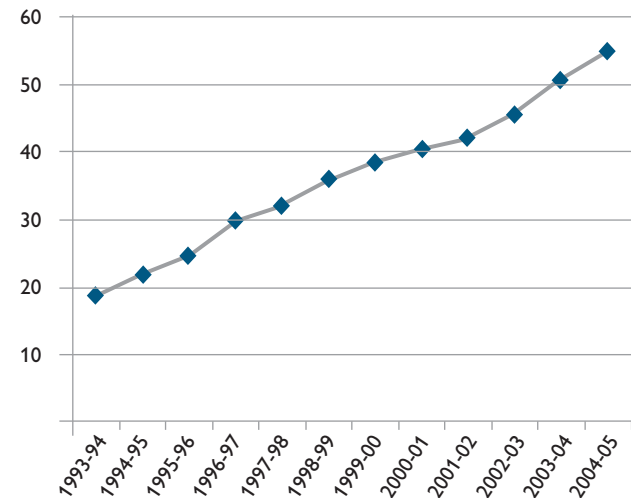
Capital	Lucknow
Major Crops	Food Grains, Sugarcane and Oilseeds
GSDP at current prices in 2004-05	US\$ 54.8 billion
NSDP at current prices in 2004-05	US\$ 47.7 billion
Annual Per Capita Income at current prices in 2004-05	US\$ 266.9
Domestic Airports	Lucknow, Kanpur, Varanasi, Agra

Source: Official website of Government of India,
www.india.gov.in
 Department of Rural Development,
 Government of Uttar Pradesh

Economic Profile

- Uttar Pradesh (UP) is the second largest economy in India after Maharashtra, contributing 8.17% to India's total GDP
- Gross State Domestic Product (GSDP) at current prices in 2004-2005 was US\$ 55 billion
- Net State Domestic Product (NSDP) of the state at current prices (2004-05) was US\$ 48 billion
- UP has a predominantly agrarian economy, agriculture being the highest contributor to the GSDP

Growth State Domestic Product (GSDP) at Factor Cost by Industry of Origin (at current prices) in Uttar Pradesh (US\$ billion)



Source: www.indiastat.com

Economic Profile

- Tertiary sector's contribution is the maximum (44%)
 - 35% of the GSDP is contributed by the primary sector which includes agriculture, cultivation, fishery, mining activities, etc.
 - Agriculture is a key contributor (66% of the primary sector) to the GSDP
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Key Economic Drivers

Primary Sector

- Largest producer of wheat, sugarcane, tobacco and potato in the country and share varies from 30 to 50% of the country's production
- One of the highest irrigation intensities at 66%
- Share of the work force engaged in agriculture is about 73%

Secondary Sector

- Sugar, Cotton fabrics and Agro-based industries are the three most important
 - Largest share of Small Scale units in the country, with 12% of over 2.3 million units
-

Key Economic Drivers

- Leading manufacturer of office machinery in the country (25%)
- India's fourth largest software exporter (US\$ 1 billion)
- Labour efficiency is higher in UP (26) than the National Average (25)

Tertiary Sector

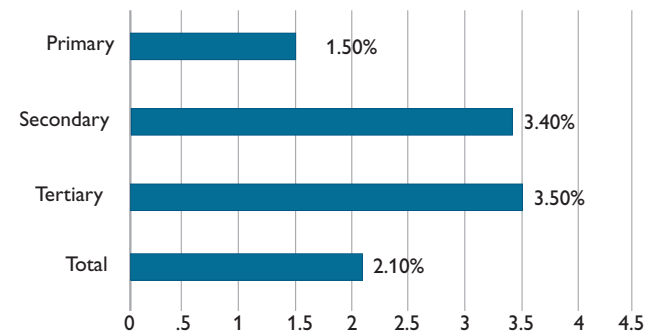
- One of the top tourist destinations in India, with almost 25% of the All-India foreign tourists visiting Uttar Pradesh
 - More than 71 million domestic tourists in 2003
 - Agra was visited by more than 8 million domestic and 825,000 foreign tourists in 2006, followed by Varanasi, Lucknow, Allahabad, Vrindaban and Mathura
-

Socio-Economic Profile

Social Indicators

- UP has a literacy rate of 56.27% as per the Census 2001
- Official languages of the State are Hindi and Urdu
- Sex ratio (number of females per thousand males) in the state is 898

Employment Growth rate in Uttar Pradesh
(1977-78 to 1999-00)



