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Uttarakhand Service Sector Policy-2024



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1 PREAMBLE

Uttarakhand, formed in year 2000, is the 20th largest economy (absolute GDP terms; FY22) and 12th largest (per capita terms; FY22) among Indian states. The State has had an impressive growth rate in the first decade of its formation, largely propelled by capital-intensive manufacturing growth. The service sector, contributing ~40% of the State's GSDP (current prices) has shown the highest growth, at 8.5% to 9% nominal CAGR over last 5 years. The growth has been led by knowledge intensive services like tourism, education, health, financial services; and equally anchored by labour-intensive services like trade, communication, and transport.

In order to realize the vision of "Sashakt Uttarakhand", it is imperative that the State focusses on accelerating service sector growth. There are numerous service sectors where Uttarakhand enjoys natural advantages, in terms of its location, landscape, and culture. Uttarakhand has been blessed with abundant natural beauty, towering mountains, dense forests, perennial rivers, serene green surroundings, and cool climate. It has rich history in religious traditions and ayurvedic practices. In this backdrop, Uttarakhand holds great potential to achieve rapid economic growth in strategic service sectors like tourism, IT / ITeS, Data Centres, traditional medicinal practices, residential schools, film & media shooting, and adventure sports. Further, there is need to augment the secondary & tertiary healthcare system to ensure that the highest standard of healthcare facilities is available within the State.



2 PURPOSE OF THE POLICY

Service sector serves as the cornerstone of progress in any developed economy. As the economy becomes sufficient in primary production of food & minerals, and as the manufacturing activity is able to meet domestic demand with exports driving growth – the economy naturally latches onto services for providing the necessary boost. Contribution of services / tertiary sector in India's economy has grown from ~40% in 1990% to ~55% presently. Many factors have led to this rapid growth – software services boom, FDI inflows, multi-fold growth of financial markets, explosion in domestic tourism, focus on better education and healthcare facilities, growing digital economy, real estate densification, etc.

Service sector, along with manufacturing spurt in the initial decade, has propelled the Uttarakhand economy. The location and landscape of the State positions it advantageously for select service sectors – most pertinent examples include schools, ayurvedic resorts, data centres, film studios, etc. Hence, the next chapter of Uttarakhand's growth has to come from the service sector.

Uttarakhand has already instituted multiple schemes to facilitate investor participation, such as MSME Policy, Start-up Policy, Tourism Policy, IT Policy, Film Policy, Mega Industrial and Investment Policy. These policies provide various incentives towards capital investment, other fiscal incentives, marketing and promotion, institutional support, etc. Still there is a need to have a comprehensive policy for the service sector, tailored for various sub-sectors. In this light, Government of Uttarakhand, acting thorough Department of Planning, ("Department" or the "Authority") has introduced this Uttarakhand Service Sector Policy (the "Policy").



3 DRIVING PHILOSOPHY

The philosophy of the Policy is to enable targeted growth in Focus Service Sectors by facilitating marquee projects by large, reputed players which will help generate widespread employment.

a. Focus Service Sectors

The Government of Uttarakhand intends to support the development of enterprises in the following “**Focus Service Sectors**”. These sectors have been shortlisted, as they are most amenable to State’s natural advantages, and would be instrumental towards building the Uttarakhand brand.

