

ADVANTAGE UTTAR PRADESH

 Industrial Corridors

 Utilities

 Skilled Manpower

Presented by
Government of Uttar Pradesh
8th April 2019



Structure of Presentation

Advantage Uttar Pradesh

Major Policies

Electronics System Design & Manufacturing sector
Overview

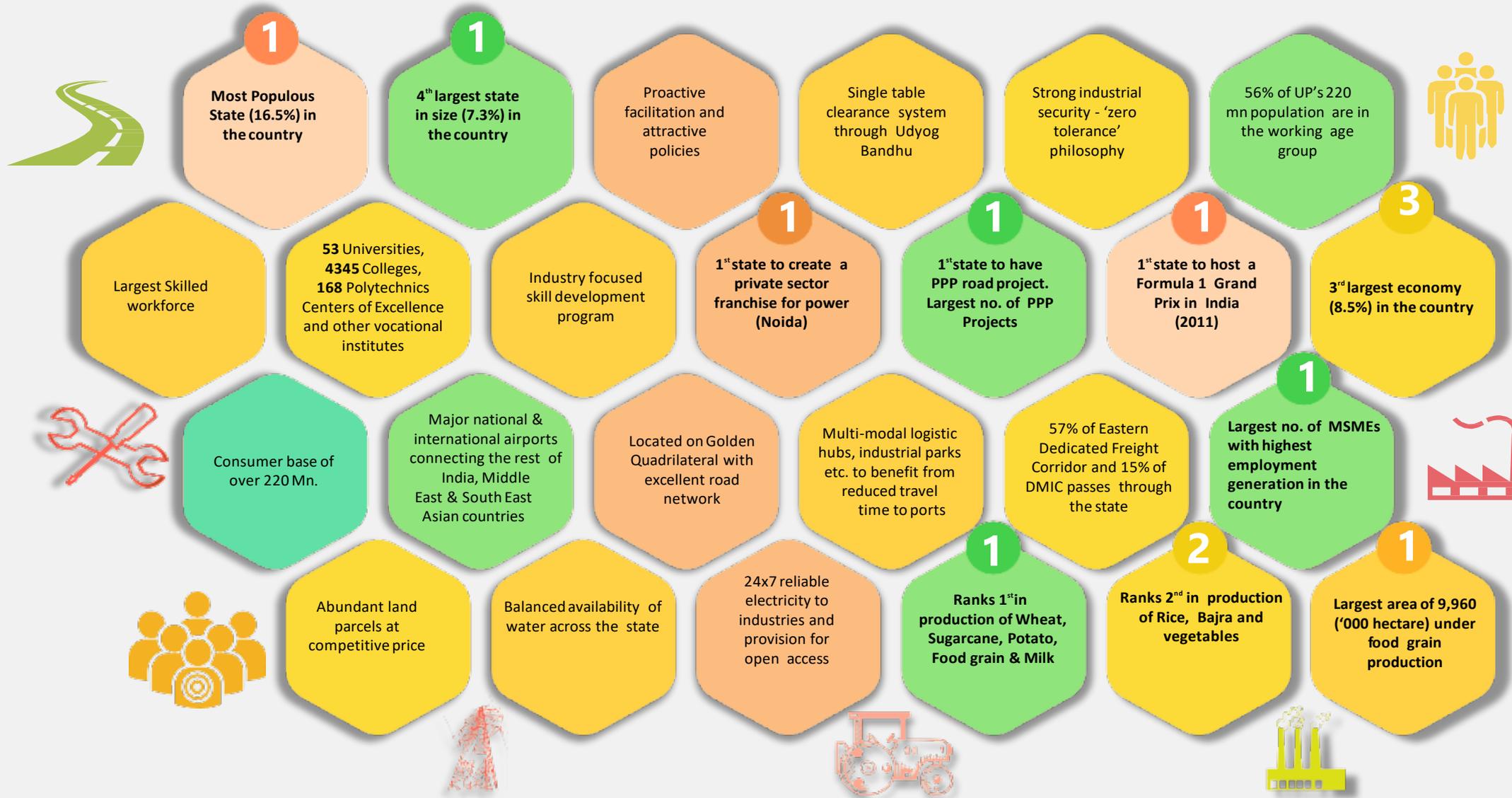
Structure of Presentation

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Powering New India with it's prowess.....



