

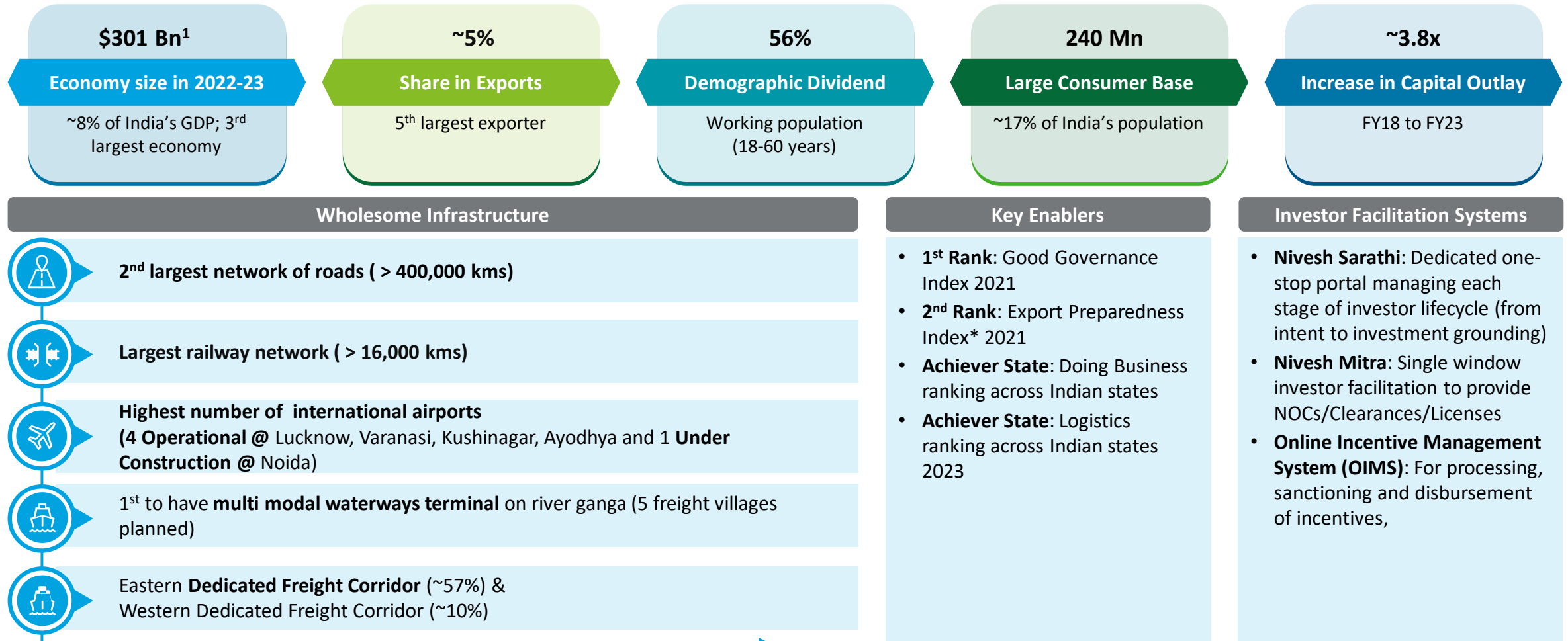


## Uttar Pradesh EV Manufacturing

**The next frontier for electric vehicles**

# UP – State with Robust and Resilient Economy

The economic momentum of UP is well-poised to continue on a higher trajectory



<sup>1</sup>Exchange rate assumed as \$1 = ₹75

\*Among landlocked states

Source: UP DES, World Bank, IBEF; GSDP in current prices 2011-12 series, DGCIS

# EV Manufacturing

Uttar Pradesh has the largest market for Electric vehicles in India and also has a conducive environment for promoting EV manufacturing via attractive incentives and supportive government initiatives

## Sector Overview



**3<sup>rd</sup>**  
Largest automobile consumer in India by no. of vehicles registered



**Rapidly Growing**  
Urban centers posing high demand in tier 2 & 3 cities



**3<sup>rd</sup>**  
Largest beneficiary of GOI's FAME scheme



**Largest SME Base**  
With ecosystem for automobile & battery mfg.



**Skilled Workers**  
500+ Training Centers & 4000+ ITI

## Advantage UP

- UP is one of the leading markets for electric vehicles in India, with a market share of over 14% in 2023
- Highest number (> 40%) of electric three-wheelers in India
- More than 207 charging stations Sanctioned under FAME2 under implementation at UPEIDA & NOIDA through REIL & EESL.
- 700 EV public buses in major cities on routes identified by Urban Development Deptt.