- i. **Healthcare** – The population of Uttarakhand (including transient population) is expected to grow on the back of strong economic growth. Thus, there is a need to establish world-class healthcare facilities within the State.
 - Drivers: Large catchment population; minimal presence of major healthcare providers
 - Target: Tertiary care Hospitals (Multi Speciality / Super Speciality)
- ii. **Wellness & Traditional Medicine** – Uttarakhand has strong ecosystem of ayurveda / yoga / traditional treatment / wellness centres, which can be further expanded by inviting reputed national and international wellness and traditional healing brands to set up in the State. There is an opportunity to establish Uttarakhand as a leading international hub in ayurveda, traditional medicine and wellness.
 - Drivers: Government of India’s focus on promoting Ayush practices; strong association of Uttarakhand with traditional medicinal practices, especially ayurveda and yoga; excellent green, peaceful, and pristine locations for attracting top rated wellness operators
 - Target: Lifestyle Centres, Ayurveda, Naturopathy & Traditional Healing, Ayush Centres
- iii. **Education** – Uttarakhand is a hub for premier schools. There is an opportunity to build upon this legacy and attract K-12 & Higher education institutes of repute to the State – both national and international. New locations can be explored to set up such education zones.
 - Drivers: Strong thriving ecosystem of schools and universities in Dehradun, Mussoorie and Nainital
 - Target: Higher Education institutes & K-12 schools
- iv. **Film, Media & Entertainment** – In order to promote film shooting, Uttarakhand has instituted a Film Policy. The Film Policy is majorly focussed towards promoting film shooting in the State. There is a need to further capitalize on Uttarakhand’s advantage by incentivizing production studios and film cities. This would exponentially increase economic contribution from film and media in the State. Additionally, the State would like to promote entertainment avenues in the State targeted at locals and tourists.
 - Drivers: Unique backdrops and location, good accessibility, cool climate for outdoor shooting in summer months, growing film, and OTT media
 - Target: Film city, Post-production and Animation Studios, Family Entertainment Centres (FECs) like Amusement and Water Parks, etc.
- v. **Sports** – Uttarakhand possesses the right ingredients to promote professional adventure sports and emerge as an international hub for training in such sports. It already has training institutes in mountaineering, and skiing. There is need to establish professional academies, attract world-class trainers and provide best equipment & facilities in these sports.
 - Target: Mountaineering, Water-based sports (Kayaking, Rafting, Canoeing), Winter sports (Skiing; Snowboarding, Ice skating), Shooting, Badminton and Boxing.
 - Drivers: Uttarakhand has the best accessibility for the target sports. It already has significant footfalls of amateurs / semi-professionals in these sports.



- vi. **IT / ITeS** – Uttarakhand already has an IT Policy, geared towards promoting establishment of smaller IT units in the State. However, for accelerating the ecosystem development, there is a need to attract large IT players in the State.
- Drivers: Uttarakhand benefits from good connectivity, large talent pool in North India, and most importantly excellent climate and landscape.
 - Target Concepts: Anchor IT Offices, Large format Training Campuses, GCCs
- vii. **Data Centre** – India is expected to witness exponential growth in Data Centre capacity, driven by increase in digital consumption, 5G rollout, clouds systems, emerging technologies in Artificial Intelligence, automation, etc. Uttarakhand is aptly positioned to capture a sizeable share of investment activity projected in the sector.
- Drivers: Uttarakhand provides cool climate (which lowers energy consumption towards cooling in data centres) and abundant green power capacity
 - Target Concepts: Large format Data Parks, smaller Data Units
- viii. **Skilling** – Skill development is crucial for Uttarakhand's growth. Encouraging the establishment of Centres of Excellence (CoEs) will drive specialized education, fostering expertise in sectors like AYUSH, Food Processing, Tourism, etc. This initiative promises to uplift the State's economy and ensure a sustainable future.

b. Bring-in Reputed Private Players

Uttarakhand is poised to kick-start investments in Focus Service Sectors by attracting large projects / major players to act as anchors and drive the overall ecosystem. This strategy would best showcase the benefits Uttarakhand has to offer, build Uttarakhand's reputation, and attract further investments.

c. Boost Local Employment

Government acknowledges that the projects being incentivized through this Policy, should generate employment opportunities for local population, as well as create avenues to impart training skills to improve employability. This Policy aims to establish mechanisms to facilitate local employment, ensure balanced development and improve quality of life for local citizens.



4 VISION, MISSION & OBJECTIVES

Vision Statement

"To leverage growth in the Services sector to fuel the next phase of Uttarakhand's economic growth, leveraging the State's many natural advantages".

