

Investment Climate in Uttar Pradesh



Published by



INDIA BRAND EQUITY FOUNDATION
c/o Confederation of Indian Industry



Table of Contents

| | |
|---------------------------------------|----|
| Uttar Pradesh - An Introduction | 4 |
| Economic Profile | 5 |
| Infrastructure | 7 |
| Social Infrastructure | 8 |
| Industrial Infrastructure..... | 9 |
| Urban Infrastructure | 11 |
| Biotech Policy | 12 |
| Mineral Policy..... | 13 |
| Business Opportunity | 14 |
| Attactive Sectors..... | 15 |
| Key Investments | 15 |
| Profile of Key Players | 16 |
| Doing Business | 18 |
| Average Cost of Doing Busines..... | 19 |

An Ernst & Young report for IBEF

Uttar Pradesh – An Introduction

The state of Uttar Pradesh (UP) is located in the heart of India. In 2000, the north-western hill districts of the state came together to form the new state of Uttaranchal, which was recently rechristened as Uttarakhand.

Uttar Pradesh is bounded by Uttarakhand and Himachal Pradesh in the north, Haryana in the west, Madhya Pradesh in the south and Bihar in the east. It also shares an international border with Nepal in the north. Uttar Pradesh can be divided into two distinct regions, the southern hills and the Gangetic plains. The Ganga and the Yamuna are the two major rivers flowing through the state.

Uttar Pradesh has the second largest economy in the country and is largely agrarian. It is the largest producer of wheat, pulses, sugarcane, tobacco, potato and milk and also has important industries including sugar and cotton fabrics. It also has the largest share of Small Scale Industrial (SSI) units, and is the fourth largest exporter of software in the country. The state is ranked amongst the top tourist destinations in India, largely by virtue of being home to one of the Seven Wonders of the World, the Taj Mahal.

Advantage Uttar Pradesh

- Largest producer of several agricultural products in the country.
- Leading manufacturer of office machinery in the country (25 per cent).
- Fourth largest software exporter (\$1 billion).
- Large talent pool. It is the only state in India to have two premier institutes: the Indian Institute of Technology (IIT) at Kanpur and the Indian Institute of Management (IIM) at Lucknow.
- Basic resources such as land and water available in abundance.
- Port facility at doorstep through seven inland freight stations and a cargo complex.
- Good quality power supply to industries.
- Special facilitation to foreign and NRI investors, in the form of incentives in the state policies.
- Single window clearance system through 'Udyog Bandhu'.
- Well-developed special purpose modern industrial areas like software technology parks (STPs), 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 37,388 acres.

- Select cities in UP being close to Delhi are able to leverage the advantages of being located in National Capital Region (NCR).

State Economy & Socio-Economic Profile

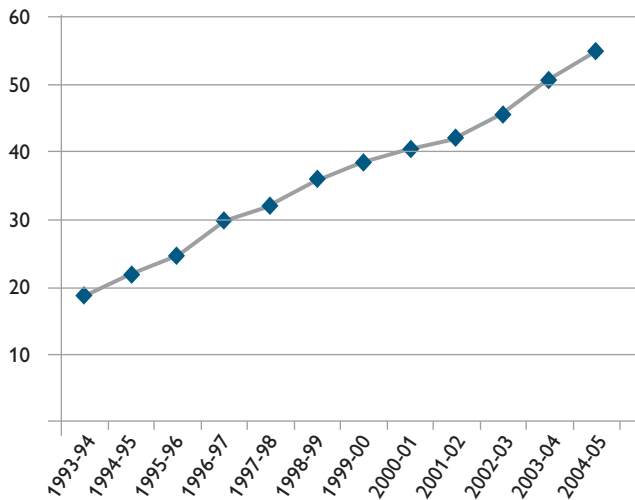
| | |
|---|--|
| Capital | Lucknow |
| Area | 240,928 sq km |
| Population (Census 2001) | 166 million |
| Density (2001) | 689 person per sq km |
| Sex Ratio (Census 2001) | 898 females per 1000 males |
| Principal Languages | Hindi and Urdu |
| Literacy Rate (Census 2001) | 56.27% |
| Major Minerals | 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 |
| 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 is the second largest economy in India after Maharashtra, contributing 8.17 per cent to the total GDP. The Gross State Domestic Product (GSDP) of the state at current prices in 2004-05 (as of February 2006) was \$55 billion. The Net State Domestic Product (NSDP) at current prices in 2004-05 was \$48 billion.

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



Source: www.indiastat.com

Thirty-five per cent of the GSDP in UP is contributed by the primary sector, vis-à-vis 24 per cent in the Indian economy, with agriculture contributing significantly. The tertiary sector's contribution is at 44 per cent.

After the state's bifurcation in 2000, its output fell to 92 per cent of that of the undivided state.

Key Economic Drivers

Primary sector dominated by agricultural produce

- UP is the largest producer of wheat, pulses, sugarcane, tobacco, potato and milk in the country.
- Its share for wheat, sugarcane, potato and tobacco varies from 30 per cent to 50 per cent of the country's production.
- The state has the highest yield for pulses and tobacco.
- It has one of the highest irrigation intensities at 66 per cent.

Although the share of agriculture in the total income has come down to 35 per cent from 42 per cent during the last decade, there is hardly any decline in the share of the work force en-

gaged in agriculture, which is about 66 per cent. Consequently, the per capita income in agriculture sector is much lower as compared to other states in the country.