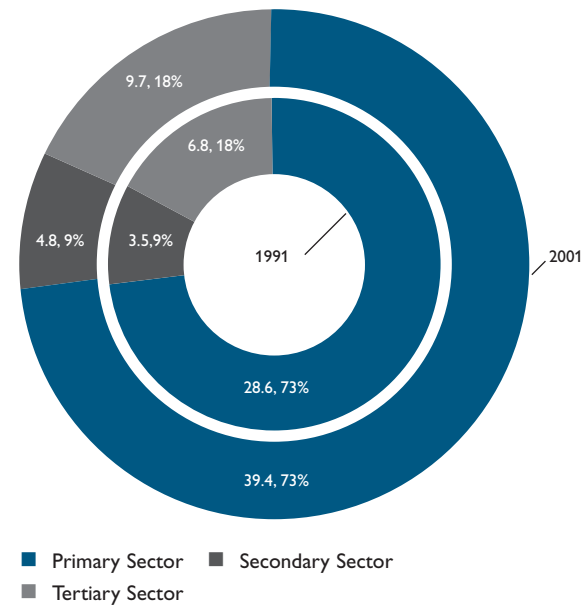
Source: Human Development Report 2003,
UP- Planning Department, GOUP

Socio-Economic Profile

State Workforce

- Workforce participation rate as per the Census 2001 in UP is 32.6%
- Of the total workforce, over 18% is employed in the tertiary sector
- Agriculture and allied activities employ about 73% of the workforce

Worker Population in Uttar Pradesh
(Figures in Million)



Source: Census; <http://planning.up.nic.in/annualplan>;
E&Y Analysis

INFRASTRUCTURE STATUS

Physical Infrastructure

Airways

- Uttar Pradesh is well connected through airways; has 4 airports and 23 air strips
- Major carriers providing services include Indian, Jet Airways, Air Deccan, Kingfisher Airlines, and Spice Jet
- Cities that have domestic airports are Lucknow, Kanpur, Varanasi and Agra
- The nearest international airport is in Delhi. Airports in Varanasi, Lucknow and Agra, are custom airports and also have domestic cargo terminals
- Efforts are being made to introduce air services in Gorakhpur and Allahabad as well

Cargo handled at Airports (Figures in tonnes)

Airport	2002-03	2003-04
Lucknow	2,202	2,107
Varanasi	544	660

Source: www.indiastat.com

Physical Infrastructure

Railways

- Largest railway network in the country; total length of 8,546 km (2006), it also has the sixth largest railway density
- Almost all the major as well as small cities in Uttar Pradesh are linked through railways
- Lucknow is the main junction of the northern and north-eastern railway
- Cargo carried within the northern and North eastern zone of the railways is approximately 133 million tonnes

Railway Network in UP in 2006 (Figures in km)

Broad Gauge	Meter Gauge	Narrow Gauge	Total
6,826	1,718	2	8,546

Source: www.indiastat.com

Physical Infrastructure

Roadways

- Largest road network in the country after Maharashtra
- 7th Seventh highest road density in India with 1,027 km per 1000 sq kms as in 2002
- 31 National Highways (NH), with a total length of 4,942 km (8.5% of total NH length in India)
- Total road length in the state is 248,481 km (2002), of which 67% (166,659 km) is surfaced
- Largest surfaced urban road network in the country i.e. 50,721 km, as on 2002

Break up of Surfaced Roads by Category

Category of Roads	Length in km.
National Highways	4,931
State Highways	9,097
Major District Roads	7,308
Rural PWD Roads	105,794
Other District Roads and Village Roads	102,135
Total	229,265

Source: www.planning.up.nic.in (Planning Department, GoUP)

Physical Infrastructure

Waterways

- Stretch of the river Ganges from Allahabad (Uttar Pradesh) to Haldia (West Bengal) has been declared as National Waterway (NW) I
 - 600 km of the total NW I lies in Uttar Pradesh
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Physical Infrastructure

Telecom

- UP has a total teledensity of 3.88
- 3.5 million telephone connections, both fixed and wireless local loop (WLL), in 2006
- Cellular services being provided in the state by more than 10 players, including the Government owned and operated BSNL service

Subscriber base in UP (2006)

Service Provider	Fixed	WLL	Total
BSNL	2,718,952	205,367	2,924,319
Reliance	8,119	294,354	302,473
TTL	-	93,771	93,771
Bharti	194,896	-	194,896
Total	2,921,967	593,492	3,515,459
All India	41,542,356	8,634,153	50,176,509

Source: TRAI Annual Report, 2005-06

Physical Infrastructure

Power

- Several major private projects such as Dadri Power Project of Reliance Energy Generation Limited and Roza Power Project of Birla Group, are in various stages of implementation
- The state has a favourable power policy to facilitate investments in the power sector

Power Statistics in Uttar Pradesh (2006)

Power generation installed capacity	4,425 MW
Power Generation	24,834 MU
Total Power Available	50,679 MU
Total Power Sold	33,458 MU
Percentage Loss of total Power Available	33.98
Per capita power consumption	197 units
Electrified Villages	68,201

Source: Uttar Pradesh Power Corporation Limited

Social Infrastructure

Education

- Ranked amongst the first few states to have successfully implemented 'Education For All' policy
- The State has made investments towards enhancing the standard of education across different levels
- UP has 16 general universities and some world renowned institutes such as Indian Institute of Technology (Kanpur), Indian Institute of Management (Lucknow), National Institute of Technology (Allahabad) and Asian Academy of Film & Television

