

## Uttar Pradesh

# Uttar Pradesh Defence and Aerospace Unit and Employment Promotion Policy

(First Amendment)  
2019





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**Uttar Pradesh Defence and Aerospace Unit  
and  
Employment Promotion Policy (First Amendment), 2019**

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## OBJECTIVE

Uttar Pradesh Defence and Aerospace Unit and Employment Promotion Policy-2018 is being amended with the objective that this amendment along with promotion / improvement and development of the region as well as mobiliser of available resources,will also provide employment opportunities in Uttar Pradesh.

1(1). This policy is the Uttar Pradesh Defence and Aerospace Unit and Employment Promotion Policy (FirstAmendment) 2019.

1(2). This notification will come into force from 05.12.2018.

## 2. UTTAR PRADESH BENEFITS STATUS



Uttar Pradesh is **fourth** largest state and **third** largest economy in India.



State Consists of **16.5%** Population of the country.



State amongst top **Five** Manufacturing states of India.



Uttar Pradesh ranks first in terms of micro, small and medium enterprises in India.



State Contributed **13.26%** Compound Annual Growth Rate in Past Five Years (2012-17)

## 2.1 HIGH-END INFRASTRUCTURE FACILITIES

Strategically located on the Golden Quadrilateral, state is connected to major national and international airports in the country. The state has the largest railway network in the country spanning 8,949 km. Western Dedicated Freight Corridor – WDFC, being developed from Dadri in Ghaziabad to Jawaharlal Nehru Port of Mumbai; There will be a reduction in transportation time to and fro from the Port, which will give a boost to the economic activity in the state.

Likewise, Eastern Dedicated Freight Corridor – EDFC; The 57% covered area of the project is in Uttar Pradesh, which connects the eastern region with the western region. Since the junction of these freight corridors is located in Dadri, Ghaziabad, state is in a very advantageous position in the logistics and warehousing sector.

A large part of the area covered by the Delhi – Mumbai Industrial Corridor (DMIC) and Amritsar – Kolkata Industrial Corridor (AKIC) is being developed parallel to the EDFC and WDFC. The State Government is encouraging the development of Integrated Manufacturing Clusters, Logistics and Integrated Industrial Townships in the cities adjacent to these corridors, such as Greater Noida, Allahabad, and Kanpur etc. to derive maximum benefit out of these Freight Corridors.