Secondary sector – strong industrial base

- Sugar, cotton fabrics and diversified food preparations are the three most important industries.
- Goods carrier equipment, office equipment, chemicals, polyester fibre and steel tube galvanised sheets are some of the other products produced on a large scale.
- The state has the largest share of SSI units in the country, of 12 per cent, with over 2.3 million units.
- Largest manufacturer of office machinery in the country (25 per cent)
- Labour efficiency (as measured by the value of output per worker) is higher in Uttar Pradesh (\$25,600) than the national average (\$24,800).
- Cement output growth of 42 per cent in 2003-04

Tertiary sector driven by tourism & IT

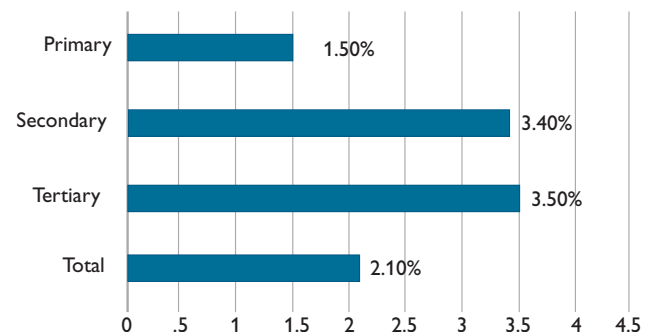
- One of the top tourist destinations in India, with almost 25 per cent of foreign tourists visiting Uttar Pradesh; more than 71 million domestic tourists visited the state.
- Over eight million domestic and 825,000 foreign tourists visited Agra in 2006-07; other important destinations include Varanasi, Lucknow, Allahabad, Vrindaban and Mathura.
- The state has a booming IT sector and is the fourth largest software exporter, (\$1 billion).

Socio-Economic Profile

State Demographics

UP is the fourth largest state of India, comprising nine per cent of the country's total area. It is the most populated state with

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



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

16 per cent of India's population. It has five cities with a million-plus population (Kanpur, Lucknow, Agra, Varanasi and Meerut) accounting for 11.2 per cent of India's population in million-plus cities. The administrative and legislative capital of Uttar Pradesh is Lucknow and the financial and industrial capital is Kanpur. Other prominent cities include Aligarh, Allahabad, Bareilly, Bijnor, Ghaziabad, Gorakhpur, Jhansi, Lakhimpur Kheri, Mathura, Moradabad, NOIDA (New Okhla Industrial Development Authority), Greater Noida and Saharanpur.

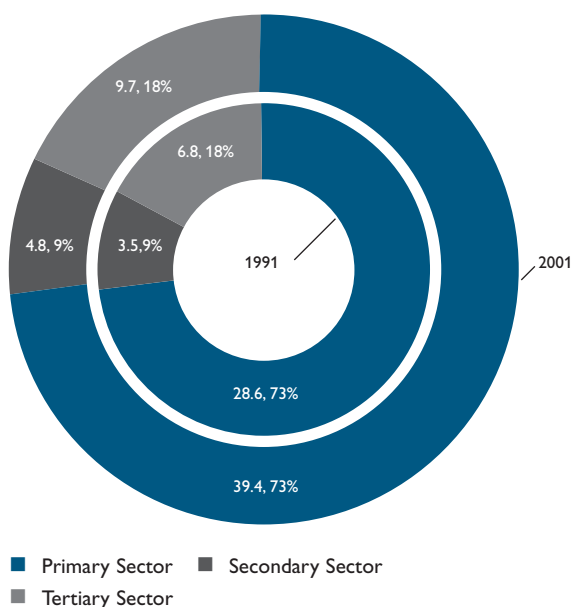
UP has a moderate literacy rate of 56 per cent as per Census 2001. The state languages are Hindi and Urdu. While standard Hindi is the official language, several regional Hindi 'dialects' are spoken throughout the state, among which Bhojpuri is the second most-spoken language. Urdu is prominent as Lucknow was historically the centre of Persian culture in northern India.

Workforce

The workforce participation rate as per Census 2001 (main and marginal workers) in UP was 32.6 per cent. Of the total workforce, over 18 per cent is employed in the tertiary sector. The agriculture sector employs about 66 per cent of the workforce. Non-workers constitute 67.5 per cent of the population, which include housewives, students below 19 years of age and the retired.

According to the 1991 Census, the number of main workers was 38.9 million (excluding Uttarakhand), which grew to 54 million in 2001. Employment has grown faster in the secondary and tertiary sectors, as shown in the graph below.

Worker Population in Uttar Pradesh
(Figures in Million)



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

Infrastructure

Transport Network in Uttar Pradesh

Physical Infrastructure

Airports

Uttar Pradesh has good domestic air connectivity. It has four airports and 23 air strips. Major airlines are Indian, Jet Airways, Jetlite, Kingfisher, Spicejet and Air Deccan.

Lucknow, Kanpur, Varanasi and Agra airports have flights to major Indian cities. The nearest international airport is Delhi, but airports in Varanasi, Lucknow and Agra, are custom airports, which can accommodate international traffic if necessary. There are three non-operational civil enclaves located at Allahabad, Chakeri and Gorakhpur. Airports at Lucknow, Varanasi and Kanpur also have domestic cargo terminals.

In Allahabad, Chakeri, Gorakhpur the airstrips are being operated by the Indian Air Force (IAF), and Allahabad is the headquarters of IAF's Central Air Command. The Airport Authority of India has been approached for the upgradation of Lucknow, Agra and Varanasi airports, so that they can handle International Charters and Cargo.

Cargo handled at Airports (Figures in tonnes)

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

Source: www.indiastat.com

Railways

Uttar Pradesh has the largest network of railway lines in the country with a total length of 8,546 km (in 2006), which fall under the northern and north-eastern railway divisions. It has the sixth largest railway density of 35.8 route km per thousand sq km (in 2005).

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

Lucknow is the main junction of the northern and north-eastern railways. Other important junctions are Agra, Kanpur, Allahabad, Mughalsarai, Jhansi, Moradabad, Varanasi, Tundla, Gorakhpur,

Gonda, Faizabad, Bareilly and Sitapur.

About 133 million tonnes of cargo is carried within the northern and north-eastern zone of the railways; it includes cement, coal, diesel oil, food grains, iron ore, mineral oils and other commodities.

Roadways

Uttar Pradesh is well connected through roads and has the second largest road network in the country after Maharashtra. It has the seventh highest road density with 1,027 km per thousand sq km as on 2002.

Thirty-one national highways (NH) with a length of 4,942 km, pass through the state, which accounts for 8.5 per cent of NHs in the country. The total road length was 248,481 km (as in 2002), of which 67 per cent is surfaced. UP had the largest surfaced urban road network in the country of 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)

Waterways

Uttar Pradesh has a number of rivers. The stretch of Ganga from Allahabad to Haldia in West Bengal has been declared as National Waterway I – about 600 km, from Allahabad to Chapra, lies in Uttar Pradesh. However, cargo movement is not significant due to insufficient LAD (Least Available Depth). There is a scope for improving the infrastructure and navigability on this stretch.