Advantage Uttar Pradesh: UP Sub-region of National Capital Region (NCR)

1 DMIC & AKIC influence zone

4 Access to multi-modal logistics & transport hubs

2 WDFC & EDFC intersection

5 Proximity to Delhi Intl. Airport

3 Access to Delhi-NCR

6 Proximity to upcoming Jewar Airport



Advantage Uttar Pradesh: Sub-region of National Capital Region

★ National Capital Region and Uttar Pradesh

Noida, Greater Noida and YEIDA provide a conducive ecosystem replete with infrastructure and unparalleled connectivity to serve National, Global and Regional markets

SEAMLESS CONNECTIVITY

 IGI Airport 55 km

 Metro Station

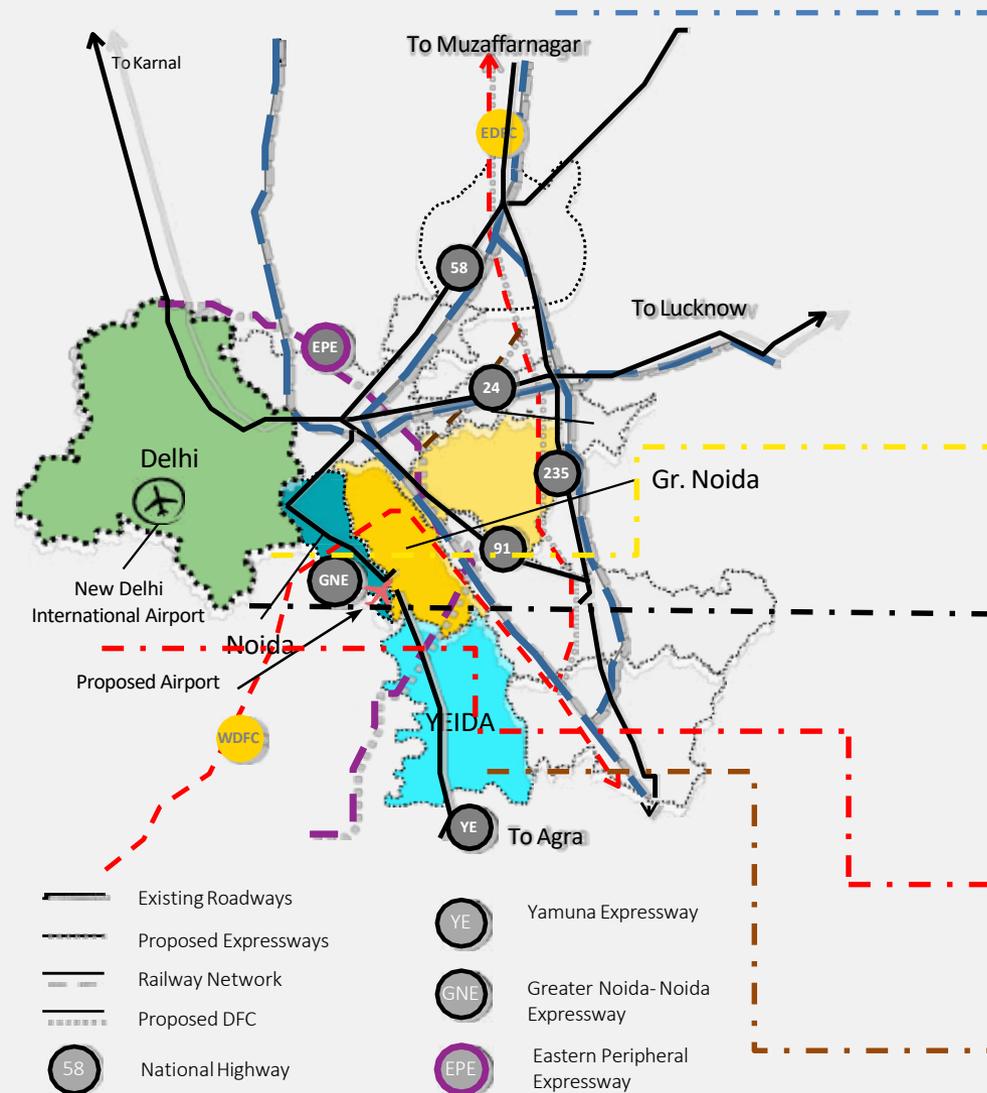
 Transport Hub 06 km

 Proposed Jewar Airport

 Logistics Hub 07km

Noida-Greater Noida Expressways
Yamuna Expressway

Western & Eastern Dedicated Freight Corridors (DFC)