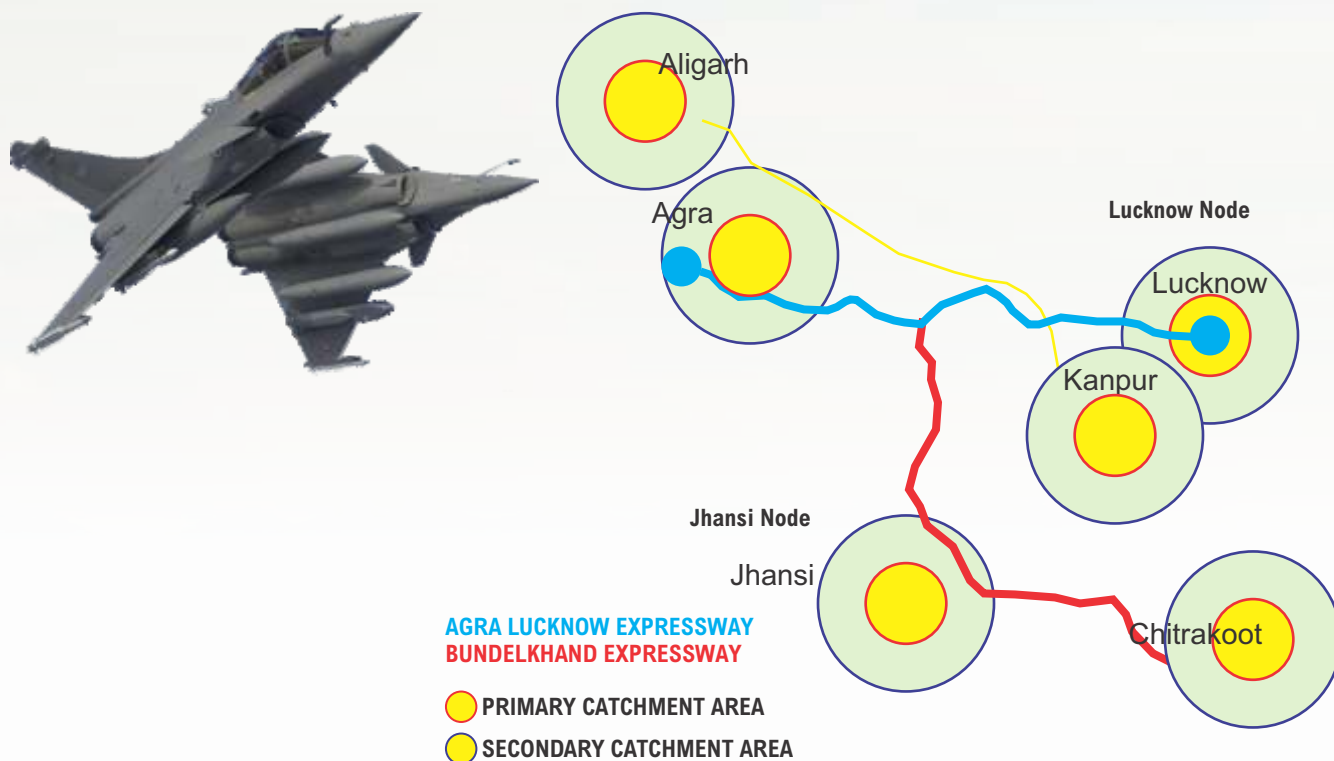
The existing logistics infrastructure facilities in Uttar Pradesh, the joint domestic Rail and Exim (import-export) terminal at Moradabad, the rail-connected private freight terminal at Kanpur and the non-commercial container depot-IDC; Including ICD at Kanpur and ICD located at Dadri terminal. Apart from this, three multi-nodal logistics / transport hubs are also proposed in the state in Noida, Bodaki and Varanasi. Apart from the special investment centres like Kanpur, Noida Varanasi and Ghaziabad, new investment areas like Dadri-Noida-Ghaziabad Special Area, Meerut-Muzaffarnagar Special Area, Deendayal Upadhyay Nagar (Mughalsarai) –Varanasi-Mirzapur are also being developed.

In the connectivity network of the State, already developed and under development Expressways like Purvanchal Expressway, Bundelkhand Expressway, Lucknow – Agra Expressway etc. four lane and six lane National Highways, National Waterways – 1 (NW-1), connecting International Airport, Allahabad, Varanasi and Haldia Ports, are available. Uttar Pradesh Govt will create such an Air, Water and Rail connectivity facilities network which will help Industries & manufacturers of the State to transport their product using excellent facilities with the Development of multi city Metro Rail Projects in Lucknow, Kanpur, Meerut and Varanasi and International Airports at Jewar & Kushinagar, states connectivity network will become more stronger.

## 2.2 DEFENCE INDUSTRIAL CORRIDOR

In the UP Investors Summit held in the month of February 2018, the Government of India announced the development of Defence Corridor in the Bundelkhand region of Uttar Pradesh with an investment of Rs. 20,000 crores. It is estimated that the construction of this corridor will generate more than one lakh employment opportunities. The proposed corridors will have 6 nodes, namely- Aligarh, Agra, Jhansi, Chitrakoot, Kanpur and Lucknow. About 3000 hectares of land in Bundelkhand area will be notified by the state government for the proposed corridor.

There is a strong support base in these districts to meet the requirements of defence manufacturing and to ensure supply of raw material, labor etc. The corridor is in a special advantage due to its proximity to the DMIC and the ACIC. In addition, the corridor will have the benefit of connectivity with the Agra-Lucknow Expressway and the proposed Purvanchal and Bundelkhand Expressway.