## Potential areas of interest for players

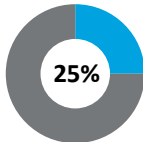
- Road infrastructure with use of latest technology solutions
- Charging infrastructure and EV Manufacturing
- Manufacturing clusters in Central & Western regions for auto ancillaries and battery pack manufacturing
- Setting up of Ancillary industries
- Manufacturing facility with an In-House R&D centre
- Hybrid & Electric Vehicles Components
- Transmission & Steering Parts
- Original Equipment Manufacturers (OEMs)

## Electric vehicle manufacturing

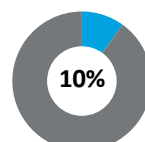
Estimated UP Share % (FY28)



E2W/E3W



E4W/E-Buses



Green field investments from E-2W and E-3W start-up and new emerging players

## Key existing players in UP












ASHOK LEYLAND



# EV and allied sector in Uttar Pradesh

## Future Development Plans

- Research facilities focused on emerging battery chemistries and testing labs for industrial quality assessment of products
- Setting-up charging & Swapping Stations to increase consumer confidence in EV
- Introducing Battery/ EV related curriculum in ITIs located in UP

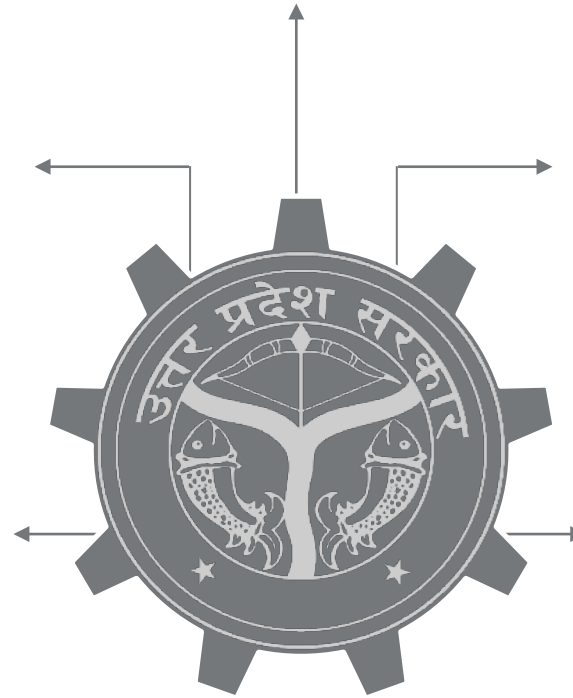
S.N.	Key Opportunity	Focus Area			
1	Developing EV ancillary industry and inviting EV OEMs for investment	 E-2W	 E-2W	 E-2W	 E-2W
2	Make presence in end-to-end battery value chain including recycling	 Cell manufacturing	 Pack manufacturing	 Reuse, recycling	
3	Setup country's largest EV charging network in a state	 Charging Operation	 Swapping Station		

# UP is implementing several key interventions to promote and enhance & EV Manufacturing in the State

Uttar Pradesh government has identified over **2,000 acres of land** in various industrial areas across the state for the development of electric vehicle (EV) manufacturing units.

**Electric Vehicle Policy, 2022** providing incentives and subsidies for EV manufacturers and buyers, along with promoting charging infrastructure development.

Aiming to support **research and development** efforts in the EV sector by collaborating with academic institutions and research organizations.



**Incentives for Battery Manufacturing** : The government was exploring options to incentivize battery manufacturing units to support the growing EV industry's needs.





Introduction of **electric buses** in the state's public transport system to reduce air pollution and dependence on fossil fuels.

# Support from Government: Key Policy Benefits for EV Manufacturing

## Uttar Pradesh Electric Vehicle Manufacturing & Mobility Policy 2022



### Policy Highlights

-  **Stamp Duty Exemption @100%** to Integrated EV Project & Ultra Mega Battery project
-  **Govt Schemes/ Programmes** such as National Electric Mobility Mission Plan (NEMMP) 2020, FAME 1 & 2, 2nd AMP (Automotive Mission Plan) and National Mission on Transformative Mobility & Battery Storage
-  **Funding Under FAME2** for setting up Public Charging Stations in UP
-  **Capital Subsidy** : @ 20% upto maximum INR 10 Lakh per unit to 1st 2000 Charging Stations; @20% upto maximum INR 5 Lakh per unit to 1st 1000 Swap Stations .

### Other Key Incentives

- Skill development incentive** as reimbursement of stipend shall be provided one time at the rate of INR 5,000 per employee per year to a maximum of first 50 employees to all defined manufacturing projects
- Patent registration fees reimbursement** @75% upto maximum INR 50000 for acquiring domestic patent and upto INR 2 lakh for acquiring international patent.
- 100% Stamp Duty Exemption** in Bundelkhand & Purvanchal, 75% in Madhyanchal & Paschimanchal (except Gautam buddha nagar & Ghaziabad districts with 50% each)
- Quality certification charges reimbursement** @50% of fees upto INR 10 lakhs per unit



# FDI, Fortune Global 500 & Fortune India 500 Companies Investment Promotion Policy, 2023

## Eligibility Criteria:

- ✓ Projects with Foreign Direct Investment (FDI) Capital Investment of above ₹100 crores.
- ✓ Projects with Capital Investment of more than ₹100 crores by companies included in the list of Fortune Global-500 and Fortune India-500, subject to Negative list.