Delhi – Mumbai Industrial Corridor (DMIC) influence ZONE

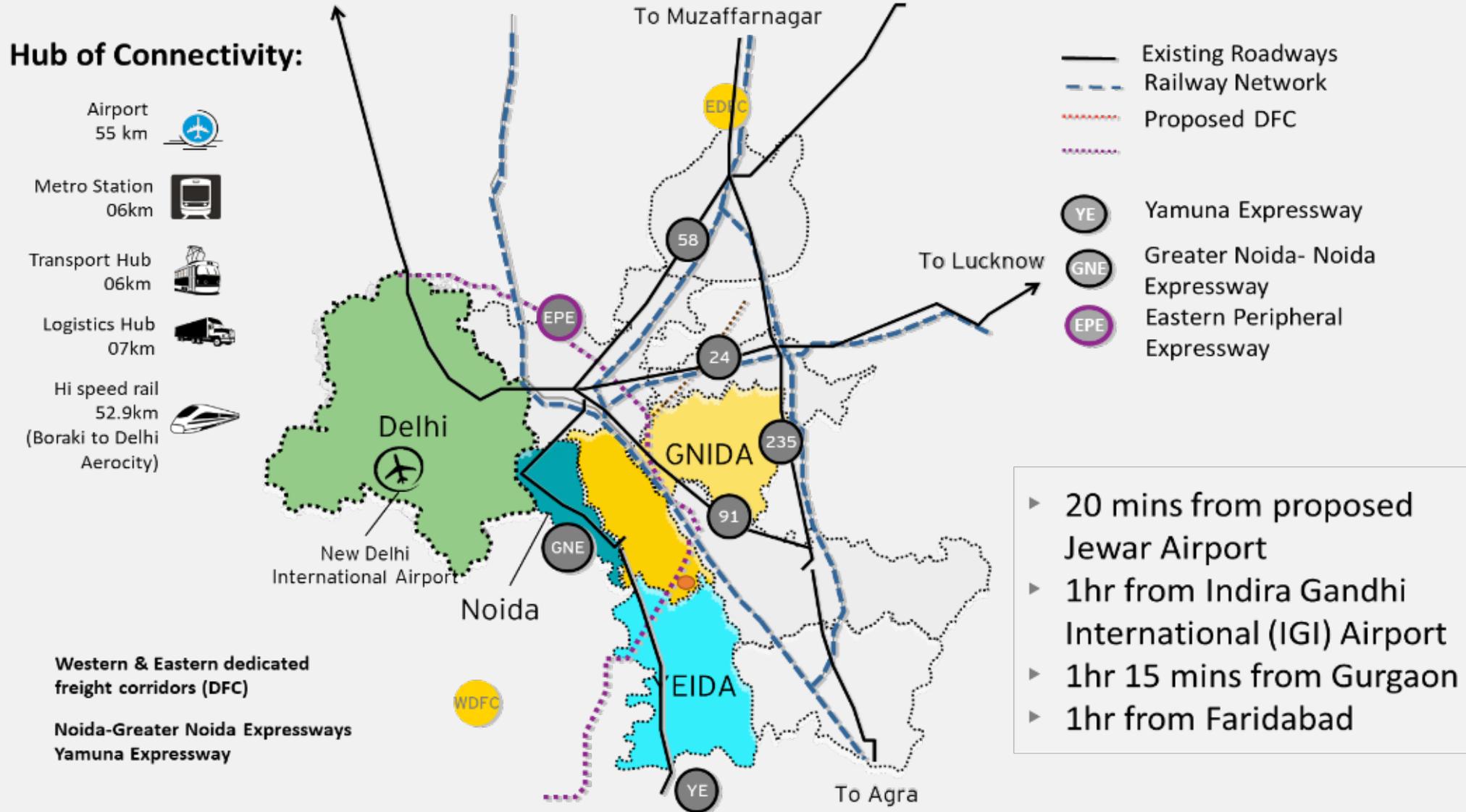
Amritsar Kolkata Corridor (AKIC) influence one