## 2.3 EXISTING MANUFACTURING BASE

Uttar Pradesh has several units in the public and private sector which manufacture in defence and aerospace sector. Public Sector units are the mainstay of the strong local market as they procure materials and essential components from local sources. The public sector heads include 9 Indian Ordnance Factories and 3 Hindustan Aeronautics Limited (HAL) manufacturing units.

**Table -2 : List of Ordnance Factories in Uttar Pradesh**

Ordnance Factory, Muradnagar, Ghaziabad	Plain Carbon and alloy steel castings for tanks, ammunitions steel forgings
Ordnance Factory, Kanpur	Medium & High Calibre Guns, Empty Shells.
Small Arms Factory, Kanpur	Small Arms.
Field Gun Factory, Kanpur	High Calibre Ordnance & Spare Barrels, .32" Revolver
Ordnance Factory, Korwa	AK 203 Rifles (Russian)

**Table 3: Major Manufacturing Units of Hindustan Aeronautics Limited located in Uttar Pradesh**

HAL Transport Aircraft Division at Kanpur	Basic capability in manufacturing, maintenance, maintenance, up-gradation of light transport aircraft and trainer aircraft for both domestic and international markets. The division also undertakes maintenance and overhaul of the aircraft, servicing of the engines and hydraulic systems of unmanned air vehicles.
HAL Assistant Division based in Lucknow	Manufacture of Hydraulics, Engine Fuel, Air Conditioning & Transmission, Flight Control, Wheel & Brake, Gyro & Biometric Instruments, Electrical Power Generation & Control Systems, Undercarriages, Oxygen & Electronic Systems, Fuel Content Gauge etc.
HAL Avionics Division at Korwa	Manufacturing and maintenance facilities for various avionics systems installed in MiG-27M upgrade, Mirage-2000, LCA, Jaguar upgrade, AJT-Hawk aircraft.

Apart from the above public sector units, many private sector units are also engaged in the manufacture of technical textiles, engineering products and components etc. in the D & A Sector in the State.

## 2.4 RESEARCH AND DEVELOPMENT (R&D) ECO - SYSTEM



Uttar Pradesh has various educational and training institutes, which are engaged in research and development. There are 53 universities, 4,345 colleges, 168 polytechnics in the state including many research institutes, centres of excellence; and other professional institutes. The state is the stronghold of specialized institutions like IIT Kanpur, IITBHU. Major institutes like Public Sector Defence Research and Development Organization; QA and R&D Establishment (DMSRDE) and HAL etc. provide excellent research and development eco-system for defence and aerospace sector in Uttar Pradesh.

Under HAL, Aerospace system and Equipment R&D Centre (ASERDC) is located in Lucknow which is using State – of – the – Art technology and involved in applied research, design and development of main system & equipment for aircrafts and helicopters. Flight data recorders and other Avionics LRUs are developed in the ASERDC of HAL unit located in Korwa.



Apart from this, Forensic Science Laboratories are located in Lucknow and Agra in Uttar Pradesh. 7 divisions of these Labs are providing modern techniques & equipment to UP Police.

## 2.5 OPPORTUNITIES AVAILABLE IN UTTAR PRADESH

With excellent infrastructure, facilities and a favourable ecosystem, this policy is intended to attract investment in the following areas of defence and aerospace: -

1. Defence Technical Park in the defence corridor nodes like Kanpur, Jhansi, Aligarh, Chitrakoot, Agra and Lucknow and its expansion in other districts.
2. Expansion or participation of public sector units of defence sector;
3. Establishment of Aerospace Technology Park with the possibility of expanding it in Defence Corridor nodes like Kanpur, Jhansi, Aligarh, Chitrakoot, Agra and Lucknow and other districts.
4. Setting up of Testing and Validation Centres, including a firing range for Artillery and other military weapons/ equipment.
5. Development of UAV/Drone formats manufacturing and testing facilities.
6. Manufacturing or assembling of Aeroplanes, Helicopters, (Assembly) and maintenance facilities.
7. Combination of components of Defence /Military/Aerospace Mechanical Vehicles, their components and establishment of ancillary units.
8. Weapons and Sensor equipment used in police modernization and small intensity conflicts.
9. Services related to electronics, information technology / information technology in Agra, Gautam Budh Nagar, Ghaziabad, etc.
10. Metal precision work at Engineering Centre-Aligarh and foundry work in Agra.
11. Manufacturing centres for leather, textiles, shoes and other technical ancillary equipment for defence and aerospace sector.
12. Centre for manufacturing of arms, weapons systems, ammunition explosives and ancillary components.
13. Establishment of special food manufacturing and packaging centres related to defence and aerospace.