Education Infrastructure of Uttar Pradesh

Educational Institution	Number
Primary Schools	866,361
Higher Secondary Schools	8,459
Degree Colleges	758
Universities	26
Polytechnic Institutes	79
Industrial Training Institutes	179
Engineering Colleges	30
Medical Colleges	9

Source: www.indiastat.com, 2006

Social Infrastructure

Health

- 24,650 Medical centres, 2,108 Ayurvedic centres, 253 Unani centres and 1,483 Homeopathic centres
- Uttar Pradesh is known for several healing techniques other than Allopathic methods

Health Infrastructure of Uttar Pradesh

Health Institution	Number
District Hospitals	74
Sub-centres	20,521
Primary Health Centres	3,660
Community Health Centres	386
Ayurvedic Hospitals	1,768
Ayurvedic Dispensaries	340
Unani Hospitals	204
Unani Dispensaries	49
Homeopathic Hospitals	1
Homeopathic Dispensaries	1,482

Source: Ministry of Health and Family Welfare, Govt, March 2006

Industrial Infrastructure

- Robust industrial infrastructure present in the State including 15 Industrial Areas, 12 Specialised Parks, 3 Growth Centres and 4 Industrial Infrastructure Development Centres (IIDCs)
 - 8 notified Special Economic Zones (SEZs) with world class infrastructure
 - Greater Noida Phase II has 19% land reserved for industrial use
 - 26 IT-ITes Parks (apart from IT SEZs), a Biotech Zone and a Knowledge Park have been proposed (ref: industrial area map)
 - Development of Integrated Agro/Food Processing Zones has been proposed at Hapur (200 km from Delhi)
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Industrial Infrastructure

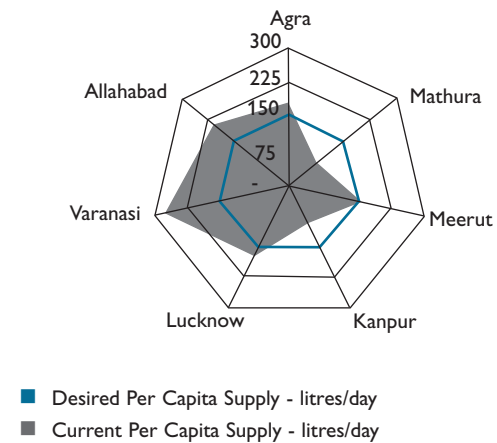
- Integrated Logistics Hubs (Free Trade Warehousing Zone) have been proposed in collaboration between IL&FS, Mineral & Mining Trading Corporation and Mitsui (Japan)
 - The proposed infrastructure development which would support the industrial development in the State, includes
 - Power plant of 1,750 MW at Dadri, 740 MW gas based power plant at Dadri and 250 MW gas based power plant at Greater Noida
 - Development of feeder road/rail linkages, passenger and goods terminal, an Inter State Bus Terminal (ISBT) and of a greenfield airport at Greater Noida
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Urban Infrastructure

Water Supply

- Average per capita supply of water in the cities of UP is 167 lpcd, higher than the desired supply of 150 lpcd
- All cities are fully covered by a piped water supply system
- The Operation & Maintenance costs recovered from the water tariffs, are significant in almost all the cities

Per Capita Supply of Water in Various Cities (lpcd)

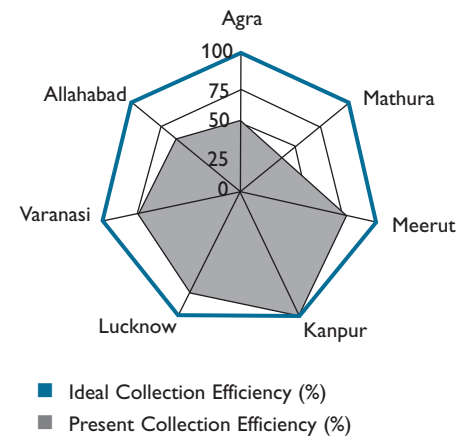


Urban Infrastructure

Solid Waste Management System

- Solid waste collection efficiency is 70% on an average for all the cities, with Kanpur having 100% efficiency
- Medical waste is disposed scientifically in all the cities except in Meerut

Collection Efficiency of Solid Waste (%)



STATE POLICIES & INCENTIVES

State Level Policies

Industrial and Service Sector Investment Policy – 2004

- Prime objective is to ensure creation of maximum employment opportunities and eradication of poverty
 - Top priority has been accorded to infrastructure development
 - The State is keen to promote the participation of the private sector in the industrial and economic growth
 - State to provide a facilitative atmosphere for the promotion of exports
 - The State shall create an attractive environment for foreign investors and NRIs to invest in the State
-

State Level Policies

Policy for Food Processing Industry : 2004-09

- Aims to facilitate better returns for farmers and attract investment in this sector
 - Focus on generating employment and promoting value addition, minimising wastage of agri-products, providing appropriate linkages among agriculture, industries and markets
-

State Level Policies

Biotech Policy : 2004

- Mission is to develop a knowledge-based economy, assure benefits of biotechnology to all sections and also promote entrepreneurship in biotechnology related industries
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State Level Policies