Expressway Influence Zone

Integrated Manufacturing Cluster (IMC): Agra-Aligarh Cluster

Noida, Gr. Noida, YEIDA Investment Zone

Advantage Uttar Pradesh: Sub-region of National Capital Region



Structure of Presentation

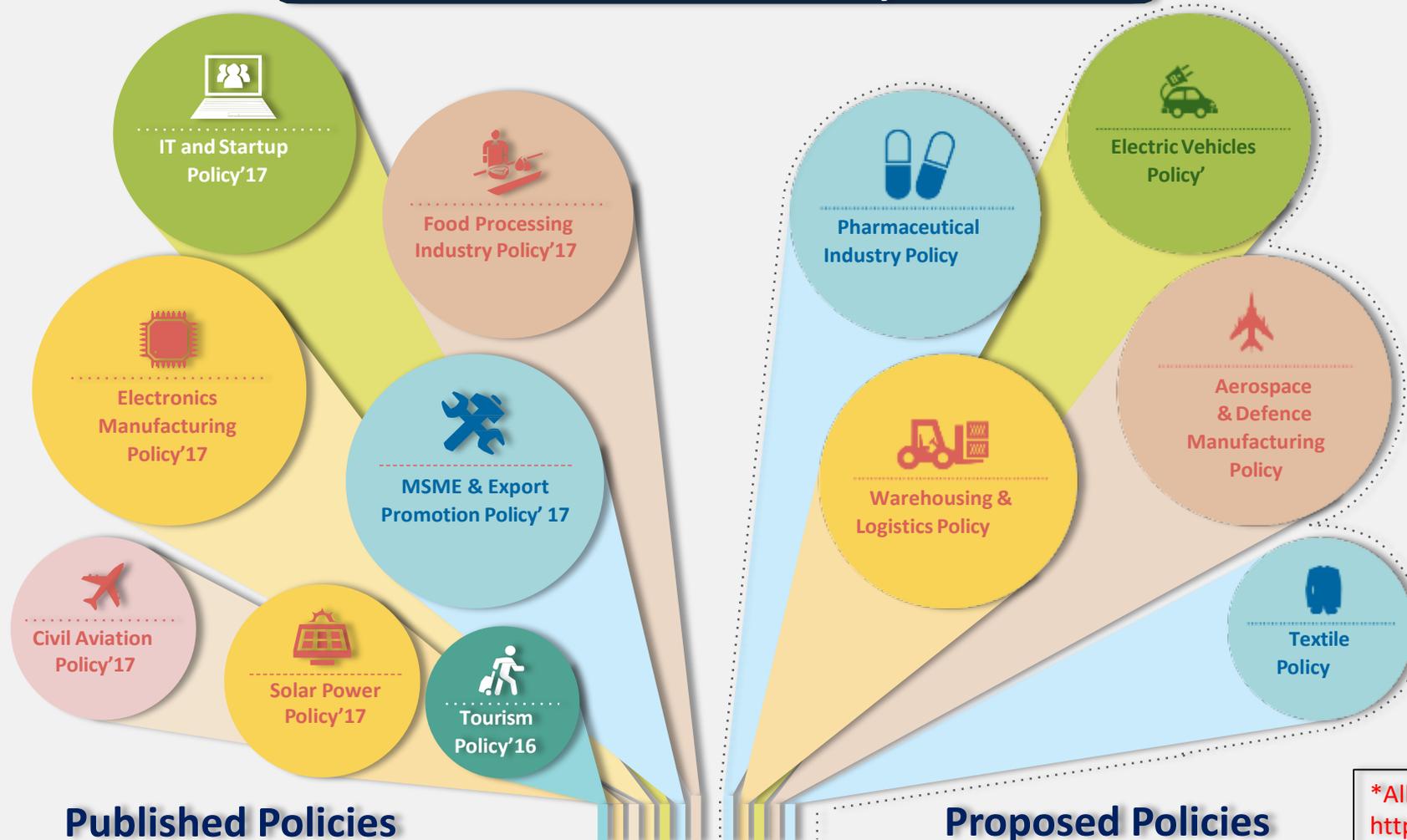
Advantage Uttar Pradesh

Major Policies Overview

Electronics System Design & Manufacturing
Overview

UP: Policy Overview: Dynamic Business Environment

UP Industrial Investment and Employment Promotion Policy



*All policies available on <https://niveshmitra.up.nic.in>

UP Industrial Investment and Employment Promotion Policy-2017

VISION

To establish Uttar Pradesh as a nationally & internationally acclaimed investment destination



INCENTIVES

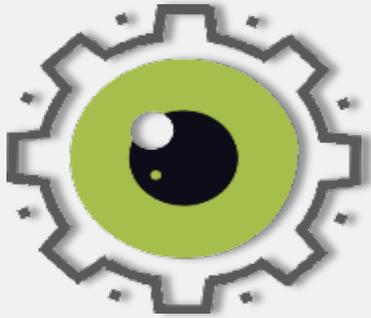
- Stamp Duty Exemption Upto 100%
- EPF Reimbursement facility to the extent of 50% of employer's contribution
- Reimbursement of SGST upto 90%
- Capital & infrastructure interest subsidy to the extent of 5% per annum
- Interest Subsidy to the extent of 5% for 5 years on R&D
- Exemption from electricity duty for 10 years
- Exemption from Mandi Fee for 5 years
- Reimbursement of GST paid on purchase of plant & machinery for industries where input tax credit has not been allowed
- 10% additional EPF Reimbursement subsidy for units employing more than 200 direct workers



Investment Opportunity for MSME in Uttar Pradesh



Uttar Pradesh MSME Policy 2017



VISION

- To attain annual growth of 15% in MSME sector, by targeting increase in capital investment, establishment of new enterprises and presenting the state as ideal destination for MSME investments;
- To increase employment rate to 15% per annum under MSME sector;
- Increase investments, employment and per capita income of people of the state;
- Ensure balanced, sustainable and inclusive economic development by special focus on development of backward regions.

Reimbursement @ **5% p.a.** for first 5 years, limited to **USD 72,000 p.a.** per unit for MSME & Large units while **10 Mn** for Mega units