### 3. REGARDING POLICY

This policy aims to attract private investment in the defence manufacturing sector in the state in the context of the announcement of the establishment of Defence Industrial Corridor in Uttar Pradesh by Hon'ble Prime Minister, Shri Narendra Modi. This policy complements the State's Civil Aviation Policy - 2017 and UP Micro, Small and Medium Enterprises Policy 2017, taking forward the vision and objectives of the State's Industrial Investment and Employment Promotion Policy 2017. Equipped with attractive incentives, this policy provides a strategic direction for the development of defence and aerospace sector in the state in the next 05 years.



## 3.1 POLICY OBJECTIVES

1. To establish Uttar Pradesh as the best destination for defence and aerospace manufacturing sector.
2. Promotion of private industrial parks for defence and aerospace manufacturing sectors.
3. Connecting the subsidiaries in the state to reduce the market gap and meet the requirements of the public sector units of the defence sector.
4. Establish and facilitate industrial clusters that flourish in the aligned area of expressways and dedicated defence / aerospace corridors.
5. Development of an export-oriented manufacturing base in the defence sector.
6. Attracting anchor defence and aerospace manufacturing projects as well as public sector defence units (DPSUs) / Ordnance Factory Board (OFB).
7. Promotion of ancillary / ancillary industry and development of micro, small and medium enterprises in defence and aerospace manufacturing sector.
8. Encourage R&D in the defence and aerospace sector and ensure continuous technology up gradation.
9. With the objective of ensuring state-of-the-art research and development promotion and technological up gradation in the field of defense and aerospace, establishment of Technical Facilitation Centers at Kanpur and BHU Varanasi and other places, whose purpose will be to provide assistance to the MSME sector and defence / aerospace industry in Uttar Pradesh.
10. To develop and support skill development in defence and aerospace and strategic knowledge sector simultaneously.
11. To attract significant portion of Gross Investment to the State through Companies/Institutions, nominated for new offset obligations in India.
12. To provide air passage facility / enrichment of road / rail traffic for defence and aerospace Manufacturing Park / group.
13. With the aim of enhancing competition among MSME Units functional in the State as well as attract new units in MSME Sector of Common Facility Centre (CFCs) will be established which will facilitate universal facilities, productive design, Prototyping of knowledge field, Integrated manufacturing, establishment of research and development centre along with Training Centre, Testing and Certification Facility to MSME Sector.

## 3.2 AIM



1. To attract an investment of Rs. 50,000 Crores in the next 5 years.



2. Generating 2.5 lakh jobs in the defence and aerospace manufacturing sector.



## 3.3 DEFINITIONS

### 1. **Defence and Aerospace Products**

In order to determine whether a product / technology is in the category of defence and / or aerospace, the provisions / definitions included in any policy, scheme or any other related documents of the Government of India or equivalent authorities, authorized abroad will be referred.

Defence/aerospace unit products will include materials, equipment / component assembling unit, sub assembly & components.

### 2. **Defence and Aerospace Units**

All suppliers manufacturing the above defined defence and aerospace products in the defence and aerospace sector value chain, have been considered as defence and aerospace units under this policy. Mega Anchor Defence and Aerospace Units defined in this Policy, Anchor Defence and Aerospace Units, Micro, Small and Medium Enterprises (MSMEs) Units will be eligible for encouragement as Defence and Aerospace Units.