# UP FDI and Fortune 500 Policy 2023 – Fiscal Incentives

## Major benefits

### Capital subsidy

- 25% of \*ECI (excluding land cost) in Gautam Buddha Nagar and Ghaziabad regions
- 30% of ECI (excluding land cost) in Paschimanchal and Madhyanchal regions
- 35% of ECI (excluding land cost) in Bundelkhand and Purvanchal regions

Capital Subsidy will be provided in 7 equal annual instalments with annual capping of INR 100 crores

### SGST reimbursement/ refund

- **Option A - Net SGST reimbursement on sales:**
  - 100% of net SGST paid for 10 years
  - Annual capping: Upto 10% of ECI, Overall capping: Upto 100% of ECI (excluding land cost and capital subsidy)
- **Option B - Input SGST refund on capital goods:** 100% SGST refund in 5 annual instalment (Applicable only in case of inverted duty structure)

*Note: Option to choose any one out of A and B is available*

### Land subsidy

- Upto 75% in Paschimanchal and Madhyanchal region
- Upto 80% in Bundelkhand and Purvanchal region

## Other fiscal benefits

- **Stamp Duty & Registration Fees:** 50% - 100% exemption/ reimbursement

- **Electricity Duty:** 100% exemption from for 5 years

- **Skill development subsidy:** Upto INR 5,000 p.m. per person for 5 years (max. 500 persons)

- **Green Industry Incentives:** 50% capital subsidy on the cost of Effluent Treatment Plant capped at INR 2.5 crores

- **Industrial Housing Incentives:** Reimbursement upto 10% of the cost of development of workers' housing or dormitory for 7 years overall capped at INR 10 crores

- **R&D incentives:** Reimbursement upto 25% of the cost of standalone R&D centre capped at INR 10 crores (with minimum capital investment of INR 20 crores)

- **Centers of Excellence (CoE):** Grant upto 50% of the project cost capped at INR 10 crores per project  
*Note: Option to choose any one out of above is available*

- **Logistics Subsidy:** Reimbursement upto 50% of the transportation cost on import capped at INR 12 crores per unit (in case of shifting of existing plant from international or domestic locations to UP)

- **Patent cost:** Reimbursement upto 75% of the cost capped at INR 10 lakh (for domestic) and INR 20 lakh (for international)

\*ECI – Eligible capital Investment





**UP – Policy Framework and  
Incentives under  
Industrial Investment &  
Employment Promotion Policy  
2022**

# UP IIEPP 2022 – Scope and highlights

## Policy scope and coverage



Industrial Undertakings



Circular Economy



Private Industrial Parks



Infrastructure Projects



R&D units

### Major highlights of the Policy



Preferential land allotment on fast-track basis for specified units



Government will facilitate land aggregation for Private Industrial Parks



Eligible projects - New, Expansion, Diversification



Special measures (40% of old P&M will be considered eligible) for projects relocating from other countries






***Customized package available for Ultra Mega category projects of special importance for the state***

**Note - Option to avail sector wise policy is also available**

# UP IIEPP 2022 – Project categories

## Eligible units and investment criteria

 Type of unit	 Eligible capital investment (ECI)*	 Eligible Investment Period
Large scale industrial unit	Above INR 50 Cr but below INR 200 Cr	Earlier of commencement of commercial production or 4 years
Mega scale industrial unit	INR 200 Cr or above but below INR 500 Cr	Earlier of commencement of commercial production or 5 years
Super Mega scale industrial unit	INR 500 Cr or above but below INR 3000 Cr	Earlier of commencement of commercial production or 7 years
Ultra Mega scale industrial unit	INR 3,000 Cr or above	Earlier of commencement of commercial production or 9 years

## 3 options for Industrial Undertakings to apply for Investment Promotion Subsidy ('IPS')



\* Investment thresholds for various categories may be considered for revision by the UP Government

## FDI and Fortune 500 Policy 2023 vs Industrial Policy (IIEPP 2022)

Type of Support	FDI Policy*	Industrial Policy*
<b>Capital Subsidy</b>		
Gautam Buddha Nagar & Ghaziabad	25%	10% (10 yrs) - 22% (20 yrs)
Madhyanchal	30%	12% (10 yrs) - 25% (20 yrs)
Paschimanchal	30%	12% (10 yrs) - 25% (20 yrs)
Purvanchal	35%	15% (10 yrs) - 30% (20 yrs)
Bundelkhand	35%	15% (10 yrs) - 30% (20 yrs)
<b>Stamp Duty Exemption</b>	50% - 100%	50% - 100%
<b>SGST reimbursement</b>	100%	80%-300%
<b>Reimbursement for R&amp;D Projects</b>	25%	25%
<b>Land based Subsidy</b>		
Paschimanchal & Madhyanchal	75%	NA
Bundelkhand & Purvanchal	80%	NA
<b>Electricity Duty exemption</b>	100%	NA

\* Indicates the percentage on the respective Eligible Capital Investment (ECI)