Telecom

UP has a strong telecom infrastructure through its network of STD and ISD services; it had a tele-density of 3.88 and a total of 3.5 million telephone connections both fixed and wireless local loop (WLL) in 2006. Cellular services are provided by over 10 players including government-owned 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

Power

Several major private projects such as the Dadri Power Project of Reliance Energy Generation Ltd, and Roza Power Project of the Birla Group, are in various stages of implementation, in the state. Government land is being made available on a lease of 99 years at the rate of \$2.3 per acre to set up power generation projects.

The state has formulated a power policy to facilitate investments in the sector. Uttar Pradesh falls among the top five states on account of good structural adjustment support provided to the utilities. It also has above average subsidy payment track record and satisfactory progress against targets laid down with the Power Ministry.

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

Uttar Pradesh has successfully implemented the “education for all” policy. It has several higher education and technical education institutions, notable among these are:

- Indian Institute of Technology (Kanpur)
- Indian Institute of Management (Lucknow),
- Uttar Pradesh Technical University (UPTU),
- Allahabad University
- Aligarh Muslim University (AMU)
- King George’s Medical College
- Banaras Hindu University
- Indian Institute of Information Technology (Allahabad)
- National Institute of Technology (Allahabad) and
- The Asian Academy of Film & Television.

A large number of polytechnics, engineering institutes and industrial training institutes operate in the state.

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

Health

Uttar Pradesh is known for several healing techniques, which form part of alternate medicines such as Ayurveda, Unani and Homeopathic. There are 24,650 medical centres, 2,108 Ayurvedic centres, 253 Unani centres and 1,483 homeopathic centres.

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, GoI, March 2006

Industrial Infrastructure

There are 15 industrial areas, 12 specialised parks, three growth centres and four Industrial Infrastructure Development Centres (IIDCs). In addition, several Special Economic Zones (SEZs), with world class infrastructure, and growth centres have been proposed.

There is also a proposal for augmentation of the industrial estate at Ghaziabad. Besides this, 26 Information Technology (IT) Parks and Information Technology Enabled Services (ITes) Parks have been proposed. A Biotech Zone and a Knowledge Park are to be developed in Greater Noida.

Development of Integrated Agro/Food Processing Zones has been proposed at Hapur and an Integrated Logistics Hub, which is a Free Trade Warehousing Zone, has been proposed in collaboration between IL&FS, MMTC and Mitsui (Japan) in Greater Noida.

Other supporting facilities proposed include a financial hub and complex for corporate offices at Noida and Greater Noida.

The other proposed infrastructure initiatives to support industrial development include:

- Development of Feeder Road/ Rail Linkages providing con-

nectivity to NH-24 (Delhi-Lucknow) and NH-58 (Delhi-Haridwar-Mana Pass)

- The Taj Expressway (in PPP mode) by the Jaiprakash Group
- Development of Boraki Railway Station, Passenger and Goods Terminal between ICD and SEZ (2,500 acres)
- Inter-State Bus Terminus (ISBT), Dadri Tuglakabad
- Rail (Freight) Link from Greater Noida to Tuglakabad via Noida
- Development of air connectivity in Greater Noida Airport
- Improvement of Airstrip at Meerut for use by chartered planes.

The details of the proposed industrial infrastructure have been listed below:

Industrial Areas within UP

| Industrial Areas/ Zones Name | Location | Area (acres) | Facilities |
|--|---------------|--------------|---------------------------------------|
| Barbala Industrial Area | Barbala | 305 | Electricity, Road, Rail, Drain |
| Bargarh Industrial Area | Bargarh | 154 | Electricity, Road, Rail, Drain |
| Gajraula Industrial Area | Gajraula | NA | Electricity, Road, Rail |
| Gorakhpur Industrial Area | Gorakhpur | NA | Electricity, Road, Water, Drain |
| Jagdishpur Industrial Area | Jagdishpur | 100 | Electricity, Road, Rail |
| Khimsepur Industrial Area | Farukhabad | 272 | Electricity, Road, Rail, Drain |
| Kosi Kotwan Industrial Area | Kosi | 100 | Electricity, Road |
| Lakhimpur - Kheri Industrial Area | Kheri | NA | Electricity, Road, Rail, Drain |
| Naini Industrial Area | Naini | 100 | Electricity, Road, Rail, Water |
| Orai Industrial Area | Orai | 194 | Electricity, Road, Rail |
| Salempur Industrial Area | Salempur | 957 | Electricity, Road, Rail |
| Sandila Industrial Area | Sandila | 905 | Electricity, Road, Rail, Drain |
| Satharia Industrial Area | Satharia | 150 | Electricity, Road, Rail, Water |
| Trisundi Industrial Area | Trisundi | 616 | Electricity, Road, Rail, Drain |
| Utelwa Industrial Area | Utelwa | 120 | Electricity, Road, Rail, Drain |
| Sikandrabad Growth Centre | Sikandrabad | 59 | Electricity, Road, Rail |
| Malwan Growth Centre | Firozabad | 106 | Electricity, Road, Rail, Water, Drain |
| Tikaria Growth Centre | Tikaria | 168 | Electricity, Road, Rail, Drain |
| Industrial Infrastructure Development Centre | Ghaziabad | NA | Electricity, Road, Rail, Water, Drain |
| Industrial Infrastructure Development Centre | Ghaziabad | NA | Electricity, Road, Rail, Water, Drain |
| Industrial Infrastructure Development Centre | Mathura | NA | Electricity, Road, Rail, Water, Drain |
| Industrial Infrastructure Development Centre | Unnao | NA | Electricity, Road, Rail, Water, Drain |
| Specialised Parks Name | Location | Area (acres) | Facilities |
| Export Promotion Industrial Park | Greater Noida | 200 | Electricity, Road, Rail, Water, Drain |
| Export Promotion Industrial Park | Agra | 102 | Electricity, Road, Rail, Water, Drain |
| Export Processing Zone | Noida | 280 | Electricity, Road, Rail, Water, Drain |
| Leather Park | Kanpur | 233 | Electricity, Road, Rail, Water, Drain |
| Agro Park | Barabanki | 180 | Electricity, Road, Rail, Water, Drain |
| Agro Park | Varanasi | 261 | Electricity, Road, Rail, Water, Drain |
| Software Technology Park | Kanpur | 0.3 | Electricity, Road, Rail, Water, Drain |
| Software Technology Park | Noida | 1 | Electricity, Road, Rail, Water, Drain |
| Tata Nagri Industrial Township | Aligarh | 200 | Electricity, Road, Rail, Water, Drain |
| Tronica City - Industrial Township | Loni | 1300 | Electricity, Road, Rail, Water, Drain |
| New Integrated Kanpur Industrial Development Authority | Kanpur | 150000 | Electricity, Road, Rail, Water, Drain |
| Apparel Park | Ghaziabad | 145 | Electricity, Road, Rail, Water, Drain |