In any unit, it will be mandatory to fulfil at least one of the following criteria:-

- (i) The material / equipment related to the defence / aerospace sector as defined earlier, should be supplied.
- (ii) A financial grant or supply order must have been received in the Defence / aerospace as previously defined.
- (iii) Memorandum of Understanding has been signed or received a supply order from any foreign originating equipment manufacturer under the Scheme of offset of the Ministry of Defence, Government of India.
- (iv) Have worked for structure and development of Army, Navy, Air Force/ Paramilitary Establishment, DRDO, DOA & DOS.
- (v) May have manufactured testing and proofing material, equipments components assembly. Sub assembly components for any Indian or foreign OEM, categorised under defence & Aerospace Sector as defined above.

### 3. **Mega Anchor Defence and Aerospace Units**

Such Foreign & Indian original equipment manufacturers (OEMs) companies which design & manufacture Defence & Aerospace Platforms having Investment of Rs. 100.00 Crores and above. Company should be supplying at least 25 % of total production to Home Ministry or Defence Ministry (Indian Govt) or its equivalent approved organisation or civil Aerospace Manufacturer/supplier and maintenance, repair and overhaul (MRO) unit or has secured confirmed orders of Rs. 50 Crores in the favour of the Company.

Mega anchor units of Defence / Aerospace sector will also be entitled to additional customized incentives, package authorised by Govt of India.

Note. All incentives applicable to anchor D&A units as defined in this policy will also apply to mega anchor D&A units.

The Army, Navy, Air Force, Paramilitary Establishments in Defence and Aerospace Zone and in specific cases shall be considered for anchor units and their vendors related to certain space and nuclear power.







#### 4. **Anchor Defence and Aerospace Units:**

Global or Indian original equipment manufacturer (OEM); Companies which designs and manufacture Defence and aerospace platforms and invests in the following categories: -

Investment Sector	Eligibility Criteria
Bundelkhand and East Zone	More than Rs. 200 crores investment or minimum 1000 direct employment generation
Madhyanchal and Pashchimanchal (except Gautam Budh Nagar, Ghaziabad)	More than Rs. 300 crores investment or minimum 1500 direct employment generation
Gautam Budh Nagar and Ghaziabad	More than Rs. 400 crores investment or minimum 2000 direct employment generation

Company should be supplying 25 % of its total production to Defence Ministry or Home Ministry (Govt of India) or its equivalent authorised organisation in Foreign or Civil Aerospace Manufacturer/Supplier or Maintenance, repair and overhaul (MRO) unit or Company should have orders of Rs. 30 Crores in its favour.

## 'OR'

A supplier will qualify as an anchor Defence and Aerospace unit if Due to manufacturing, 50% of the total business has been achieved through supply to Defence & Aerospace Mega Anchor unit or other anchor Aerospace unit.

5. Vendor Defence & Aerospace Units.

Units which are located in the same cluster in which the anchor units are functional and supply a minimum 40% of this total production to the Anchor unit.

6. Micro, Small and Medium Enterprises (MSME) Units

The definition of MSME defined by the Government of India for the MSME under the MSME Act 2006 will be followed by the State Government. The revised definition of MSME from time to time in the order of the directions of the Government of India shall be deemed to be amended automatically.

An MSME will qualify as a Defence and aerospace supplier if at least 50% of the turnover of the said MSME unit is by supplying to any Mega Anchor or Anchor D & A or Vendor D & A units or to Defence PSUs/OFBs in the D & A Value Chain. The benefits under the policy are provided only by meeting these criteria.

7. Public Sector Defence Units (Defence Public Sector Units)/Ordinance Factory Board. Central Government Public Undertakings under Ministry of Defence.

## 4. Private Defence and Aerospace Park -

The Uttar Pradesh government will encourage setting up Defence and aerospace parks in the state, especially in areas with strong ecosystem. These parks will have a 'plug-and-play' industrial infrastructure facility, so that companies can focus on their core business.