IT Policy : 2004

- Aims at facilitating and creating an investor friendly environment by providing all necessary infrastructure for IT industries
 - IT/ITeS to be promoted as they have vast employment generation potential
 - State Government Organisations to provide infrastructure and marketing and financial support for setting up of units
-

State Level Policies

Power Policy : 2003-09

- Emphasis on attracting private sector investment into power generation, transmission and distribution
 - Lucrative tax benefits such as interest-free loans to investors
 - Provisions for additional power capacity, modernisation of power stations and improving the transmission systems
-

State Level Policies

Sugar Policy : 2004

- Entrepreneurs are provided incentives and concessions to set up sugar mills in the state such as exemption of entry tax on sugar, reimbursement of administrative charges and trade tax on molasses
 - Provides direct benefits to the farming community
-

State Level Policies

Policy for Promotion of Private Investment in the Development of Hi Tech Townships in Uttar Pradesh : 2005

- Aims to promote the development of hi-tech townships with facilities comparable to international standards in cities including Lucknow, Kanpur, Agra, Varanasi, Allahabad and Ghaziabad
 - Basic objective is to facilitate and create an enabling environment for attracting maximum private investment in housing and infrastructure development
-

State Level Policies

UPSEZ New Policy : 2006

- Develop integrated areas with world-class infrastructural facilities through establishment of SEZs
 - Foster industrial and economic development by creating conducive environment for the development of SEZs
 - New avenues for employment generation will be created by setting up of SEZs
 - Boost the exports through establishment of SEZs
-

State Level Policies

Film Industry Policy : 1999

- Provides a coherent framework for the growth of film industry in UP
 - Aims to encourage additional capital investments so as to improve the economic status of the people and provide alternative avenues of employment to its people
 - Promotes the creation of required infrastructure in the private and joint sector
-

State Level Policies

Mineral Policy

- Aims to expedite investigation of new mineral deposits by adopting modern exploration techniques
 - Promotes private investment and foreign capital investment in the mineral development process
 - Encourages optimum use of minerals, increasing export of minerals, ensuring value addition besides using by-products in the mineral industry
-

State Level Policies

Textile Policy : 2006-2011

- Aims to generate more jobs and attract investments in textile and apparel manufacturing industries
 - Proposes schemes, strategies and programmes for power supply, infrastructure, textile parks, human resource development and provisions to attract big players with substantial investment in the state in this sector
-

State Level Policies

Tourism Policy

- Aims to promote tourism with pilgrims, as one of the key target populations
 - Focus on improving efficiency of the industry, for enhanced social and economic benefits
 - Focus on development of necessary infrastructure, creation of corpus funds for development of basic amenities, promotion of eco-tourism, restoration of ancient places and strengthening of the tourism departmental organisation
-

State Level Incentives

Details of State Level Incentives for Industries		
Category	New Investment	Existing Units
Capital Investment Subsidy	<p>@ 10% for SSI units subject to a ceiling of US\$ 11,600</p> <p>@ 15% for women and SC/ST entrepreneurs subject to a ceiling of US\$ 17,400</p> <p>Special incentive package for large units with investment of US\$ 11.6 million or more</p> <p>Investment subsidy of 10% (up to US\$ 46,500) for 100% EOUs</p>	@ 50% for machinery in SSI units subject to a ceiling of US\$ 4,600
Interest Subsidy	@ 5% for SSI units for 5 years subject to a ceiling of US\$ 5,800 p.a.	@ 5% for SSI units for 5 years subject to a ceiling of US\$ 1,200 p.a.
Land Subsidy	Concessional rates on land in industrial areas and estates in industrially-backward districts	
Registration of patents and other IPR		Reimbursement of 50% expenditure (ceiling of US\$ 11,600)
Power Subsidy	<p>Subsidy equivalent to trade-tax paid on raw materials</p> <p>Exempted from electricity duty for 10 years</p> <p>20% rebate (up to 5 years) on electricity bills for notified industrial estates and industries</p>	
Others Concessions	Exemption from entry tax, interest free loans for 15 years for pioneer units, concession on trade tax, tax free purchase of inputs, cost of transportation, octroi rebate, special incentives for NRIs, etc.	<p>For rehabilitation of sick units, minimum demand charges for the period of their closure will not be charged</p> <p>Deferment of luxury tax in thrust areas for 5 years</p>

State Level Incentives

Incentives for Thrust Industries

Biotech Policy

- Exemptions from payment of entry tax on material for construction and equipment, on stamp duty and registration charges for specified period of time
 - Exemption from electricity tax on captive power generation sets and exemption from electricity tax for 10 years
 - Relaxation of taxes on biotechnology based products and on entry tax for 15 years
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State Level Incentives

Incentives for Thrust Industries

Biotech Policy

- Relaxation on land for establishment of Biotechnological Unit - on lease for 99 years
 - Relaxation in Zonal Regulations - exemption from Floor Area Ratio (FAR) upto 50%
 - 100 % Relaxation in Stamp Duty and Registration Fee
-