Urban Infrastructure

With nearly 166 million inhabitants, Uttar Pradesh is not only the most populous state in India, but also the most populous sub-national entity in the world. A little bigger than England, Uttar Pradesh is home to one out of every 36 persons in the world. It is possibly the state with the largest number (six) of million-plus cities. Based on the data acquired from City Development Plans (CDP) prepared under the Jawaharlal Nehru National Urban Renewal Mission, a further analysis of the urban infrastructure levels in terms of water supply, sanitation facilities, solid waste management, and transportation facilities has been outlined below.

Water Supply

The average per capita supply of water in the cities of UP is 167 lpcd (litres per capita daily), which is higher than the desired supply of 150 lpcd. Mathura and Kanpur are the only exceptions, with insufficient supply as shown in the graph below.

The operation and maintenance (O&M) costs recovered from the water tariffs is significant in almost all the cities. The water distribution system is worn down especially in inner parts of the cities. Around 30 to 40 per cent of the water is considered as unaccounted for water (UFW) due to the leakages in the system.

Sewerage System

All cities in UP have sewerage systems, but the coverage is hardly 20 to 40 per cent. This is a common problem faced by several cities across the country, with non availability of proper sewerage system and treatment plants. There is no cost recovery mechanism for this service presently, which is a major reason for slow development of the system.

Solid Waste Management System

The solid waste collection efficiency is 70 per cent on an average for all the cities, with Kanpur having the maximum efficiency of 100 per cent, and Mathura having the minimum at 39 per cent. The amount of waste collected is dumped in identified land fill sites in almost all cities. Medical waste is also disposed of scientifically in all the cities except in Meerut.

Roads and Storm Water Drainage

The per capita average urban road length is 1.26 km for all the

cities, with Mathura, Kanpur and Varanasi having less than the ideal per capita road length.

Upcoming Integrated Townships in the State

There are a number of townships coming up in the state, being developed by some of the leading real estate developers. They are coming up in Agra, Doondahera, Lucknow, Ghaziabad, Greater Noida and Ghazipur.

| Location of Township | Name of Developer |
|----------------------|-------------------|
| Agra, Doondahera | Ansal |
| Lucknow | Ansal API |
| Lucknow, Ghaziabad | Parsavnath |
| Lucknow | M-tech |
| Lucknow | Omaxe |
| Lucknow | Sahara city home |
| Greater Noida | Eldeco |
| Ghazipur | Sun city |
| Noida | Unitech |

Source: Internet sites of respective developers.

State Policies and Incentives

Industrial and Service Sector Investment Policy – 2004

This policy provides a package of facilities and incentives to entrepreneurs and industrial units. The prime objective is to ensure creation of maximum employment opportunities and eradication of poverty. Top priority has been accorded to development of infrastructure.

The state is keen to promote the participation of the private sector in the industrial and economic growth through this policy. It has created conditions for a balanced and harmonious growth of all segments of the industrial sector such as Heavy, Medium, and Small Scale Industry. Traditional industries would be strengthened, augmented and made competitive in terms of quality, technology, design, packaging and marketing. A facilitative atmosphere has been provided for the promotion of exports from the state and to enhance the competitiveness of exportable products.

It has created an attractive environment for NRIs to invest in the state. Procedures and systems would be modified, so as to facilitate easy inward investment.

Biotech Policy – 2004

The state aspires to utilise modern tools of biotechnology and attain prosperity for farmers, generate employment in rural areas, ensure food for all, good health and clean environment. The mission is to develop a knowledge-based economy, assure benefit of biotechnology to all sections and promote entrepreneurship in biotechnology-based industries.

IT Policy – 2004

The state is determined to facilitate and create an investor friendly environment by providing the requisite infrastructure for IT companies. Initiatives to this end include a budget for IT activities, IT pool fund for e-governance, IT Cities, IT Parks, NIC infrastructure and promoting hardware industries. IT services and IT Enabled Services have vast employment generation potential; hence the state government would provide infrastructure, marketing support and financial assistance for setting up of these industries.

Policy for Food Processing Industry – 2004-09

The Food Processing Policy aims at facilitating better returns to farmers and attracting investment in this sector. The policy moots generating employment, promoting value addition, minimising wastage of agri-products, providing appropriate links between the agricultural and industrial sectors and marketing the products.

Power Policy – 2003-09

The Power Policy is structured with consumers as the focal point and aims at fulfillment of the overall need for universal access and for providing reliable, quality and affordable power. The policy contains lucrative tax benefits such as interest-free loans to investors and stamp duty waiver on land purchased to set up industrial units. It has provision for incentives for renovation work taken up in existing units and also provides for the transfer/sale of units that have a very low Plant Load Factor (PLF), to private parties. The Power Policy has provisions for increasing the PLF by creating additional power capacity, modernisation of power stations and improving the transmission system.

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

The government desires to aggressively promote the development of hi-tech townships with facilities comparable to international standards in Lucknow, Kanpur, Agra, Varanasi, Allahabad,

Meerut, Ghaziabad, Bareilly, Moradabad, Gorakhpur, Saharanpur and other cities having high growth potential. Hi-tech townships would have world class infrastructure, high quality living and working conditions, and entertainment complexes, which are well suited and flexible to the space requirements of high technology and knowledge based industries. The basic objective of the policy is to facilitate and create an enabling environment for attracting private investment in housing and infrastructure development.