Capital equipment for the development of Defence/Aerospace park: Defence/Aerospace and strategic developers can purchase land from UPEIDA or can also take land at their level. Defence Aerospace and strategic developers will be eligible for back ended subsidy on infrastructure development up to maximum limit of Rs. 10.00 Cores for which rate will be 10 % of Gross investment Provided this Defence/Aerospace Park is developed in minimum 50 acre Land. Defence & Aerospace Park developed in Bundelkhand Region will attract 15% additional capital investment subsidies up to limit of Rs. 15 Crore.

50% subsidy will be eligible after acquisition of 25% land of the park and 100 % subsidy will be applicable on acquisition of 50% land of the park.



### MAJOR NODES

- Aligarh
- Jhansi
- Kanpur
- Agra
- Chitrakoot
- Lucknow



## List of Qualifying Real Asset

1. Land (Development Charge including fencing construction of internal roads with other basic infrastructure facilities)
2. Permanent building
3. Factories, indigenous machinery and equipment
4. Newly imported equipment
5. Computer driven equipment, material handling equipment / equipment such as Forklifts crane etc. Tool die, mold jigs and fixtures. In addition, similar productivity tools, being used in a plant or elsewhere under unit ownership.
6. Equipment, electrical replacement, pollution quality control and laboratory equipment, fixer tubes, pipes, fittings, storage tanks which are paid from the project head.
7. Waste, Purification & Disposal Assets.
8. Transformers, generators, captive power plants etc. and other ancillary facilities which have been installed in the premises including the installation expenses.

## 5. Incentives for units investing in Defence Corridor

- 5.1 Incentives will be provided by the State Government only on purchase of land in the notified area for Defence Corridor in Uttar Pradesh. Such notification will be issued by the Government of Uttar Pradesh from time to time.
- 5.2 Anchor Defence / Aerospace Units, as defined earlier in this policy, will be given a rebate of 25% of the gross selling price of the land in the Defence Corridor.
- 5.3 Anchor units will be allowed to install vendor units in 20% of their land area.

#### 5.4 **Payment Terms for Land Allotment**

The above facilities will be provided by the Uttar Pradesh Expressways Industrial Development Authority (UPEIDA) as per the provisions of the Uttar Pradesh Industrial Development Act, 1976.

#### 5.5 **Capital Subsidy**

In the case of new anchor units in Defence / aerospace sector, back ended capital subsidy to the extent of Rs. 10 crore at the rate of 10% and to new vendor / MSME units at the rate of 5% up to Rs. 5 crore Capital subsidy will be allowed (calculation of Subsidy will be based on fixed assets less land cost. Subsidy will be given on start of production. Defence / aerospace units being established in Bundelkhand Region will attract 15% or Rs. 15 crores, whichever is less, and to vendor / MSME Units, 7.50% or Rs. 7.50 crores post-capital subsidy, whichever is less will be applicable.

#### 5.6 **Support to Common Facility Centre**

The Common Facility Centre will assist in the additional effort of the eco-system of Defence / aerospace manufacturing in the state, and the State Government will provide a promotional incentive exemption for the establishment of a Common Facility Centre at each node in the form of land which is pre-identified in each node's area. There is also a provision of soft loan for the establishment of CFC. The Common Facility Centre will be a collective collaborative effort in which MSME, Defence / Aerospace sectors will participate. For the establishment of Common Facility Centre, the State Government will give 25% grant if 75% grant is given by the Government of India.

## 6. Incentives for Defence and Aerospace Units

### 6.1 Rebates on Transport Charges -

6.1.1 **Transport of Plant and Machinery** - Anchor Defence and Aerospace Units are eligible 50% Subsidy on Cost of transportation of imported equipment and Plant and Machinery from Logistics Park / Transport Hub/Harbor/Port to the Production Site located in the State, the consolidated maximum limit will be Rs. 2.00 crore.

This subsidy will be applicable on the transportation of equipment by Defence and aerospace units for those projects whose contract value is Rs. 50 crore or more, the subsidy will be provided on commencement of production for the first year.