Mission

- a. Capitalize on Uttarakhand's innate advantages in Focus Service Sectors and establish it as a premier hub by attracting major national / international private sector players.
- b. Facilitate investments in Uttarakhand by creating investor-friendly infrastructure, tackling sector-specific issues, and offering tailored incentives as per sector needs.
- c. Capitalize on large projects to kick-start ecosystem creation, provide training and incentives to drive employability of local population and accelerate service economy growth in Uttarakhand.

Objectives

The Government of Uttarakhand wants to promote the development of Focus Service Sectors in the State, subject to environmental safety and sustainability considerations. In this context, the Government would actively encourage the development of economic hubs dedicated to the Focus Service Sectors, provide support for setting up and growing the same, and developing the necessary talent pool.

In this context, the objectives of the Policy are as below:

- a. To facilitate private sector investments into Focus Service Sectors in the State.
- b. To support development of new Focus Services Sector hubs that would act as seeds for urban development in the State.
- c. To create state-of-art sustainable infrastructure for the new service sector / economic hubs.
- d. To promote inclusive service sector growth and ensure equitable distribution of benefits to local communities.
- e. To diversify and accelerate Uttarakhand's economic growth, by pursuing avenues in multiple services sectors.
- f. To promote balanced regional development by facilitating investments in underdeveloped areas.
- g. To build institutional capacity and high-value productive employment opportunities in Focus Service Sectors.
- h. To ease clearances in Focus Service Sectors and to create an enabling business environment facilitated by a single window system.



5 VALIDITY OF POLICY

This Policy shall remain in effect till Dec 31st, 2030, or until superseded by a new policy. The Government of Uttarakhand may extend or reduce the period of this Policy as and when required.

Incentives under this Policy shall only be applicable for projects mentioned in the Section 6 of the Policy, which apply for and achieve In Principle Approval through a Single Window Clearance after the notification of this Policy and within its validity period. Projects which are already under construction or ready for grounding after having secured all statutory clearances and permission at the time of Policy notification shall not be applicable for benefits under the Policy.

Note: Any incentives identified for Focus Services Sectors under Uttarakhand's MSME Policy (2015), Mega Industrial and Investment Policy (2021), Start Up Policy (2018), IT Policy (2018), Film Policy (2019), Tourism Policy (2023) or other policies of the Government of Uttarakhand shall continue to be applicable. In case of any overlap with this Policy, the beneficiary shall be free to choose incentives under any one of the applicable policies.