State Level Incentives

IT Policy

- Preferential allotment of land and 100% exemption from payment of Stamp Duty and Registration fees
- Encouragement to captive power generation in IT locations
- The Mega Investment units shall be given interest free loan for a period of 15 years upto the amount of the Sales/Trade Tax liability or 10% of the total turnover of the unit
- The Mega Investment will be allowed Interest Free Loan of 2.5 % of Trade Tax Liability for goods
- The Mega Investment will be allowed CST @ 0.5% or at a lower rate as given by Gol

Mineral Policy

- Trade Tax concession is available on investments of US\$ 2.3 million or more
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State Level Incentives

Film Industry

- Trade Tax due on the transfer of the right to use of the films among the producer, distributor and the exhibitor would be exempt
 - Exemption from Entertainment Tax between 50-100% for a period of six months to one year (depending on the location of shooting of the film)
 - Children's films and national award winning films are eligible for 100% Entertainment Tax exemption
 - Regional films made in Uttar Pradesh in any one of the mentioned languages will be provided 100% Entertainment Tax exemption for a period of one year and a subsidy of 25% of the cost of production, with limit of US\$ 23,000
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State Level Incentives

Tourism Policy

- Luxury Tax will only be levied on such hotels which charge a rental of US\$ 23 or above
- Heritage Hotel subsidy scheme A 15% capital investment Subsidy Scheme subject to a ceiling of US\$ 17,400
- 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
- Tourism Self-Employment Scheme has been prepared for the hill areas of the state with a financial assistance subject to a ceiling of US\$ 23,000 for starting tourism units

Source: Various Policies of UP

BUSINESS OPPORTUNITIES

Thrust Areas of the State

Mineral Based Industries

- Major contributors to the economy of this region
 - Important minerals include coal, diaspore, sulphur and magnesite, prophyllite, silica sand and limestone
 - In addition, a few other minerals found in the state include marble, non plastic fireclay, uranium, barites and edalusite
 - In the case of minor minerals, Uttar Pradesh has an important share
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Thrust Areas of the State

Agro Processing

- Ranks first in terms of production of wheat, sugarcane, maize, potato vegetables and livestock products, including milk
 - 311 Heavy and Medium Agro-processing industries with a total investment of US\$ 581 billion
 - 42,586 Small Scale Agro processing and cottage industries with a total investment of US\$ 163 billion
-

Thrust Areas of the State

Tourism

- Almost 25% of the All-India foreign tourists visit Uttar Pradesh
 - Home to one of seven wonders of the world “Taj Mahal”, Agra is a leading tourist city in the country
 - Agra is followed by holy cities of Varanasi, Ayodhya, Mathura and Allahabad for their pilgrimage value
 - Multitudes from all over the world visit UP to attend the Kumbha Mela, a popular annual fair held every twelve years
-

Thrust Areas of the State

Textiles

- Proposal for the development of Textile Park and SEZ in Varanasi
 - UP has been the centre of Chikan embroidery, renowned for its grace and delicacy, a skill more than 200 years old
 - Varanasi is a world famous center of hand-made textiles. The main products are Zari and brocade work on sarees
 - Kanpur is famous for its leather and textile industries
-

Thrust Areas of the State

Information Technology

- IT hub of North India with software exports next to Karnataka
 - IT focus confined to few pockets such as Noida, Greater Noida, Ghaziabad, etc.
 - STPI, Noida, among the key IT destinations in India; home to many large MNCs such as Adobe, TCS, HCL and Xansa
 - Upcoming Logix Techno Park, in Noida, the largest STPI in North India
-

Thrust Areas of the State

Handloom & Handicrafts

- Complete range of handloom products and potential to cater to upper market segments
 - Provides livelihood to over 200,000 people in the state
 - State produces about 15% of the total fabric produced in the country
 - About 30% of the total workforce of artisans in India, responsible for about US\$ 1.2 billion of annual production
 - Accounts for about 60% of India's total handicraft exports
-

Attractive Sectors

Food Processing

- One of the largest producers of farm commodities in the country
 - Diverse Agro-climate conditions, conducive for a variety of crops round the year
 - Sector has so far been largely untapped; only around 2% of the production is commercially processed
 - Agro based industries can be highly lucrative once proper linkages are in place under the policy initiatives to develop synergy and dynamic efficiency in the system
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Attractive Sectors