6.1.2 **Transportation of finished products** - Defence and aerospace units to transport the finished products to the Logistics Park / Transport Hub, Harbor / Port are eligible for 30% of transportation cost with effect from the first year of Commercial Production and up to next 05 years. Yearly limit of this subsidy will be Rs. 1.00 Cores (One Crore).

6.2 **Subsidy for the installation of effluent treatment plant** - 20 per cent of the cost of the effluent treatment plant set up by the anchor Defence and aerospace units will be reimbursed to a maximum limit of Rs. 1.00Crore (One Crore).

6.3 **Technology Transfer Grid** - Anchor units will be reimbursed 75% of the cost of transfer of technology to the first 5 vendors to the extent of maximum Rs. 50 lakh for each vendor unit located in the same cluster and 50% to the next 05 vendors thereafter.

## 7. Assistance for Research and Development and Testing Facility

7.1 Floor space of 2 KA index will be available to the eligible research and development units in the urban area, whereas floor space index will not be application in rural areas.

7.2 \*

7.3 Promotion of innovation and research and development - Uttar Pradesh government will use the start-up fund created under the UP Start-up Policy 2017 to promote innovation in Defence and aerospace manufacturing. In this context, the state government will also partner with reputed innovation and research and development centres like IIT-Kanpur, IIT-BHU etc. The Government of Uttar Pradesh will align its R&D and innovation efforts with the IDEX and other such initiatives of the Government of India.

8. \*

## 9. Capacity Development

**9.1 Existing Skill Training Base and Strengthening** - Where feasible, Uttar Pradesh Government will periodically start specially designed syllabus for Defence and aerospace sector after deliberations with government ITIs and polytechnics.

**9.2 Educational Agreements** - Uttar Pradesh government will encourage universities (in India and abroad) with excellence in Defence and aerospace training and research to enter into educational agreements with the universities of the state.

**9.3 Subsidy for skill development** - For every defence unit, Government of Uttar Pradesh will bear the cost of skilling (On the job Training) for 20 (Twenty only) persons to the limit of Rs. 10,000/- (Ten thousand only) per month, per person, for a period of 1 year.

## 10. Patent Cost / Quality Certification

The Government of Uttar Pradesh will provide financial assistance for expenditure incurred for obtaining patent registration and quality certificate.

**10.1 Patent Fee Reimbursement** - Defence and Aerospace units established in the country will be reimbursed 100% of the patent fee for domestic payment registration and 50% of the patent fee for international patent registration, the maximum limit of which is up to Rs. 25 lakh per unit. The annual maximum limit of reimbursement payable to all units will be Rs. 1 crore. This reimbursement is applicable only on receipt of the Patent.

**10.2 Quality Certification** - The Government of Uttar Pradesh will provide financial assistance to the MSME units defined in this policy for obtaining quality certification such as the AS 9100 series, NADCP. 100% of the certification fee for each certificate, a maximum of Rs. 01 lakh per unit will be reimbursed, the maximum limit of reimbursement payable to all units will be Rs. 20 lakh per year.

**10.3 Trademark Registration** - Trademark Registration application fees will be fully reimbursed to all eligible Defence and aerospace manufacturing units, a maximum of Rs. 01 lakh per year, per unit will be reimbursed, the cumulative limit of reimbursement payable to all units will be Rs. 10 lakh per year.

## 11. Ease of doing Business

Taking forward the vision and goals of the State's Industrial Investment and Employment Promotion Policy - 2017, this policy also ensures ease of doing business in the state.

11.1 **Single Window** - All desired approvals and clearances to the Defence and aerospace manufacturing units will be provided by the state government through the single window system under the supervision of the Chief Minister's Office.

11.2 **Consolidated Payment of Incentives** - Uttar Pradesh Expressways Industrial Development Authority (UPEIDA) will be the nodal agency for the facilities / incentives provided under this policy.