6 ELIGIBILITY BY FOCUS SECTOR

Focus Sector	Eligibility
Healthcare	<ol style="list-style-type: none"> 1) Multi-speciality Hospital <ol style="list-style-type: none"> a) Plain Areas – Projects with investments in ECA greater than INR 200 Cr in 5 years b) Hill Areas – Projects with investments in ECA greater than INR 50 Cr in 5 years 2) Single super-speciality Hospital <ol style="list-style-type: none"> a) Plain Areas – Projects with investments in ECA greater than INR 50 Cr in 5 years b) Hill Areas – Projects with investments in ECA greater than INR 25 Cr in 5 years
Hospitality	<ol style="list-style-type: none"> 1) Eligible NIC Codes <ol style="list-style-type: none"> a) 55101 – Hotels / Motels, Tourist Resorts, Heritage Hotels b) 82300 – MICE or convention centres 2) Eligible Projects <ol style="list-style-type: none"> a) Plain Areas – Projects with investments in ECA greater than INR 200 Cr in 5 years b) Hilly Areas – Projects with investments in ECA greater than INR 100 Cr in 5 years <p><i>Hospitality projects, which get incentive under this Policy shall not be eligible for Capital Subsidy under Uttarakhand Tourism Policy 2023. However, such projects may avail all other subsidies / incentives as applicable under the Uttarakhand Tourism Policy 2023.</i></p>
Wellness and Traditional Medicine → Ayurveda / Yoga / Naturopathy / Holistic Healing Centres	<ol style="list-style-type: none"> 1) Eligible NIC Codes <ol style="list-style-type: none"> a) NIC Code 86901 – Yoga, Ayurveda and Naturopathy, OR b) Other Ayush Practices – Naturopathy, Unani, Reiki, Homeopathy or any other traditional medicine or a combination thereof, OR c) NIC Code 87200 – Residential Healthcare for detoxification, rehabilitation, OR d) NIC Code 86100 – Sanatorium 2) Eligible Projects <ol style="list-style-type: none"> a) Plain Areas – Projects with investments in ECA greater than INR 50 Cr in 5 years b) Hilly Areas – Projects with investments in ECA greater than INR 25 Cr in 5 years
K-12 school	<ol style="list-style-type: none"> 1) K-12 Schools <ol style="list-style-type: none"> a) Plain Areas – Projects with investments in ECA greater than INR 50 Cr in 5 years b) Hill Areas – Projects with investments in ECA greater than INR 25 Cr in 5 years
College / University	<ol style="list-style-type: none"> 1) College / University <ol style="list-style-type: none"> a) Plain Areas – Projects with investments in ECA greater than INR 100 Cr in 5 years b) Hill Areas – Projects with investments in ECA greater than INR 50 Cr in 5 years <p><i>Note: Only institutes with 1st year student intake capacity of minimum 500 students shall be eligible for incentives under this Policy</i></p>
Film, Media & Entertainment	<ol style="list-style-type: none"> 1) Film city, Post-production and Animation Studios, Family Entertainment Centres (FECs) like Amusement and Water Parks, etc. <ol style="list-style-type: none"> a) Plain Areas – Film, media, and entertainment sector projects with investments in ECA greater than INR 100 Cr within 5 years b) Hill Areas – Film, media, and entertainment sector projects with investments in ECA greater than INR 50 Cr within 5 years
Sports	<ol style="list-style-type: none"> 1) Sports facilities and training infrastructure (sports academies, etc.) <ol style="list-style-type: none"> a) Plain Areas – Sports facilities & training infrastructure with investments in ECA greater than INR 25 Cr within 5 years b) Hill Areas – Sports facilities & training infrastructure with investments in ECA greater than INR 15 Cr within 5 years
IT / ITeS	<ol style="list-style-type: none"> 1) IT Campuses & GCCs

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Focus Sector	Eligibility
	a) Plain Areas – IT Campuses & GCCs with investments in ECA greater than INR 100 Cr within 5 years and minimum permanent direct employment of 1,000 personnel b) Hill Areas – IT Campuses & GCCs with investments in ECA greater than INR 50 Cr within 5 years and minimum permanent direct employment of 500 personnel
Data Centres	1) Data Centres a) Plain Areas – Data Centres with investments in ECA greater than INR 100 Cr in 5 years b) Hill Areas – Data Centres with investments in ECA greater than INR 50 Cr in 5 years
Skilling	1) Eligible Units – Centres of Excellence (CoEs) established in the following sectors: a) Advanced Manufacturing b) AYUSH c) Construction d) Drones e) Electronics f) Food Processing g) Handicrafts h) Healthcare i) Horticulture: Fruits, Vegetables, Herbs, Flowers j) Hospitality 2) Eligible Projects a) Plain Areas – Projects with investments in ECA greater than INR 100 Cr within 5 years b) Hill Areas – Projects with investments in ECA greater than INR 50 Cr within 5 years

- The maximum investment to be considered for calculation of Capital Subsidy under this Policy shall be capped at 3 (three) times the minimum / threshold sector-wise investment in ECA defined in the table above; subject to a maximum Capital Subsidy of INR 100 Cr per project.
- Total Capital Subsidy incentive under the Policy shall be capped at INR 2,500 Cr for the duration of the policy.
- Annual In-Principle Subsidy Approved, i.e., total subsidy amount to be disbursed for projects approved within a specific year under the Policy, shall be subject to the following limits:

Financial Year	Annual In-Principle Subsidy Amount (INR Cr)
FY25	250
FY26	500
FY27	500
FY28	500
FY29	250
FY30	250
FY31	250

- The subsidy approval for each year shall be done on a first come first serve basis i.e., projects applying first for in-principle approval under the Policy shall be given preference, subject to the annual approval limits.
- In case a project falls outside the annual subsidy approval limit for a given year, it shall be waitlisted for the next year.
- Subsidy payments shall be made as per pre-determined payment schedules defined under Section 7 of the Policy
- It will be responsibility of the Department to sanction the projects and space disbursal of the subsidy within the given limits. Any deviations from the limits will be permitted after approval from the State Level Empowered Committee (SLEC), formed under the Uttarakhand Enterprises Single Window Facilitation and Clearance Act 2012.

