

UP govt aims to get 'big-ticket investment'

MAULSHREE SETH
LUCKNOW, AUGUST 17

HAVING SET an ambitious target of attracting Rs 10 lakh crore investment through the Global Investors' Summit likely to be held in January 2023 following its failure to attract large private funds in the Bundelkhand region despite the Industrial Defence Corridor project and offering of big land parcels, the Uttar Pradesh government is now making efforts to bring in "big-ticket investments" by providing huge incentives.

Amendments made in the UP Defence and Aerospace Units and Employment Promotion Policy, 2018, on Tuesday are aimed at this as the state government decided to raise the capital subsidy bar from maximum Rs 15 crore to Rs 500 crore for Bundelkhand and also including "defence sector packaging" under the policy for incentive and opening to the idea of exploring not just "ammunition manufacturing units" but also "defence testing" units.

While the new policy offers 10 per cent capital subsidy against the earlier 15 per cent for the Bundelkhand region, the maximum limit has been raised from Rs 15 crore to Rs 500 crore.

With this, the government hopes to make its nodes, especially the ones in Bundelkhand such as the Chitrakoot node of defence industrial corridor, lucrative for private investors, which even after four years of announcement and having 102 hectares of acquired land, has failed to attract any major private player in the defence or aerospace sector for investment.

Even in other four nodes — Lucknow, Aligarh, Jhansi, Agra and Kanpur — the biggest investments have been through the public sector. Bharat Dynamics, a central public sector undertaking which was allotted 183 hectare land in Jhansi and DRDO BraMos, which was allotted 80 hectare land in the Lucknow node.

Unlike Bundelkhand, the entire 70 hectare land acquired in Aligarh district of western UP has been exhausted and allotted but to smaller units numbering 20.

Sources, however, said that to meet the higher targets, the government needs bigger investments and hopes that ancillary units would then come along and the upper limit of incentives has been increased from Rs 15 crore to Rs 500 crore for this reason as there would be bonus to invest more to get higher capital subsidy.