UP SEZ New Policy – 2006

The government has introduced the SEZ policy to foster industrial and economic development and create a conducive environment for the development of SEZs. Integrated areas with world-class infrastructure will be developed through establishment of SEZs, under provisions of this policy. Apart from achieving rapid economic and industrial growth, SEZs are expected to create new avenues for employment generation. They will encourage exports, domestic investments, FDI and facilitate transfer of modern technologies. Provisions for the exemption of taxes and rationalisation/exemption of legal provisions related to labour, environment and electricity have been provided for in the policy.

Sugar Policy – 2004

Under the provisions of this policy, entrepreneurs are provided with a host of incentives and concessions to set up sugar mills in the state. These include exemption of entry tax on sugar, reimbursement of administrative charges and trade tax on molasses. Further, exemption from stamp duty and land registration fee, exemption and reimbursement of purchase tax on sugarcane, reimbursement of expenditure on transport of sugarcane and sugar are also provided.

Uttar Pradesh has traditionally been known as the “Sugar Bowl of India” (accounting for 40 per cent of the total production) and sugar is an important source of livelihood. The new policy provides direct benefits to the farming community as it has generated rural employment, reduced income inequalities, and propelled the growth process.

Film Industry Policy – 1999

The Film Industry Policy is designed to provide a coherent framework for the growth of the film industry in UP. It aims to develop Uttar Pradesh as an important centre for film-making and to project the state’s rich and exotic natural beauty, history and culture through this medium. It also aims to encourage addi-

tional capital investments so as to improve the economic status of the people and to provide alternative avenues of employment. The state will promote the creation of required infrastructure in the private and joint sector. It shall further fill in critical gaps in the interim, till such infrastructure is available.

Mineral Policy

It aims to expedite investigation of new mineral deposits for development by adopting modern exploration techniques. It aims to promote private investment and foreign capital investment in the mineral development process. The state encourages competitiveness in the mineral industry through optimum use of minerals, increasing export of minerals, ensuring value addition and upgradation of minerals besides using by-products in the industry.

Road Development Policy

To fulfill the objective of strategic road sector development, and keeping in view the need for all round development of the state, the government has formulated the Road Development Policy. Salient features include construction of village roads, maintenance of highways, construction of roads and bridges by the private sector, financial discipline and dovetailing in construction works.

Textile Policy – 2006

The main objective of the policy is to generate more jobs and attract investments into the textile and apparel manufacturing industries. The policy proposes schemes, strategies and programmes for power supply, infrastructure, textile parks, human resource development and provisions to attract large players with substantial investment.

Tourism Policy

The policy aims to promote tourism and improve the efficiency of the industry. The focus is on development of necessary infrastructure, to create corpus funds for development of basic amenities, promotion of eco-tourism, restoration of ancient places and organisation development of the Tourism Department.

Hotel Policy – 2006

The state's first Hotel Policy contains major concessions for the industry as hotels are expected to come up primarily in Ghaziabad, NOIDA and Greater Noida, for which land would be provided at industrial rates. The policy has been formulated especially in view of the Commonwealth Games 2010; about 30,000 rooms are required in the National Capital Region (NCR) for the games. The policy will ensure that 5,000 rooms are built in cities in UP in proximity of the national capital.

State Level Incentives

| Details of State Level Incentives for Industries | | |
|--|--|---|
| Category | New Investment | Existing Units |
| Capital Investment Subsidy | @ 10% for SSI units subject to a ceiling of US\$ 11,600 @ 15% for women and SC/ST entrepreneurs subject to a ceiling of US\$ 17,400 Special incentive package for large units with investment of US\$ 11.6 million or more Investment subsidy of 10% (up to US\$ 46,500) for 100% EOU's | @ 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 | Subsidy equivalent to trade-tax paid on raw materials Exempted from electricity duty for 10 years 20% rebate (up to 5 years) on electricity bills for notified industrial estates and industries | |
| 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. | For rehabilitation of sick units, minimum demand charges for the period of their closure will not be charged Deferment of luxury tax in thrust areas for 5 years |

Business Opportunities

Overview of Industrial Sector

Three of the most important industries in UP are sugar refining, cotton fabrics and diversified food preparations; the three put together employ nearly a third of the state's total factory labour. Goods carrier equipment, photostat machines, chemicals, polyester fibre and steel tube galvanised sheets are the other big industries. UP has the largest share of SSI units in the country, with 12 per cent of over 2.3 million units. This provides an entrepreneur base that can be strengthened to propel growth. The state is also the largest manufacturer of office machinery in the country (25 per cent) and fourth largest software exporter (\$1 billion).

The state is endowed with different types of minerals and several industries based on them. There are a number of cement plants, bauxite based aluminum plants and copper plants. Other industries include large printing establishments and units engaged in manufacturing of scales, locks, letter boxes, furniture, badges and belts, leather goods and scissors.

Key Thrust Areas of the state

Agro Processing Sector

The agro processing sector is reckoned as a promising growth frontier in the agricultural economy. The state ranked number one in terms of production of wheat, sugarcane, maize, vegetables, potato and livestock products, including milk. In terms of rice production, the state is next to West Bengal. It enjoys the advantage of having a large consumer base within the state and in neighbouring states. UP has 311 heavy and medium scale agro processing industries with a total investment of \$581 million. There are 42,586 small scale agro processing and cottage industries with a total investment of \$163 million.

The state has identified a few high potential areas for agro processing, including onion flakes, onion powder, garlic powder, fruits and vegetables, flowers, canned mushrooms, oleo resins, table margarine and bakery products.

Tourism

Uttar Pradesh is one of the top tourist destinations in India, with almost 25 per cent of foreign tourists visiting the state. Being home to one of Seven Wonders of the World, Taj Mahal, Agra attracts a large number of tourists. The holy cities of Varanasi, Ayodhya, Mathura and Allahabad also attract many visitors. Multitudes from all over the world visit UP to attend the Kumbha Mela, a popular fair held every 12 years. Apart from Taj Mahal it

has attractions such as Agra Fort, Fatehpur Sikri and Dayal Bagh. Other important tourist destinations include Varanasi, Lucknow, Allahabad, Vrindaban and Mathura.

Mineral Based Industries

UP is not a highly mineralised state; the share of mining and quarrying in real GSDP is just about a per centage. Yet in certain areas, significant mineralisation has taken place. Important minerals include coal, diaspore, sulphur, magnesite, prophyllite, silica sand and limestone. In addition, a few other minerals to be found include marble, non plastic fireclay, uranium, barites and edalosite. Reserves of sandstone, pebbles, reh, salt punter, marang, sand and other minor minerals are also present in the state.