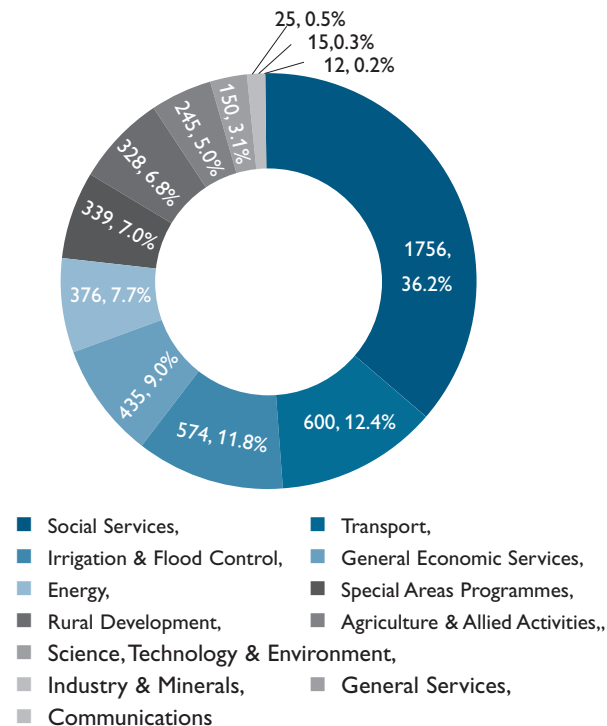
Leather based Industries

- Major production centre of leather and leather products, with over 11,500 units; Kanpur and Agra are the key centres
 - About 200 tanneries located in Kanpur
 - Agra has been the largest shoe-manufacturing centre in the country
 - Establishment of Footwear Design & Development Institute (FDDI) is expected to enhance the scope of the footwear sector
-

Key Investments

- Private-Public Participation in the farm sector with a target to raise approximately US\$ 930 million in the next two to three years
- Reliance Industries has proposed a 3,500 MW gas-based power project, which will be the largest gas-based power plant in the world
- The Sahara group has proposed to develop 50 “high-tech townships“; also plans to set up a drinking water project and an international trade centre in Lucknow to help promote handicrafts
- US\$ 581 million Taj Expressway project in pipeline
- The A.V. Birla Group, which has substantial investments in the State, has proposed an investment of US\$ 233 million as part of the expansion of Indo Gulf Fertilizers

Approved Outlay for State Annual Plan 2006-07 (US\$ million)



Source: Uttar Pradesh Development Report
 Voll - Planning Commission, GOI (2007)

Key Players

Reliance (ADAG)



- The Reliance Group (ADAG), has a major presence in the State through Reliance Energy which has its corporate headquarters in Noida
- Reliance is setting up world's largest gas based power project of 3,500 MW in Dadri
- The interests of the Group range from communications and financial services to generation, transmission and distribution of power, infrastructure and entertainment expansion of Indo-Gulf Fertilizers

Key Players

Honda SIEL Cars India Ltd

- Honda Siel Cars India Ltd., (HSCI) was incorporated in December 1995 as a joint venture between Honda Motor Co. Ltd., Japan and Siel Limited
- The total investment made by the company in India till date is over US\$ 186 million and has its manufacturing unit in Greater Noida, UP



Key Players

LML Scooters

- LML Limited, with a turnover of US\$ 192 million, is in collaboration with Piaggio and has a manufacturing unit in Kanpur



Key Players

Yamaha India Ltd (YML)

- Yamaha Motor India (YMI) was incorporated in India in August 2001 with manufacturing facilities in India comprising of 2 state-of-the-art plants, including one at Surajpur (UP)
- The two plants support production of motorcycles and spares for both, the domestic as well as the overseas market



Key Players

Dabur



- Dabur India Limited is the 4th largest FMCG Company in India with interests in Health Care, Personal Care and Food Products
- Dabur Pharma Limited, a US\$ 250 million healthcare company, has a strong presence in UP
- The Group has a turnover of US\$ 520 million with powerful brands like Dabur Amla, Dabur Chyawanprash, Vatika, Hajmola & Real
- Dabur is headquartered in Ghaziabad and one of its key manufacturing units in India is in Sahibabad in UP

Key Players

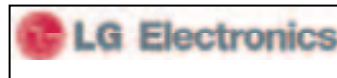
Birlasoft Ltd

- Part of the global US\$ 1.2 billion CK Birla Group, one of India's premier commercial and industrial houses
- Birlasoft, with its corporate office in Noida, provides software application development and support services



Key Players

LG Electronics India Ltd (LGEIL)



- Market leader in consumer durables and recognized as a leading technology innovator in Home Appliances, Consumer Durables, Digital Display products, GSM mobile phones etc.
 - In 1998 LG set up its first state-of-the-art manufacturing unit at its head quarter in Greater Noida, UP
-

Key Players

Jubilant Organosys Ltd.

- Jubilant Organosys is a part of the Jubilant Corporation which has a turnover of US\$ 233 million
- With its corporate office in Noida, it is one of India's leading and fastest growing companies with presence in chemicals, biotechnology, IT, food, etc.
- One of its five manufacturing units is located in Jyotiba Phoole Nagar, UP



Key Players

Sahara

- The Sahara Group is one of India's largest business groups is headquartered in Lucknow
- An asset base of over US\$ 10.87 billion, with diversified business interests that include : Finance, Infrastructure & Housing, Media & Entertainment, Tourism & Hospitality, Consumables, Manufacturing & Services and Trading



Key Players

Kothari Products Limited

- The Kothari Group with a turnover of US\$ 70 million has its headquarters in Kanpur
- It is the manufacturer of the popular Pan Parag and other pan masalas