- h. Any deviations from the limits of INR 2500 cr for the duration of policy, will be permitted after approval of State Government with due procedure.
- i. The overall subsidy capping and Annual In-Principle Subsidy Approval limits may be modified in future depending on the response to the Policy and the powers to make such modifications shall be vested in the State Government.
- j. The Capital subsidy incentive under the Policy shall be applicable to State Government land only if such land is allotted through competitive bidding process leading to the determination of prevalent market value of the land. In case State Government land is allotted through another process, the provision of Capital Subsidy shall be considered by the State Government with reference to the State's Land Allocation Policy to be formulated in future.



7 INCENTIVES UNDER THE POLICY

Eligible Projects, fulfilling eligibility conditions laid down in various sectors, shall be eligible for Capital Subsidy as below:

- a. The investor shall be eligible for, and can avail, Capital Subsidy equivalent to 25% of Investment in Eligible Capital Assets in 5 years.
- b. The Investor shall be given an option to choose amongst 2 Capital Subsidy options detailed below.
- c. **Option 1: Investment milestones linked Capital Subsidy during construction phase** – The Capital Subsidy amount shall be paid by the Government in equal instalments subject to fulfilment of following milestones.
 - I. Instalment 1 – completion of 20% of Proposed Investment (Committed)
 - II. Instalment 2 – completion of 40% of Proposed Investment (Committed)
 - III. Instalment 3 – completion of 60% of Proposed Investment (Committed)
 - IV. Instalment 4 – completion of 80% of Proposed Investment (Committed)
 - V. The last instalment (Instalment 5) shall be due and payable only when the investor attains / achieves COD and has completed 100% of the Proposed Investment (Committed) in Eligible Capital Assets, both within 5 years. For claiming COD, the investor should ensure that all approvals are in place for commencement of commercial operations of the project.
 - i. If at the end of 5 years, the Actual Investment in Eligible Capital Assets is less than Proposed Investment (Committed) in Eligible Capital Assets, but still higher than the sectoral threshold (see section 6) and COD has been achieved, the investor would be eligible for proportionately lower capital subsidy and the last instalment would be suitably adjusted. In case excess subsidy has been given in the first 4 instalments, the investor would be required to refund the excess capital subsidy received till date with interest at RBI Repo Rate + 4% per annum from date of release. Failure to do so within 2 months post completion of 5-year period would result in performance security (Bank Guarantee) encashment.
 - ii. If at the end of 5 years, the Actual Investment in Eligible Capital Assets is equal to or more than the Proposed Investment (Committed) in Eligible Capital Assets, but COD has not been achieved, the Department / Authority would be empowered to determine whether extension for achieving COD can be granted or not. In case the Department / Authority does not grant extension, the investor would be required to refund any capital subsidy received till date with interest of RBI Repo Rate + 4% per annum from dates of release of subsidy instalments.
 - iii. If at the end of 5 years, the actual Investment in Eligible Capital Assets is less than Proposed Investment (Committed) in Eligible Capital Assets and is also lower than the sectoral threshold (see section 6), the investor would be required to refund any capital subsidy received till date with interest at RBI Repo Rate + 4% per annum from dates of release. Failure to do so within 2 months post completion of 5-year period would result in performance security encashment.
 - iv. Performance security (Bank Guarantee) would be submitted by the investor for release of Instalments 1-4. Such securities would be valid for 3 months beyond the completion of 100% of the Proposed Investment (Committed). The performance security shall be a guarantee that Proposed Investment (Committed) in Eligible Capital Assets is achieved within 5 years.
- d. **Option 2: Payment of Capital Subsidy post completion of investment and attainment of COD** – The Capital Subsidy amount shall be paid by the Government in equal annual instalments as detailed below. Subsidy under this option shall be calculated basis Actual Investment made by the investor during the 5-year period post in-principle approval. No subsidy shall be payable in case the Actual Investment is less than the sector wise minimum / threshold investments defined under section 6 of the Policy.
 - I. Instalment 1 – One-third (1/3rd) of total Capital Subsidy at the end of financial year in which the eligible project completes investment and attains COD.
 - II. Instalment 2 and 3 – One-third (1/3rd) of total Capital Subsidy each at the end of subsequent two financial years
 - i. For claiming COD, the investor should ensure that all approvals are in place for commencement of commercial operations of the project.