Handloom Sector

Uttar Pradesh is the only state which has the distinction of being able to offer the complete range of handloom products such as home furnishings, floor coverings, bedcovers, bed sheets, dress materials, towels, table linen and a vast range of woven and printed sarees made of cotton and silk. The element of art and craft present in UP's handloom sector products have the potential to cater to upper market segments both in India and abroad. As an economic activity, handloom sector provides livelihood to over 200,000 people. The state produces about 15 per cent of the total fabric produced in the country.

Handicraft Sector

Handicrafts are one of the key export segments of Indian trade with significant contributions coming from UP. There are an estimated 1.8 million artisans in UP, which is 30 per cent of the total number of handicrafts artisans in India. UP accounts for \$1.2 billion of annual production, 60 per cent of total handicraft exports and 22 per cent of the units. There are a large number of development and welfare schemes for the artisans.

Textiles

The state proposes the development of a Textile Park and SEZ in Varanasi. The sector employs about a third of the population. UP has been the centre of chikan embroidery, renowned for its timeless grace and its gossamer delicacy, a skill more than 200 years old. Varanasi, besides being a holy place, also has the distinction of being a world famous centre of hand-made textiles. The ancient traditions of weaving are well preserved in Varanasi. The main products are Banarasi Sarees, Zari and brocades.

IT

Uttar Pradesh is the IT hub of North India with the fourth largest software exports in the country. The IT focus is confined to few pockets including Noida, Greater Noida and Ghaziabad. Uttar Pradesh has a booming electronic industry as well, especially in the UP-Delhi-NCR region.

A recent addition is the upcoming Logix Techno Park in Noida. This is the largest Software Technology Park (STP) in North India, covering a total area of 0.6 million sq ft. The estimated cost of the park is \$17.4 million, with \$11.6 million already invested. Blue-chip companies such as HCL, Mentor Graphics and Patni, have already moved in, occupying 75 per cent of the site even before its completion.

Attractive Sectors

Food Processing Industries

Uttar Pradesh is one of the largest producers of farm commodities in the country and the largest producer of vegetables, wheat, maize, sugarcane, potato and milk. There is an immense potential for growth in this sector. The state also has diverse agro climatic conditions, which are conducive for a variety of crops round the year.

The potential of this sector is yet to be fully tapped. Only around two per cent of the production is commercially processed. Though considerable success has been achieved in evolving appropriate pre-harvest practices, the issue relating to post-harvest management, which includes grading, sorting, packaging, processing, transportation and marketing, are still not adequately addressed.

IT Industries

Noida has emerged as one of the leading IT/ITeS hubs in the country. Software Technology Park of India, Noida, is the key contributor to NCR emerging as a major IT/ITeS destination for global majors outsourcing IT services to India. It also acts as the nodal centre for other Software Technology Parks in north and central India.

It is home to many big international and national companies such as GlobalLogic, EXL, Birlasoft, Impetus, STMicroelectronics, MtronPTI, Fiserv, Adobe Systems, TCS, CSC, HCL, ATC Labs, Interra, Agreeya Solutions and Xansa.

Future plans include setting up of another 55-acre park in Noida for those companies, which will provide residential facility with emergency medical services to its employees.

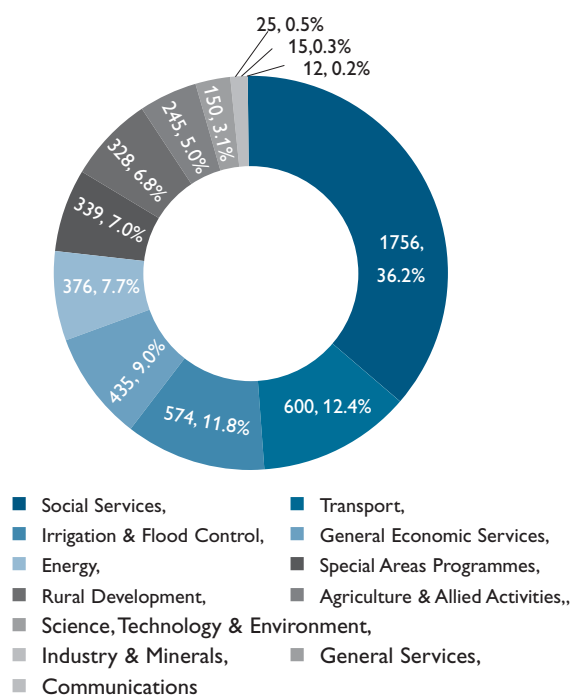
Leather Industry

UP is a major production centre for leather and leather based products with over 11,500 units. Kanpur and Agra are the two key leather production centres in the country. About 200 tanneries are located in Kanpur, which specialise in processing hides into heavy leather (sole, harness and industrial leather). This is the only centre in India where saddlery products are manufactured. Agra is perhaps the largest centre for shoe-manufacturing in the country. Apart from these traditional centres, Noida has recently emerged as another major centre especially for leather footwear and leather garments. Noida provides high-end infrastructure and the establishment of Footwear Design and Development Institute (FDDI) is expected to promote the footwear industry in the state further.

Key Investments

The sector-wise investments made in 2006-07 in Uttar Pradesh have been illustrated in the pie chart, which indicates significant proposed investment in the social sector, transport, irrigation and flood control and economic services.

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



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

The state budget has gone up from \$19.3 billion in 2006-07 to \$23.5 billion in 2007-08, an increment of 22 per cent. The sectoral distribution of the outlay, however, does not vary at present. As many as 512 proposals cumulating \$2.1 billion have been included in the budget, which is significantly higher than the value of proposals in the previous year's budget of \$1.5 billion.

Other key investments include:

- Public Private Participation (PPP) in the farm sector with a target to raise about \$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. Besides the power sector, Reliance has shown interest in expanding its infocom network in 300 towns/kasbas in Uttar Pradesh.
- The Sahara Group has offered to develop 50 "high-tech townships". The group has also offered to set up an international trade centre in Lucknow to help promote handicrafts.
- A Taj expressway project worth \$581 million, an eight lane expressway connecting Delhi and Agra, is on the anvil.
- The A.V. Birla group, which has substantial investments in the state, proposes to invest \$233 million as part of the expansion of Indo Gulf Fertilizers, its fertiliser factory at Jagdishpur, and Hindalco, its aluminum factory at Sonbhadra, Sultanpur.

