Investment Opportunities in Uttar Pradesh Defence Industrial Corridor

CEO’s Conference, Seoul, ROK
6 September 2019
Advantage Uttar Pradesh

India's 4th largest economy, contributing nearly 8% to GDP

Amongst the Top 5 manufacturing & exporting States of India

Strong ancillary base with highest number of MSMEs in India (14.2%)

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Vast human resource base with 56% of UP's 230 million population are in the working age group

53 Universities, 4345 Colleges, 168 Polytechnics with several research institutes, Centers of Excellence and vocational institutes

Premier Institutes like IIM & IIIT

Substantial Defence manufacturers already there. 9 Indian Ordnance factories & 3 Hindustan Aeronautics Limited (HAL) units producing steel castings, small arms, parachutes, field guns etc.

Largest Railway network in the country

Higher capacities for Passenger & Cargo air traffic

Strong Logistics infrastructure

Connected to Eastern & Western Dedicated Freight Corridor and Defence Industrial Corridor
India is amongst the **top five military spenders** of the world

Ministry of Defence needs to **acquire equipment worth over $250 billion by 2027**

A **Defence Industrial corridor** in Uttar Pradesh is being developed by an empowered authority viz. UPEIDA

Proposed Defence Corridor is expected to witness **economic activities to the tune of USD 3 billion**

Uttar Pradesh Defence and Aerospace (D&A) Units and Employment Promotion Policy 2018 is estimated to **spur investments of USD 7.5 billion by 2023**

**Appropriate incentives** for setting up new manufacturing units are in place

Opportunity to be part of a thriving industrial cluster (**Expression of interest from the industries** is already to the tune of USD 600 million)

**State-of-the-art Centre of Excellence** has been set up in collaboration with two leading institutions viz. IIT Kanpur and IIT BHU to provide fabrication (prototype) and testing facilities under guidance of learned faculty members
Plug and Play Support to the Industries in the Corridor

• **Connectivity** with 4-lane heavy duty highway connected with Bundelkhand Expressway and Delhi-Jhansi

• **Assured water supply** at the site

• **Uninterrupted electricity** (132 KVA) at the site

• **Boundary wall** with pelican wire fencing

• **Single Window approvals and clearances** to D&A manufacturing units via Nivesh Mitra, the single window system of the state

• **Lump Sum Payment of incentives** in the form of reimbursement, subsidies, etc. under the policy will be made with a single sanction order and from a single head of account by the nodal agency

• **Simple Procedures and rationalised regulatory regime** and simply procedures like supporting self-certification, deemed approval and third party certification

• **Labour Permits** for D&A industry towards flexible employment conditions
- 25% rebate on land cost and no development charges

- Land available at **down payment of 30%** of the land cost and the remaining amount can be paid immediately or under **multiple payment options** spreading over 3, 10 and 30 years

- **Capital subsidy** for development of **Defence & Aerospace Parks**

- **Capital Subsidy** for both new and expansion of **D&A and Vendor/MSME Units**

- **Special Support** for units undertaking **offset obligations**: Reimbursement of up to 30% of the purchase price of the land and 100% reimbursement from stamp duty

- Incentive on **transportation**
  
a) **50% subsidy on imported equipment, plant and machinery** from logistics parks/transport hubs and harbour/port to the place of production in the state, and

b) **30% subsidy on finished products** from the unit to logistics parks/transportation hubs, harbour/port for a period of 5 years from the date of start of commercial production
Reimbursement of up to 75% of cost of technology transfers to first 10 vendors

50% subsidy for 5 years on capital investment for setting up R&D testing and certification facilities in the D&A sector

50% reimbursement towards cost incurred for utilising Common Testing and R&D facilities of DPSUs and OFBs to D&A units

20% reimbursement of project cost of setting up Effluent Treatment Plant by D&A units

Skill Development: Government will reimburse the cost of the “on job” technical training

Reimbursement of 50% of the cost of certification from Indian and International bodies for multiple products and certificates

The provisions of UP Industrial and Employment Promotion Policy - 2017 will be applicable for UP Defence Corridor Industries in addition to the Uttar Pradesh Defence and Aerospace Unit & Employment Promotion Policy 2018
Uttar Pradesh: Defence Industrial Corridor

Marked Land for the Corridor: 5,071.19 Hectares (50.7119 million Sqm)

Defence Corridor Nodes
- Aligarh
- Agra
- Ghaziabad (OFs)
- Tundla (OFs)
- Lucknow
- Kanpur (OFs)
- Shahjahanpur (OFs)
- Amethi (OFs)
- Jhansi
- Chitrakoot