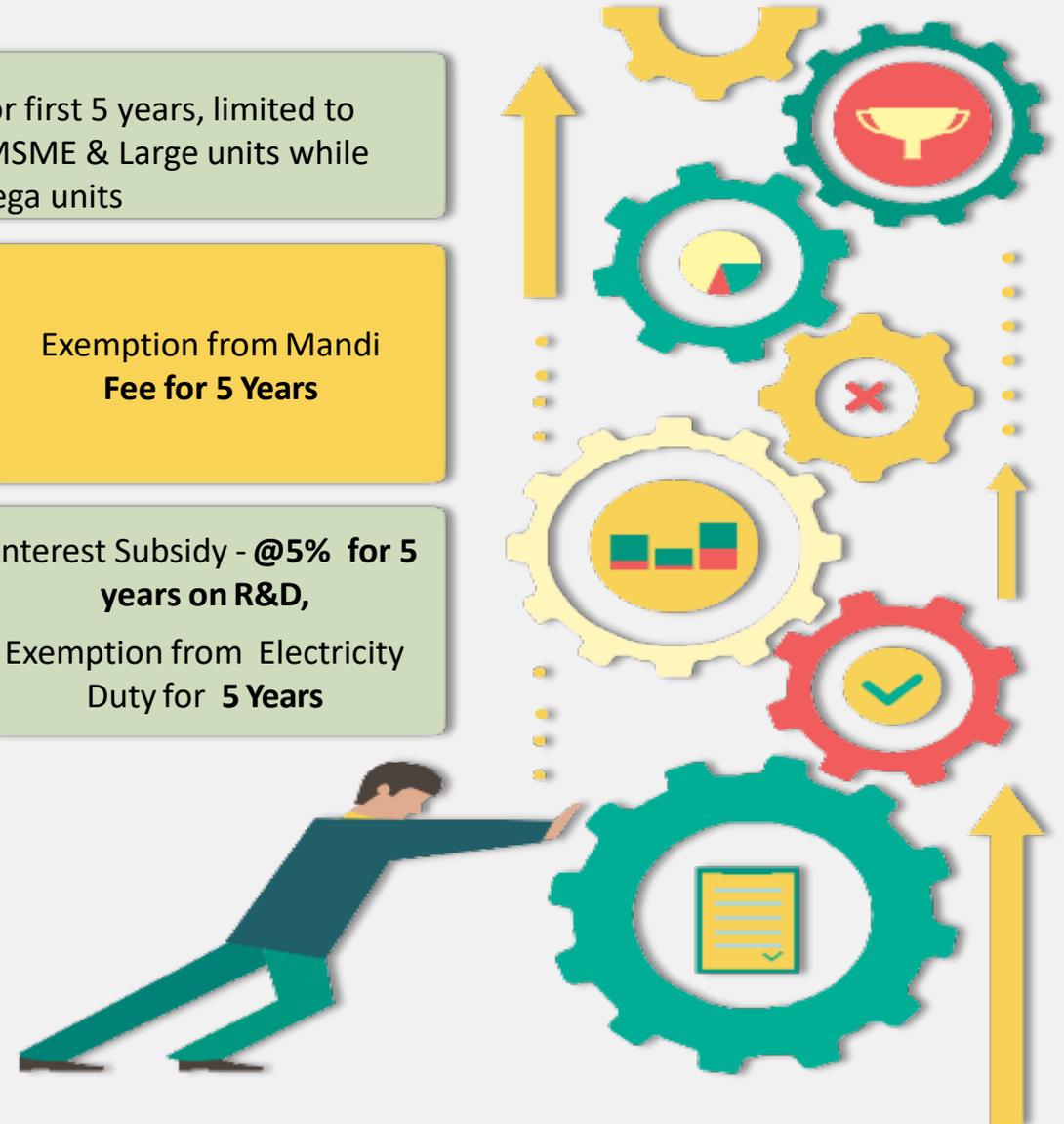
EPF Reimbursement Facility to the Extent of 100% of **Employer's Contribution**

Exemption from Mandi **Fee for 5 Years**

Stamp Duty Exemption upto **100%**,
SGST reimbursement upto **@90%**

Interest Subsidy - **@5% for 5 years on R&D**,
Exemption from Electricity Duty for **5 Years**

Reimbursement of GST paid on plant & building material and other goods for enterprises where In-put Tax Credit has not been allowed



Structure of Presentation

Advantage Uttar Pradesh

Major Policies

Electronics System Design & Manufacturing Overview

Electronics Manufacturing: Advantage Uttar Pradesh

40%

Of all mobile phones manufactured in India are from UP



55%

component manufacturers operating in India are operating from UP



26%

Mobile handset manufacturers operate from UP

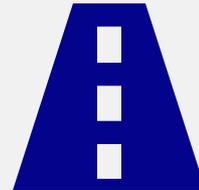


42%

ESDM companies have called UP home in past 20 months



- ▶ Samsung India operating for more than 20 Years
- ▶ Semiconductor designing firm like FreeScale & ST microelectronics are operating in Noida



- ▶ In the last 2 years, GoUP has received over USD 1.7 Bn investment proposals in ESDM sector
- ▶ Greater Noida and Yamuna Expressway region are the emerging hubs for Electronics Manufacturing in UP



- ▶ Global Presence of ESDM companies like China, Korea, Taiwan etc.
- ▶ Building complete value chain for Mobile manufacturing in Greater Noida region

UP ELECTRONICS MANUFACTURING POLICY-2017

UP EMP'2017 marks entire notified area of NOIDA/GNOIDA/YEIDA as EMZ with state of the art support infrastructure, the area is poised to become one of the largest EMZ hub of India.