- ii. **No Performance security (Bank Guarantee)** shall be required if the Investor chooses payment of Capital Subsidy under this option.
- e. Note, under the Policy the quantum of subsidy shall be computed on
 - I. **Proposed Investment (Committed)**, subject to maximum investment capping defined in Section 6, for projects availing Option 1.
 - II. **Actual Investment**, subject to maximum investment capping defined in Section 6, for projects availing Option 2.
- f. All Investment Commitments in ECA are to be made within 5 years from the date of in-principle approval under Uttarakhand Enterprises Single Window Facilitation and Clearance Act 2012.
- g. Projects availing the benefits under this Policy should ensure implementation of Uttarakhand Employment GO.
- h. Incentives under this Policy shall be applicable on private land and Government land leased to private investors.
- i. The State Government and Department of Planning, acting through Uttarakhand Investment and Infrastructure Development Board (UIIDB) or any other proficient Department or Authority, shall from time to time invite private investors through tendering or auctioning of Government owned land parcels. This shall be done with the aim to promote private sector participation under this Policy and facilitate the establishment of specific service sector developments.
- j. If the annual instalments of Capital Subsidy are delayed beyond 40 days from the date of completion of all documents of formalities, the Government would pay an interest of RBI Repo Rate on the delayed amount and also fixed the responsibility and take necessary action for such delay. Detailed Capital Subsidy claims process shall be notified as part of Policy guidelines.
- k. Projects availing subsidy under the Policy shall have to remain operational for a minimum of 25 years post COD. If operations are curtailed before the stipulated 25-year period, the investor will be obligated to reimburse the proportional subsidy, calculated based on the remaining number of years of mandated operations divided by 25, with an applicable interest rate of RBI Repo Rate + 4% per annum from the dates of subsidy release. Where the beneficiary of subsidy fails to repay the subsidy as provisioned in this section, it will be treated as recoverable as an arrear of land revenue under the Revenue Recovery Act 1890 and recovered accordingly.



8 IMPLEMENTATION OF POLICY

Uttarakhand Investment and Infrastructure Development Board, Government of Uttarakhand shall be the implementation and administrative agency for this Policy. Department of Planning and UIIDB shall formulate guidelines and institute requisite frameworks for effective implementation of projects & schemes under the Uttarakhand Service Sector Policy.

Implementation Mechanism

The Policy shall utilize key institutions already formed under the Uttarakhand Enterprises Single Window Facilitation and Clearance Act 2012 for approval and disbursements under this Policy.

- a. Any investor who wishes to avail incentives and subsidies under this Policy must get the project registered and simultaneously apply for In-Principle Approval on the Single Window Clearance System (<https://investuttarakhand.uk.gov.in/>)
- b. Further, the Policy will use existing District Level Empowered Committee (DLEC), formed under the Uttarakhand Enterprises Single Window Facilitation and Clearance Act 2012, for in-principle approval of MSME projects AND State Level Empowered Committee (SLEC), formed under the Uttarakhand Enterprises Single Window Facilitation and Clearance Act 2012, for in-principle approval of non-MSME projects.
- c. The Claim for subsidy shall also be made on the Single Window platform. Mechanism for approval of claims and grant / disbursement of subsidy shall be notified as part of Policy Guidelines.