Key Players

Triveni Engineering & Industries

- With its registered office in Saharanpur district, it has core competencies in the area of sugar and engineering
- The US\$ 233 million company has two plants in the state, a sugar plant in Muzaffarnagar district and a wastewater treatment plant in Noida



Key Players

Flex Industries

- Established in 1983 and with its headquarters in Noida, Flex industries has become the largest flexible packaging company in India with an annual turnover of more than US\$ 150 million
 - One of the leading companies in the Asia-Pacific region, Flex has 25000 TPA strong converting capacity and dedicated workforce of 1,600 employees
-

Key Players

HCL Infosystems

- With its corporate office in Noida, HCL Infosystems Ltd. is the one-stop-shop for hardware products and solutions in the area of IT
- With a turnover of US\$ 2.7 billion it has developed and implemented solutions for multiple market segments



Key Players

Motherson Sumi Systems Ltd.



- Flagship company of Sumi Motherson Group, with headquarters in Noida
- With sales worth US\$ 107 million, MSSL is the largest manufacturer of wiring harnesses in India, serving the entire automotive industry

Key Players

EXL Service Holdings Inc



- Established in 1999 and having its corporate office and four delivery centers in Noida, EXL offers comprehensive business process outsourcing services
- As per the Nasscom 2002 survey, EXL is the leading BPO service provider in India

Key Players

Computer Sciences Corporation (CSC)



- CSC is a leading global IT services company. Its Indian operations started in 1991 in Noida
- With over 15,500 professionals, it is one of the fastest growing companies in India and also the second largest division within CSC

Key Players

Adobe Systems India Pvt Ltd

- Adobe India commenced its operations in India in 1998 and has its headquarters in Noida
- The company has invested US\$ 100 million in India till date and accounts for more than 20% of Adobe's annual revenues



Key Players

Delphi Automotive System



- Delphi is a leading global supplier of mobile electronics and transportation systems
- With global sales of US\$ 26.4 billion in 2006, Michigan based Delphi has its branch office in Noida, UP

DOING BUSINESS

Key Approvals Required

List of Approvals and Clearances Required	Departments to be Consulted
Prior to Setting up the Unit	
Registration	Industries Department
Allotment of Land/Shed	Industrial Development Authority
Permission for land Use	District Authorities
No Objection Certificate under Water & Air Act	Pollution Control Board
Approval for Construction Activity and Building Plan	Development Authority
No Objection Certificate	Fire Department
Provisional Trade Tax Registrations	Central and State Excise Departments
Registration under Central Sales Tax Act	Central and State Excise Departments
Before commencement of Production	
No Objection Certificate under Water & Air Act	Pollution Control Board
No Objection Certificate	Fire Department
Permanent Trade Tax Registration under	Central and State Excise Departments
Registration under Central Sales Tax Act 1956	Central and State Excise Departments
After Commencement of Production/Activity	
Registration	Industries Department

Business Climate of the State

Favourable Policies and Incentives

- The State government has formulated attractive incentives and subsidies on power, transportation, land and capital investment to name a few, for setting up business in the state
- Special incentives are given to industries such as IT, Export oriented, Food processing, etc. with state-of-the-art infrastructure facilities

Unexplored Businesses

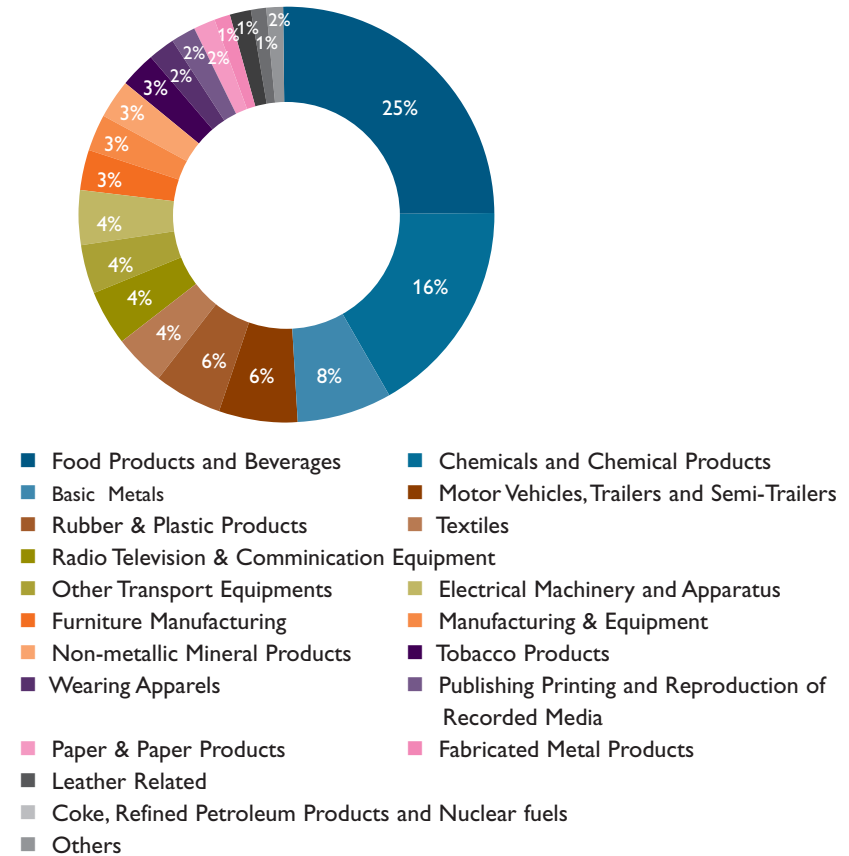
- Development of Industrial & Urban Infrastructure under various PPP models is a lucrative business option
 - The opportunities for investment in the industrial and urban sector are vast due to the recent reforms undertaken to overcome the lack of adequate infrastructure
-