INCENTIVES

CAPITAL SUBSIDY

- Capital subsidy of 15% on Fixed capital other than land
- Capital subsidy up to USD 21.6 Mn On case to case basis for investment over USD 28.8 Mn.

INTEREST SUBSIDY

- 5% per annum for a period of 7 years maximum up to USD 1.02 Mn

STAMP DUTY

- 100% exemption of stamp duty on purchase/lease of land for establishment of individual ESDM & EMC/ESDM Parks

PATENTS

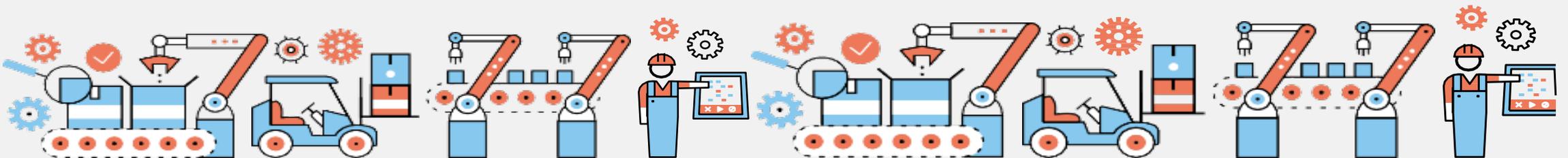
- Reimbursement upto 100% for filing patents
- Up to USD 7200 - domestic patents and
- USD 14500 for international patents

SGST

- 100% State GST reimbursement subjected to max of 100% Fixed Capital Investment other than land

OTHERS

- 25% land rebate on prevailing sector rates to be provided through state budget
- Floor Area Ratio (FAR): 3.0 + 1.0 (purchasable) floor area ratio
- 30% FAR for welfare facilities



Existing Ecosystem - Mobile Manufacturing

1

Mobile Handset manufacturing companies like Samsung, LG, OPPO Mobiles, VIVO, Lava, Intex, Dixon Technologies etc.



2

Adapter / Charger manufacturing companies like HGD, Hipad, Salcomp, UKB Electronics etc.



3

Battery Packs manufacturing units like Graviti, Hipad, Sunwoda, TMB etc.



5

USB Cable manufacturing units like Mandeep Cable, Noida Electronics, U.K.B Electronics etc.



4

Headset manufacturing units like Radish Technology, U.K.B. Electronics, Kingbell etc.



