



# MSME Policy-2022 Implemented in Uttar Pradesh

## Why In News?

On September 29, 2022, the Department of Micro, Small and Medium Enterprises (MSME) of Uttar Pradesh issued a government order to implement the MSME Policy-2022. The policy will remain in force till September 2027.

## Key Points

- MSME Minister Rakesh Sachan said that the state government will bear the one-time guarantee fee charged by banks on collateral free loans (i.e. loans without collateral) of up to Rs 2 crore to entrepreneurs investing in micro, small and medium industries in the state.
- For new micro industry, 50 percent of the annual interest payable on the loan (maximum Rs 25 lakh) per unit will be given for five years.
- Entrepreneurs will be given a subsidy of 10 to 25 percent on capital investment, 60 percent on loan interest to Scheduled Castes, Scheduled Tribes and women entrepreneurs.
- In Bundelkhand and Purvanchal regions, 25, 20 and 15 percent subsidy will be available respectively. Madhyaanchal and Paschimchal will have 20, 15 and 10 percent respectively. 2% additional investment incentive assistance will be provided to SC, ST and women entrepreneurs.
- The maximum limit of investment incentive will be Rs 4 crore per unit. All new food processing units with machinery and plants of Rs 5 crore and above will be provided exemption from mandi fee for five years on the purchase of raw materials as per the Mandi Act. The process of allotment of plots and sheds in industrial establishments of the department will be made online.
- The application period for eligible investment of micro units will be two years, three years for small scale industry and four years for medium industry.
- In order to provide credit to MSME units of the state from more and more sources, 20 percent (maximum Rs 5 lakh) of the expenditure on listing on the stock exchange will be reimbursed.
- Tobacco production, gutka, pan masala, alcohol, aerated beverages, carbonated products, manufacture of firecrackers, plastic carry bags (less than 40 microns), plastic bags of thickness classified by the State Government from time to time in the prohibited category and from time to time- This policy will not be applicable to investment proposals for products categorized in the Restricted Category List from time to time.

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