Ordinance Factories
- Kanpur (OFs)
- Lucknow
- Aligarh
- Ghaziabad (OFs)
- Shahjahanpur (OFs)
- Amethi (OFs)
- Agra
- Tundla (OFs)
- Jhansi
- Chitrakoot
## Availability of Land in Different Nodes

<table>
<thead>
<tr>
<th>Phase</th>
<th>Name of District</th>
<th>Land Available for Immediate Transfer (in Ha*)</th>
<th>Total Land Availability in Subsequent Phases (in Ha)</th>
<th>Cost of Land (in INR Million per Ha)</th>
<th>Cost of Land (in USD per Ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jhansi</td>
<td>785</td>
<td>3025</td>
<td>3.2</td>
<td>45,714</td>
</tr>
<tr>
<td></td>
<td>Chitrakoot</td>
<td>90</td>
<td>500</td>
<td>3.8</td>
<td>54,286</td>
</tr>
<tr>
<td></td>
<td>Aligarh</td>
<td>46</td>
<td>46</td>
<td>11.5</td>
<td>164,286</td>
</tr>
<tr>
<td>2</td>
<td>Agra</td>
<td>Under Processing</td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lucknow</td>
<td></td>
<td>200</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kanpur</td>
<td></td>
<td>1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>921</td>
<td>5,071</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 1 Hectare (Ha) = 10,000 square meters

USD Values are calculated at a conversion rate of 1 USD = INR 70
Jhansi: Site Analysis

Site Details

- Large patch of land available in contiguous
- Site is away from habitation
- Land largely barren grasslands
- No forest area being affected.
- NH – 27 is app. 8 km from Site on Poonch – Gursarai road (SH-42)

Connectivity to Major Cities

- Erach to Gwalior: 174 Km via NH27 and NH 44 – 3 h 30 min
- Erach to Lucknow: 250 Km via NH27 – 5 h 10 min
- Erach to Delhi: 468 Km via Taj Express Highway – 8 h 10 min
- Erach to Bhind: 145 Km via Orai - Mihona Rd and Bhind - Bhande Rd/Bhind - Gopalpura Rd – 3 h 10 min
- Erach to Kanpur: 165 Km via NH27 – 3 h
- Erach to Garautha: 34 Km via MDR 31B and SH 42 - 45 min

<table>
<thead>
<tr>
<th>District</th>
<th>Jhansi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tehsil</td>
<td>Garautha</td>
</tr>
</tbody>
</table>
Jhansi: Proposed Layout with Interventions
Chitrakoot: Site Analysis

### Site Details

- Little to no agriculture land is being procured.
- Air link (nearest airport Bamrauli, Prayagraj at about 100.0 km)
- Bundelkhand Expressway planned to connect Chitrakoot to Lucknow, Agra and Delhi through Agra Lucknow Expressway and Yamuna Expressway.
- Presence of Silica, sand and other rocks makes it a mineral rich site

### Connectivity to Major Cities

- **Asoh, Chitrakoot to Lucknow**: 200 Km via Lucknow Rd/Lucknow - Allahabad Rd/Raebareli - Lucknow Rd/Raibareli Rd – 4 h 30 min
- **Asoh, Chitrakoot to Delhi**: 670 Km via NH19 and Taj Express Highwa – 10 h 45 min
- **Asoh, Chitrakoot to Prayagraj**: 100 Km via SH 94 and Grand Trunk Rd/Kanpur - Allahabad Hwy – 2 h 30 min
- **Asoh, Chitrakoot to Kanpur**: 200 Km via NH35 – 4 h 40 min
Site Analysis

District | Aligarh
Tehsil   | Khair

Site Details

• Presence of skilled Manpower
• The identified land has good connectivity via rail, road and air
• Aligarh – Lucknow route has been selected in 2nd bidding of RCS Scheme (UDAAN)
• Jewar Airport will be at a distance of app. 45 km
• Yamuna Expressway is at a distance of app. 28 km

Connectivity to Major Cities

• **Aligarh to Lucknow:** 450 Km via Agra - Lucknow Expy – 6 h
• **Aligarh to Delhi:** 115 Km via Taj Express Highway/Yamuna Expy – 2 h
Government of UP invites you all to the DefExpo India-2020 in the capital city of Lucknow on 5-8 February 2020. The theme of the DefExpo India-2020 will be 'India: The Emerging Defence Manufacturing Hub'. The DEFEXPO20 offers an opportunity to the Original Equipment Manufacturers (OEMs) and their vendors to collaborate with the Indian defence industry to leverage the incentives available in the Corridor.

In words of Hon’ble Prime Minister Shri Narendra Modi – “The DefExpo will provide the opportunity to professionals and industry to find new meeting grounds for developing military industrial enterprises.”