Business Climate of the State

Expanding Industrial Infrastructure

- Significant industrial infrastructure being developed including SEZs, STPs, IIDCs, which would catalyze industrial growth and provide an ideal business climate for upcoming industries

Spectrum of Industrial Activity in Uttar Pradesh (1999-00)



Source: Uttar Pradesh Development Report,
Voll - Planning Commission, GOI (2007)

Business Climate of the State

Developed Industrial Activities

- There are large number of industries present in the state, which have grown through an organic route.
 - There is considerable scope of investment in the industries specially in the areas of Agro-Based Industries, Food Processing, Horticulture, IT, Petrochemicals, Silk, Sugar, due to the recent reform in the policies of the state
-

Business Climate of the State

Tourism

- UP is one of the top tourist destinations in India, with almost 25% of the All-India foreign tourists visiting every year.
 - With its vast wealth of monuments, heritage and culture, development of the tourism infrastructure presents a potential business opportunity
-

Business Climate of the State

Strong Agricultural Base to Drive the Food Processing Sector

- Comprises 16.4% of the area under food grain production (2000-01) and 12.33% net area under cultivation in the country.
- The state is a leader in the production of farm commodities including fruits, vegetables, rice, pulses etc. in appreciable quantities.
- Value of horticultural produce, at wholesale price, works out to about US\$ 2.3 billion in the state
- The post harvest losses work out to US\$ 465 million, offering a great potential for investment in post-harvest management, distribution networks and the processing industry opportunity

Sr. No.	Sector	Cost*
1	Manufacturing	
A	Land Price (US\$/sq mt)	50 – 75
B	Labour (US\$/Man Year)	1,500 – 2,000
C	Lease Rent (US\$/sq.mt./month)	4 – 6
2	Electricity (US cents)	
A	Commercial	9 per kWh
B	Industrial	8 per kVAh
3	Office space rent (US\$/sq mt/month)	1,075 – 2,690
4	Residential rent (US\$/3 bedroom flat/month)	350 – 930
5	5-star hotel room (US\$ per night night)	230 – 500

*These costs are merely indicative

OVERALL STATE COMPETITIVENESS

Advantage Uttar Pradesh

- Largest producer of wheat, pulses, sugarcane, tobacco, potato and milk in the country
 - Leading manufacturer of office machinery in the country (25%)
 - 4th largest software exporter (Rs 45 billion) in the country
 - Port facility at doorstep through 7 inland freight stations and 1 cargo complex
 - Good quality power supply to industries
 - Special facilitation to Foreign and NRI investors, in the form of incentives in the state policies
-

Advantage Uttar Pradesh

- Selected cities in UP, such as Noida and Greater Noida being close to Delhi are able to leverage the advantages of being in the National Capital Region (NCR) and have a fully developed infrastructure
 - Well-developed special purpose modern industrial areas like Software Technology Parks (STP), Electronic City, Toy City, Plastic City, Integrated Agro Park, Leather Park, Chemical Complex and Textile City
 - Easy availability of land in 239 fully developed Industrial areas spread over an area of 37,388 acres
-

Overall State Competitiveness

Parameter

Uttar Pradesh

Opportunities in Type of Industry

Tourism



IT Based Industries



Food Processing Industry



Pharmaceuticals & Bio-tech



Agro Based Industry



Mineral Based Industry



OVERALL STATE COMPETITIVENESS

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Overall State Competitiveness

Parameter

Uttar Pradesh

Opportunities in Type of Industry

Engineering Industry



Chemicals Industry



Handloom & Handicrafts Sector



Policy Incentives

Setting up and Carrying out Business



High Medium Low Proposed

OVERALL STATE COMPETITIVENESS

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Overall State Competitiveness

Parameter

Uttar Pradesh

Industrial Infrastructure Existing and Proposed

Power



Transportation



Industrial Estates/Areas



STP/IT Parks



EPIP



High Medium Low Proposed



OVERALL STATE COMPETITIVENESS

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Overall State Competitiveness

Parameter

Uttar Pradesh

Industrial Infrastructure Existing and Proposed

EPZ



IIDC



Industrial Growth Center



Food Processing Park



High Medium Low Proposed

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