6

Cutting edge technology like Wafer Designing by ST Microelectronics



India's First ever dedicated Electronics City

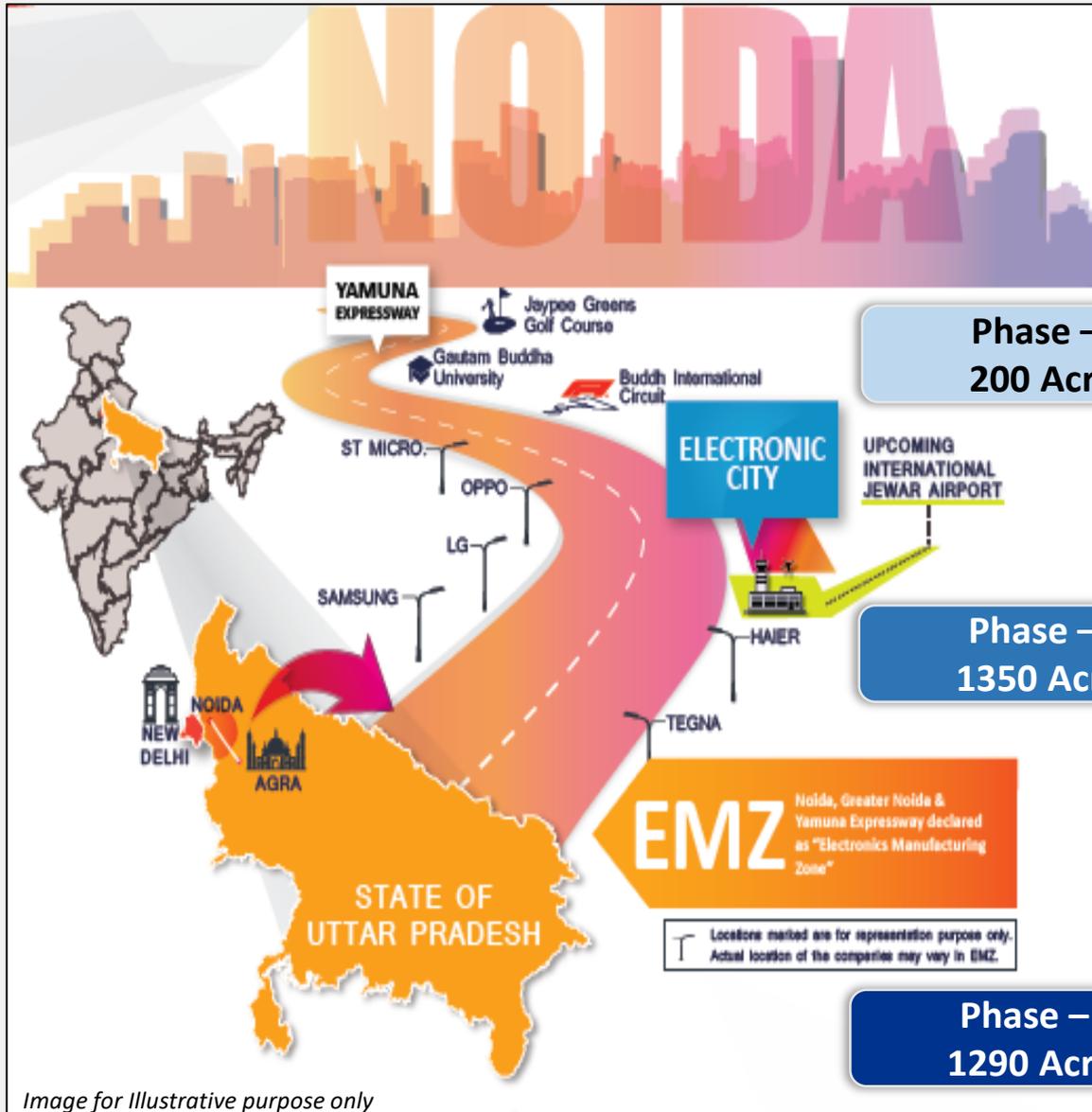


Image for Illustrative purpose only

Key features

- Plug & Play Offices
- Business Facilitation Center
- Integrated development (commercial, social & residential)
- International schools and entertainment zones

- Design & R&D Centers
- Dedicated logistics hub
- World's biggest Electronics startup Incubation Center
- Direct connectivity with industrial and freight corridors

Case Study Samsung – World's largest mobile manufacturing unit

1 May 2017

MoU worth
USD 69.33 Mn
signed

2 June 2017

Land allotted and
Project ready for
Ground Breaking

3 August 2017

All necessary
clearances
provided

4 April 2018

22 km 50MW load
electricity line
charged – largest
connection in the
state

5 July 2019

Project
inaugurated

Case Study



- Established in **Greater Noida in year 1997**
- Started with investment of **USD 70.1 Mn in 47 acre area**
- Annual production: **2.4 Mn Refrigerators, 1.4 Mn washing machines, and 0.6 Mn ACs and Microwaves each**
- Turnover including export: **over USD 2253.8 Mn**

HONDA



- Honda Cars India Ltd (HCIL) established in **Greater Noida in 1995**
- Initial investment of over **USD 63 Mn**
- Current Investment **USD 1094 Mn**
- Capacity expanded from **30,000 to 100,000 units as of 2008**

Comparison of Electronics Policy with other Indian States

Incentives / States	Uttar Pradesh	Andhra Pradesh	Punjab	Maharashtra
Capital Subsidy	<ul style="list-style-type: none"> Capital subsidy of 15% on Fixed capital other than land Capital subsidy up to USD 21.6 Mn on case to case basis for investment over USD 28.8 Mn.. 	<ul style="list-style-type: none"> 25% Capital Expenditure subsidy under the M-SIPS scheme of GOI. 	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> NA
Interest Subsidy	<ul style="list-style-type: none"> 5% per annum for a period of 7 years maximum up to USD 1.02 Mn 	<ul style="list-style-type: none"> 3% with max. USD 35,000 for 5 years 	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> 5% per annum
SGST	<ul style="list-style-type: none"> 100% State GST reimbursement subjected to max of 100% Fixed Capital Investment other than land 	<ul style="list-style-type: none"> 100% 	<ul style="list-style-type: none"> VAT & CST incentives for new Units with Fixed Capital Investment of above USD 3.6 Mn 	<ul style="list-style-type: none"> 100% on Net SGST
Land rebate	<ul style="list-style-type: none"> 25% Land rebate on prevailing sector rate FAR: Allowed 3.0 + 1.0 (Purchasable) Up to 30% of total FAR Dormitories and Welfare Facilities for min 50 Acres of land 	<ul style="list-style-type: none"> 25% up to USD 14,000 / Acre 	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> NA
Stamp duty Exemption	<ul style="list-style-type: none"> 100% Exemption on 1st Transaction 50% on 2nd Transaction 	<ul style="list-style-type: none"> 100% and 50% on 1st and 2nd transactions 	<ul style="list-style-type: none"> 100% exemption on FCI above USD 14 Mn 	<ul style="list-style-type: none"> 100% on 1st transactions
EPF & ESIC reimbursement	<ul style="list-style-type: none"> Only Case to Case basis 	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> NA
Patent Filing reimbursement	<ul style="list-style-type: none"> 100% of actual filing cost Maximum up to <ul style="list-style-type: none"> USD 7200 for Domestic Maximum USD 14500 for International 	<ul style="list-style-type: none"> USD 7,200 And USD 14,500 for domestic and international respectively 	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> NA