11.3 **Simplification of Procedures** - The objective of this policy is to rationalize the existing regulatory system and simplify procedures through self-certification, deemed approval; and third party certification.

11.4 **Labor Permissions** - The Government of Uttar Pradesh will allow the Defence and aerospace industry to provide flexible employment conditions, hours of work and 3-shift (women) and recruitment of workers on contractual basis under the relevant laws.

11.5 **Infrastructure facilities** - Infrastructure facilities like 132 KVA. Level power supply system, Provision of Water Supply, Road connectivity and land demarcation by pillars shall be provided in each node.

11.6 **Industrial Security** - Uttar Pradesh Government will provide safe and fear-free industrial environment in the state. For this, dedicated police force will be deployed in the industrial cluster / area under the special officer and integrated police-cum-fire stations will also be established.

11.7 The procedure for acceptance of the facilities / exemptions provided in this policy will be the same as given in the Uttar Pradesh Industrial Investment and Employment Promotion Policy-2017.

11.8 100% exemption in stamp duty payable on purchase of land will be allowed to eligible units covered under this policy. Apart from this, no facility / exemption as provided in any other policy of the State Government will be permissible.

## 12. Policy Implementation

12.1 This policy will be effective from the date of notification and will remain in force for a period of 05 years.



12.2 If a situation arises in any situation in which any amendment is required in the policy, only the Hon'ble Ministerial Council will be authorized for the approval of such amendment.

12.3 In case of any modification in this policy, if any package of incentives has already been approved by the state government to any unit, it will not be withdrawn, the unit will remain eligible for benefits.



## NOTE

1. Land will be provided on lease to Public Sector Defence Units / Ordnance Factory Board (OFB) for construction of their facilities (testing facilities, laboratories, ancillary facilities and facilities for public use, such as residential accommodation, etc. for workers).
2. In addition to the subsidies mentioned in this policy, mega anchor Defence and aerospace units will be provided incentives on a case-to-case basis.
3. The maximum limit of all incentives provided to all eligible Defence and aerospace units as reimbursement, subsidy exemption etc. as defined under this policy will be given in the following categories, whose maximum limit per year is 15 % of the total fixed capital investment and maximum for 10 Years :-
  - 100% of fixed capital investment made in Purvanchal and Bundelkhand region,
  - 90% of fixed capital investment made in the region of Madhyanchal and Pashchimanchal (except Gautam Budh Nagar and Ghaziabad districts)
  - 80% of fixed capital investment made in Gautam Buddha and Ghaziabad districts.

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4. All incentives will be permissible for new Defence and aerospace units as well as projects for expansion / diversification which meet the specific norms like new Defence and aerospace units.
  5. Only those units which are found eligible under this policy by the Department of Infrastructure and Industrial Development will be provided incentives under this policy.
  6. Only those units will be given concessions / facilities under the policy which will be established after promulgation of this policy. Defence and aerospace units benefiting from the incentives accepted by the Central Government Departments will also be eligible to avail the incentives / benefits mentioned in this policy, provided similar benefits / incentives are not availed by any other policy. .
  7. "Expansion / Diversification" refers to where the current industrial undertaking increases its gross block by at least 25% by new capital investment.

**Note -** The following policy number has been improved in the policy promulgated in the Basic Policy "Uttar Pradesh Defence and Aerospace Unit and Employment Promotion Policy-2018".

Para number 2.5 has been changed and serial number 12 and 13 have been added.

Para number 3.1 has been changed and serial numbers 11, 12, and 13 have been added.

Changes have been made in definition of Ser No 1, 2, 3, of Para 3.3.

There has been a change in Para 4.

A change has been made in Para 5 and Para 5.3, 5.4, 5.5, 5.6 have been added.

\* There is a change in Para number 7.1.

The Para number 7.2 is erased.

The Para number 8 is deleted.

9.3 have been added to Para No 9.

There is a change in Para number 11.2.

A change in Para number 11.5 has been made and Para number 11.7 and 11.8 have been added.

The Para number 12.3 has been changed and Para notes 1 and 6 have been added.





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