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Uttar Pradesh govt inks over 154 defence deals worth Rs 25,000 crore

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The Uttar Pradesh government has signed more than 150 defence manufacturing deals worth Rs 25,000 crore as the state administration eyes India's burgeoning defence export basket.

India's annual defence production hit a record high of almost Rs 1.27 trillion in 2023-24 (FY24), up 16.7 per cent over the previous year's figure of about Rs 1.09 trillion, the Ministry of Defence (MoD) said on Friday.

The defence projects are coming up in the mega UP Defence Industrial Corridor (UPDIC) spanning six nodes of Lucknow, Kanpur, Jhansi, Aligarh, Chitrakoot and Agra districts.

These projects are estimated to create 40,000 fresh jobs, said a senior UP government official.

"We have signed 154 memorandums of understanding (MoUs) with different companies, while about 85 deals are in the pipeline at the evaluation stage," he added.

The Corridor's nodal agency UP Expressway Industrial Development Authority (UPEIDA) continues to acquire swathes of land for allotment to industrial groups. UPEIDA has already acquired 1,700 hectares of land, while more than 40 companies have been allocated land.

"These 42 companies will invest nearly Rs 8,000 crore in their respective projects, which will make UP a critical cog in India's ambition to attain self-reliance in defence production and boost defence exports," the official said.

UPEIDA has signed MoUs with Adani Defence and Aerospace, BrahMos Aerospace, Ancor Research Labs, Tata Technologies, Bharat Dynamics Limited, Delta Combat Systems, SpiceJet Technic, Verivision, HAL, Gliders India, Defence Research & Development Organisation (DRDO), Aerolloy Technologies, among others.

India's defence exports rose by over 32 per cent from Rs 15,920 crore in 2022-23 to Rs 21,083 crore in 2023-24, according to the defence ministry. UP is pitching defence manufacturing to propel 'Make in UP' by catalysing its vast MSME base and cater to the growing defence export basket by moving up the industrial value chain.

A total of 35,000 Kalashnikov AK-203 assault rifles, assembled at the Korwa factory in Amethi district of UP, have been delivered to the Army by the joint venture Indo-Russia Rifles Private Limited. The manufacturing of nearly 600,000 AK-203 rifles will be spread over 10 years.

Although Amethi is not a part of the UP Defence Corridor, the Korwa unit has boosted the state's ambition to play a key role in India's defence manufacturing ecosystem. Another Indo-Russia joint venture plant spread over 80 hectares is coming up in Lucknow to manufacture BrahMos missiles for the Indian defence forces.

BrahMos is a joint venture between India's Defence Research and Development Organisation (DRDO) and Russia's NPOM to develop next-generation supersonic missiles for the Indian forces.

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