Greater Noida Comparative Advantage

UP(Gr. Noida)

Andhra Pradesh

1

Access to **418.4 Mn population** in 6 states within the radius of 300 kms

Access to **216.9 Mn population** in 4 states within the radius of 300 kms

2

Labour cost (highly-skilled) is **USD133/month**

Labour cost (highly-skilled) is **USD160/month**

3

15% Capital Subsidy and **25% land rebate**

25% Investment Subsidy

4

USD 36.6 Mn training cost reimbursement to each unit

Not available

Timely clearances through Single Window System

Application	Timeline
Property Registration	1 Day
Power Connection	15 days
NOC from Fire Department	15 days
Initial Inspection of High / Extra High Voltage Installation	15 days
Building Plan Approval	30 days
Labour law related registrations	30 days

- ▶ More than 35,000 industrial applications received through Single Window Portal
- ▶ More than 25,000 NOCs issued online

Single Window Clearance: *Ranked amongst the Top 5 Single Windows in the country*



Access at <http://niveshmitra.up.nic.in/>



Thank You

For queries, please write to us at

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Annexure: Land & Utility rates in Greater Noida Region

Slab Rates

(Exclusive of State Incentives)

Land in Sqm.	Plot Area in Sqm.	Allotment Rate per Sqm. (USD*)	Total Cost of Plots (USD*)
Up to	4,000	158	0.63
Addition to 4,000 sqm to 8,000 sqm	4,000	136	0.54
Addition to 8,000 sqm to 20,000 sqm	12,000	114	1.36
Addition to 20,000 sqm to 40,000 sqm	20,000	92	1.84
Addition to 40,000 sqm to 80,000 sqm	40,000	74	2.96
Addition to 80,000 sqm	1,42,600	57	8.12

* Rounded off to rates as on 6th April 2019

Annexure: Land & Utility rates in Greater Noida Region

Slab Rates

(Exclusive of State Incentives)

Land in Sqm.	Plot Area in Sqm.	Allotment Rate per Sqm. (USD*)	Total Cost of Plots (USD Mn*)
Allotment for 5 Acres	20,235	128.10	2.60
Allotment for 10 Acres	40,470	110.40	4.50
Allotment for 20 Acres	80,940	92.70	7.50
Allotment for 50 Acres	2,02,350	71.70	14.50
Allotment for 100 Acres	4,04,700	64.65	26.20
Allotment for 110 Acres	4,45,170	64.05	28.50
Allotment for 120 Acres	4,85,640	63.45	30.80
Allotment for 130 Acres	5,26,110	63.00	33.20
Allotment for 140 Acres	5,66,580	62.70	35.50
Allotment for 150 Acres	6,07,050	62.25	37.80

* Rounded off to rates as on 6th April 2019

Utility Rates - Electricity & Water Supply in Greater Noida Region

Electricity

Electricity Connection Charges:

- ▶ Security Deposit: USD 29 per KVA
- ▶ System Loading: USD 14.67 per KVA

(Note: Service charges additional for laying of cables)

Electricity Usage Charges:

Demand Charges (Per KVA per month)

Energy Usage Charges (KVAH)

11 KVA Line
33 KVA Line

USD 3.67
USD 3.52

USD 0.098
USD 0.094

(Note: Additional Surcharge @6%)

Water Supply

- ▶ 10001 Sq. mtr to 5 Acres : USD 118 per month
- ▶ 5 Acres to 15 Acres: USD 23 per month
- ▶ 15 Acres to 25 Acres : USD 34 per month
- ▶ 25 Acres to 50 Acres : USD 46 per month
- ▶ 50 Acres + : USD 58 per month

Annexure: Land & Utility rates in Yamuna Expressway Region

Slab Rates

(Exclusive of State Incentives)

Land in Sqm.	Plot Area in Sqm.	Rate (USD per sq.m.)	Total cost of plots (USD Mn)
Up to	4,000	90.51	0.36
Addition to 4,000 sqm to 8,000 sqm	4,000	77.15	0.30
Addition to 8,000 sqm to 20,000 sqm	12,000	65.28	0.78
Addition to 20,000 sqm to 40,000 sqm	20,000	59.35	1.18
Addition to 40,000 sqm to 80,000 sqm	40,000	57.16	2.28
Addition to 80,000 sqm	1,42,600	54.90	7.81

* Rounded off to rates as on 6th April 2019

Utility Rates - Electricity & Water Supply in Yamuna Expressway Region

Electricity

Substations Capacity

- ▶ 220/mm KV – 1, 33/11 KV - 5

(Note: Service charges additional for laying of cables)

Electricity Price (\$/kwh)

- ▶ USD 0.11/- per unit

Water Supply

- ▶ Yet to be decided (Rates are expected to be almost same as that of the near by areas)