Exports

UP is one of the few states to have an export promotion bureau. The share of the state's exports in India's merchandise has been constantly growing as depicted in the graph below.

The main items of export include computer software and electronics, engineering and building material ware, art and metal ware, leather and leather goods, hand woven carpets, clothes and garments, agro products, processed food items, and gems and jewellery.

Profile of Key Players

Dabur

Dabur India Ltd is the fourth largest FMCG company in India with interests in Healthcare, Personal care and Food products. The company is head quartered in Ghaziabad. Building on a legacy of quality and experience for over 100 years, it has a turnover of \$520 million with powerful brands like Dabur Amla, Dabur Chyawanprash, Vatika, Hajmola and Real. One of Dabur's key manufacturing facilities is in Sahibabad.

LG Electronics India Ltd (LGEIL)

Established in 1997, LGEIL is a wholly owned subsidiary of LG Electronics, South Korea. It is a market leader in consumer durables, and recognised as a leading technology innovator in Home Appliances, Consumer Durables, Digital Display products, GSM mobile phones and IT products.

In 1998, LG set up its first state-of-the-art manufacturing unit and corporate office at Greater Noida, UP.

Sahara

The Sahara group, headquartered in Lucknow, has embarked on large housing projects in Lucknow and other parts of UP. Sahara India Pariwar is a major entity in the cooperative scene with diversified business interests that include Finance, Infrastructure & Housing, Media & Entertainment, Tourism & Hospitality, Consumables, Manufacturing and Services & Trading.

Yamaha Motor India

Yamaha Motor India, incorporated in 2001, has two plants in India, one at Faridabad (Haryana) and the other at Surajpur in Uttar Pradesh. Ten motor-cycle models roll out of the two Yamaha plants.

Hindalco

Hindalco commissioned its aluminum facility at Renukoot in eastern UP in 1962 and has today grown to become the country's largest integrated aluminum producer. It is a flagship of the Aditya Birla Group, which has a turnover of \$14 billion. Its copper smelter is today the world's largest custom smelter at a single location. Aditya Birla Group also owns Indo Gulf Fertilizers Ltd, located in Sultanpur.

HCL Infosystems

With its corporate office in Noida, HCL Infosystems Ltd is a one-stop-shop for products and Infrastructure Solutions in IT, Communication, Office Automation, Enterprise Networking and VPN Services. With a turnover of \$2.7 billion, HCL has developed and implemented solutions for multiple market segments, across a range of technologies in India for over quarter of a century.

Jubilant Organosys Ltd

Jubilant Organosys Ltd, with its corporate office in Noida, is one of India's leading companies with a focus on chemicals, biotech-

nology, information technology, and food ventures. Of the five manufacturing units, one is in Jyotiba Phoolke Nagar. Jubilant Organosys is a part of Jubilant Corporation, which has a turnover of \$233 million.

Triveni Engineering Industries

Triveni Engineering Industries has core competencies in the areas of sugar and engineering. It is among the three largest sugar manufacturers in India and is the market leader in engineering businesses, having a global footprint. The company has a strong presence in UP with its head office in Noida and registered office in Deoband. It has two plants in the state: a sugar plant in Muzaffarnagar district and a water and wastewater treatment plant in Noida.

Flex Industries

Established in 1983, Flex Industries has its offices in Noida and has emerged as the largest flexible packaging company in India with an annual turnover of over \$150 million. It exports to USA, Canada, the UK, Russia, the CIS republics, South Africa, the Middle East and the South Asia.

Motherson Sumi Systems Ltd

Motherson Sumi Systems Ltd is the flagship of Sumi Motherson Group, with headquarters in Noida. MSSL is the largest manufacturer of wiring harnesses in India, serving the entire cross-section of the automotive industry, with sales worth \$107 million.

Honda Siel Power Products

Honda Siel Power Products is a joint venture between Honda Motor Co of Japan and Siel Ltd. It is engaged in the manufacture of Portable Generators, Water Pumping Sets, Lawnmowers and General Purpose Engines at its manufacturing facilities at Greater Noida, Rudrapur and Pondicherry.

Adobe Systems India Pvt Ltd

Adobe India commenced its operations in 1998 in Noida. A notable achievement of the Noida centre was the release of PageMaker 7.0 in 2001, the first major international desktop product engineered from India. The company has invested \$100 million in India till date and accounts for more than 20 per cent of Adobe's annual revenues.

Birlasoft Ltd

Birlasoft, with corporate office in Noida, provides software application development and support services across the globe with both onshore and offshore models. It is a part of the \$1.2 billion CK Birla Group, one of India's leading commercial and industrial houses, with strategic equity participation by GE Capital.

Cadence

Cadence has increased its investment and presence in India, with two major facilities in Noida and Bangalore. It includes facilities for research and development as well as IT support for Cadence Worldwide and Global Customer Care.

Delphi Automotive System

Delphi is a leading global supplier of mobile electronics and transportation systems, including power, train, safety, steering, thermal, and controls and security systems, electrical/electronic architecture, and in-car entertainment technologies. Headquartered in Troy, Michigan, Delphi has its India branch office in Noida. Globally, it reported sales of \$26.4 billion in 2006.

EXL Service Holdings Inc

With its corporate office and four delivery centres in Noida, EXL Service Holdings Inc., established in 1999, offers comprehensive business process outsourcing services. It is a leading BPO service provider in India.

Kothari Products Ltd

The Kothari Group, with a turnover of \$70 million has its headquarters in Kanpur. It produces Pan Parag and other brands of pan masalas.

Moser Baer

Moser Baer, with several factories in Noida, is a world leader in the development and manufacture of removable data storage media. Incorporated in 1983, it is today one of India's leading technology companies and ranks among the top three optical storage media manufacturers in the world, with net profit \$1 million.

Balrampur Chini Mills

The company manufactures and markets sugar, alcohol, organic manure and generates power. It has seven sugar factories located in eastern Uttar Pradesh.