Ease of Doing Business and Single Window Clearances

The Policy will benefit from the strategic interventions that State Government has enacted aimed at improving the business environment.

- a. **Access to Information and Transparency Enablers:** The State has done a comprehensive compilation of 329 investor-related services across 55 departments on its single window portal. Further, the Government has also introduced a help line to address the investor related queries.
- b. **Environment Registration Enablers:** A comprehensive list of procedures and all documents required for application are available on UEPPCB's website. The Government has also fixed a timeline for approval / rejection of applications.
- c. **Single Window:** The Single Window Clearance System (SWCS) was formed under "The Uttarakhand Enterprises Single Window Facilitation and Clearance Act 2012" (Uttarakhand Act No. 05 of 2013) to provide all the requisite clearances / licenses / permits etc. required to establish / operate industrial and other units. All necessary clearances shall be accorded to the investor in a time bound manner after the submission of requisite documents through the Single Window System.

Grievance Redressal related to Implementation of this Policy

The State Government reserves the right to:

- a. Update the list of Focus Services Sectors as it sees fit, at any point during the Policy period.
- b. Amend any provision(s) including amendment or withdrawal of any of the incentives and subsidies, as and when necessary, under the provision of the Policy.
- c. Review the matters regarding sanction / disbursement of support to eligible projects under this Policy.
- d. Make / amend the necessary guidelines for implementation of this Policy.
- e. In case of any conflicts, the SLEC may take a decision in accordance with the prevailing policy / guidelines and the decision thus taken shall be final and binding on all concerned and its compliance shall be mandatory for the concerned department / parties.



9 DEFINITIONS

a. Eligible Capital Assets

"Eligible Capital Assets" or "ECA" shall mean and include site-level infrastructure (fencing, construction of internal roads, and other basic infrastructure facilities); structures & buildings; plants, machinery & equipment, handling equipment; mechanical, electrical & plumbing installations, fixtures, furniture & fittings; utilities including waste treatment facilities, transformers, generators, etc., and other support facilities installed for use in the premises including any installation charges.

ECA shall not include:

- Land
- Intangible assets including, without limitation, Intellectual Property rights and goodwill.

All capital assets should have been paid for and should be owned by the project / investor.

All capital assets should be used and installed only within the Project Site. Eligible investment in ECA shall not include:

- Pre-construction expenses and cost of consultant
- Capitalized interest
- Working capital

In case of Expansion projects, the ECA shall be counted only for the expansion component, as per the calculation outlined above.

b. COD means the commencement of services rendered / commencement of operation on a commercial scale.

c. Hill and Plain Regions Definition

Category	Area / regions covered
Hilly areas	<ul style="list-style-type: none"> • Entire area under districts Pithoragarh, Uttarkashi, Chamoli, Champawat, Rudraprayag, Bageshwar, Almora, Pauri Garhwal, Tehri Garhwal. • Areas lying above 800 m from mean sea level in districts Nainital and Dehradun
Plain areas	<ul style="list-style-type: none"> • Areas lying under 800 m from mean sea level in districts Dehradun and Nainital • Entire area under districts Haridwar and Udham Singh Nagar

d. **Uttarakhand Employment GO** in this document shall mean GO no. 367 / ID / Employment / 2005-06 dated 25 October 2005 and GO no. 429 / ID / Employment / 2005-06 dated 19 November 2005.

e. **Proposed Investment (Committed)** means the investment amount declared by the investor at the time of applying for subsidy, to be undertaken for development of ECA for the Eligible Project within 5 years from the date of in-principle approval under Uttarakhand Enterprises Single Window Facilitation and Clearance Act 2012.

f. **Actual Investment** means the actual investment made by the investor for development of ECA for the Eligible Project within 5 years from the date of in-principle approval under Uttarakhand Enterprises Single Window Facilitation and Clearance Act 2012.



(R.Meenakshi Sundaram)
Secretary.