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 |

Source: Various Government Departments

Business Climate of the State

Strong Agricultural Base to support the Food Processing Sector

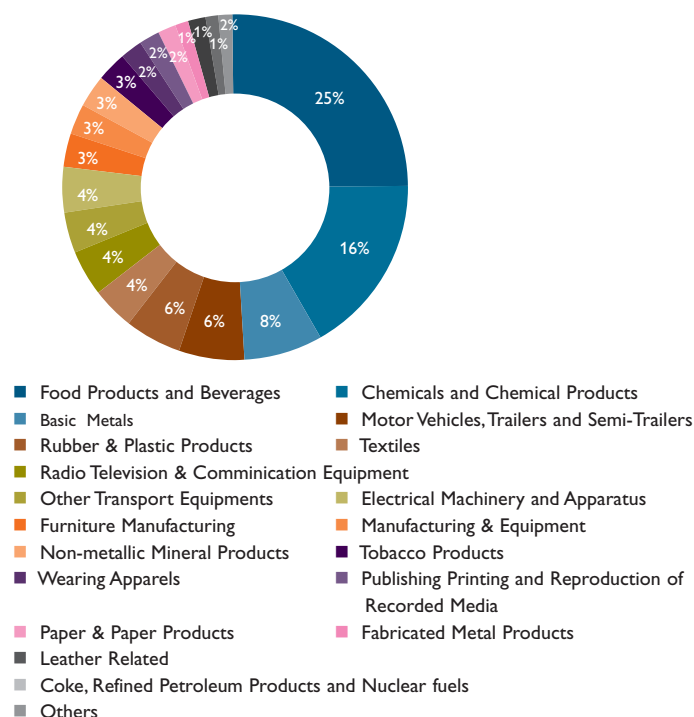
The region is endowed with the most fertile land mass and powerful river systems including the Ganges, Yamuna, Ramganga, Gomati and Ghaghara. The state comprises 16.4 per cent of the area under food grain production (2000-01) and 12.33 per cent net area under cultivation in the country. It is a leader in the production of farm commodities including fruits, vegetables, rice and pulses in appreciable quantities. Food processing would include processing cereals, pulses, fruits, vegetables, milk, meat, fish, honey, spices, mushrooms and different beverages. The state is also the largest producer of mango, amla, peas and sweet potato and ranked sixth in production of vegetables and seventh in fruit production. The value of horticultural produce, at wholesale price, was about \$2.3 billion and the post harvest losses were about \$465 million. This offers a great potential for investment in the areas of post-harvest management, cold chains, distribution networks for perishable goods and the processing industry.

Developed Industrial Environment

There are a diverse number of industries present in the state,

which have come up in an organic manner. UP has attained near leadership in exporting food products, chemicals and chemical products, basic metals, motor vehicles, rubber and plastic and textiles. There is considerable scope of investment specially in the areas of Agro-Based Industries, Food Processing, Horticulture, IT, Petrochemicals, Silk, and Sugar, due to the recent reform in the policies of the State.

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



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

Favourable Policies and Incentives

The state government has formulated attractive incentives and subsidies on power, transportation, land and capital investment for attracting investments. Apart from the incentives provided in the industrial policy, special industries such as IT, export oriented industries, food processing industries and textiles have sector specific policies with provision for attractive incentives and creation of enabling infrastructure.

Wealth of Monuments

UP is one of the leading tourist destinations, attracting almost 25 per cent share of the total number of foreign tourists visiting India every year. With its vast wealth of monuments, heritage and culture, development of tourism infrastructure presents lucrative opportunities.

Expanding Industrial Infrastructure

Significant infrastructure is being developed, including STPs and IIDCs, which would catalyse industrial growth and provide an ideal business climate for upcoming industries.

Unexplored Business Opportunities

Urban Infrastructure Development

Development of industrial and urban infrastructure in UP under various PPP models is a largely untapped business opportunity. The opportunities are vast due to the recent reforms undertaken to overcome the lack of adequate infrastructure services. The ability of the private sector to provide efficiencies in operations and management and profitability is an imperative for the state's financial and economic health. The Central Government has promoted the India Infrastructure Finance Company (IIFC) to support PPP in infrastructure. The government has also initiated the Viability Gap Funding Scheme to partly fund the PPP projects to enhance the viability of prima facie unfeasible projects.

Pharma Industry

The state has a reasonable potential for the development of the pharmaceutical industry, due to the presence of vast talent pool and of several research institutes. The centres of excellence include:

- Central Drug Research Institute, Lucknow.
- Central Institute of Medicinal & Aromatic Plants, Lucknow.
- Industrial Toxicology Research Centre, Lucknow.
- National Botanical Research Institute, Lucknow.

Average Cost of Doing Business in the State

| 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

The state competitiveness matrix has been formulated on the basis of various parameters, which include the opportunities across diverse industries, policy incentives available for the industries and the presence of enabling industrial infrastructure.

The attractive policy incentives, established base of industries, and presence of natural resources gives UP an edge over other states in India for investment.

Industrial infrastructure is rapidly being developed in UP, providing a favourable investment climate. The criteria for grading the infrastructure have been based on the availability of the existing infrastructure and the quantum of proposed industrial infrastructure.

DISCLAIMER

This publication has been prepared for the India Brand Equity Foundation (“IBEF”).

All rights reserved. All copyright in this publication and related works is owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this publication), modified or in any manner communicated to any third party except with the written approval of IBEF.

This publication is for information purposes only. While due care has been taken during the compilation of this publication to ensure that the information is accurate to the best of IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

IBEF neither recommends nor endorses any specific products or services that may have been mentioned in this publication and nor does it assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this publication.

IBEF shall in no way, be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed guidance taken from any portion of this publication.



'India Brand Equity Foundation (IBEF) is a public-private partnership between the Ministry of Commerce & Industry, Government of India, and the Confederation of Indian Industry. It aims to effectively present the India business perspective and leverage business partnerships in a globalising market-place.

INDIA BRAND EQUITY FOUNDATION

c/o Confederation of Indian Industry
249-F Sector 18
Udyog Vihar Phase IV
Gurgaon 122015 Haryana
INDIA

Tel: +91 124 401 4087, 4060 - 67

Fax: +91 124 401 3873, 401 4057

Email: j.bhuyan@ciionline.org

Web: www.ibef.org

Website in the Russian language: www.ibef.org/russia