



Government of
Madhya Pradesh

Opportunities for investment in Madhya Pradesh *in* Defence and Aerospace Equipment Manufacturing

Department of Industrial Policy & Investment Promotion
Government of Madhya Pradesh



MP INDUSTRIAL DEVELOPMENT
CORPORATION LTD.

Madhya Pradesh

The Growth Center of India

Huge Market

2nd

Largest
Indian State (by Area)

with

77

Million population

~50%

India's population
captured through
adjoining states

Rich in Minerals

Only

Diamond producing
state of India

Asia's thickest

coal seam (135m.)
coalfield

Major producer of
**Coal, Cotton, Copper,
Rock phosphate,
Manganese, Dolomite,
Glass Sand &
pyrophyllite**

Industry Ready

2,30,000 KMs

of road network

24,000 MW

Installed power capacity
(Also, exclusive
**DisCom for Mohasa
Babai IA)**

900 MCM

river Narmada
water reserved
for Industry

Clearance in 15 days

Public Service
Guarantee Act

Abundant Skilled Manpower

More than 2 lakh
technical professionals
pass out every year

1,22,000 Acre

Total Land Bank

Achievements

4th Rank

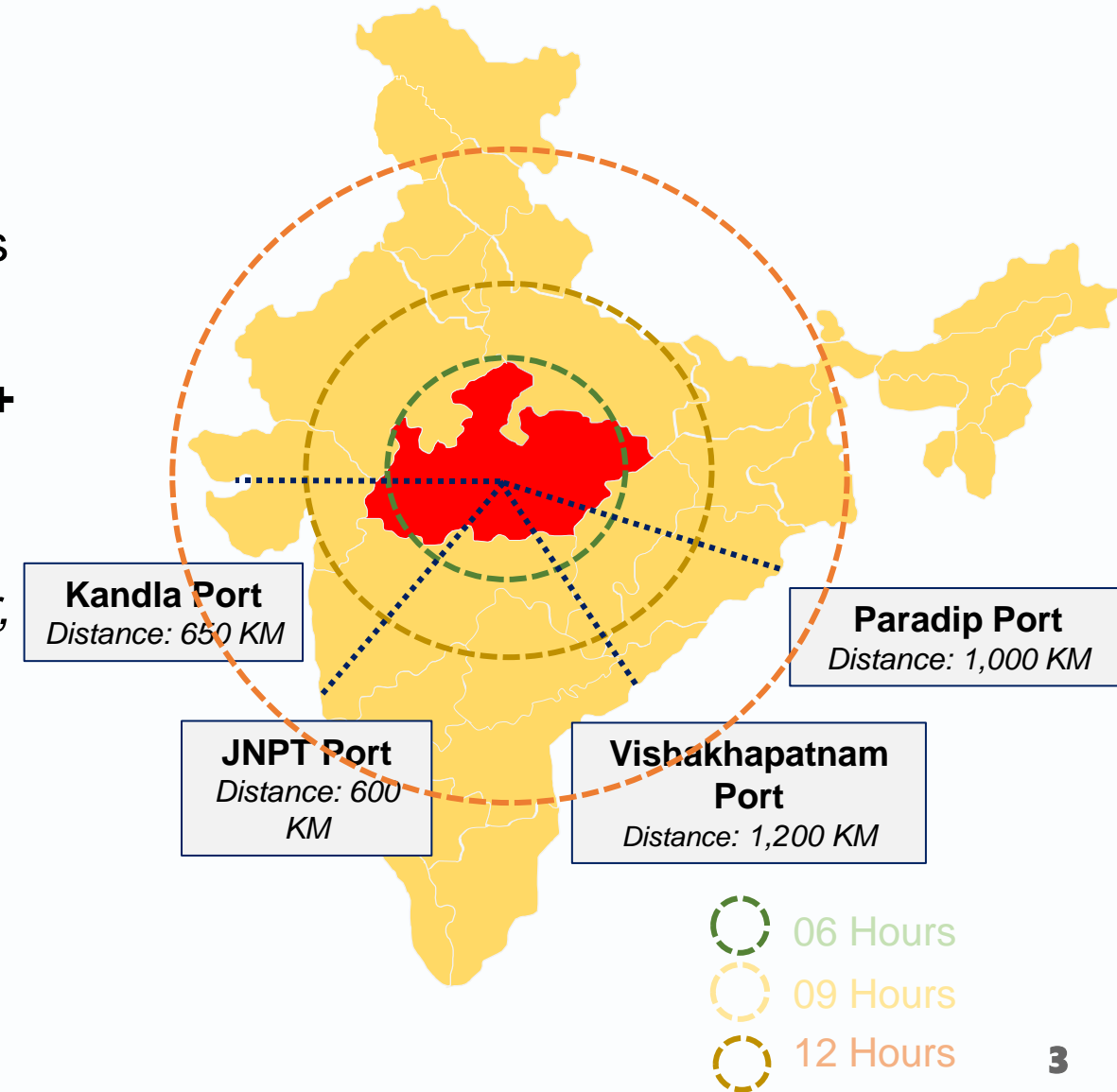
in EoDB 2019

97% in IPA Rating 2019

Indore

Cleanest City of
India for 5th
consecutive year

- Geographically located at the **Centre of India**
- **All four corners** of India **accessible in 24 hours** by road
- Both East - West and North - South corridors crosses across the state
- Daily passes **500+ trains through the state** with **20+ major rail junctions**
- **6 Inland Container Depots:** *Malanpur (Gwalior), Mandideep (Bhopal), Pawarkheda (Itarsi), Pithampur, Tihi, Dhannad (Indore)*
- The air travel (bird fly) shortest distance between Bhopal and;
 - Delhi is 744 km*
 - Mumbai is 768 km*
 - Kolkata is 1374 km*
 - Chennai is 1486 km*



Gwalior: Close to UP Defence Corridor and gateway to Northern Border

- Maharajpur Air Force Station
- Tactics and Air Combat Development Establishment (TACDE)
- Electronic Warfare Range

Bhopal: Excellent eco system for heavy engineering manufacturing

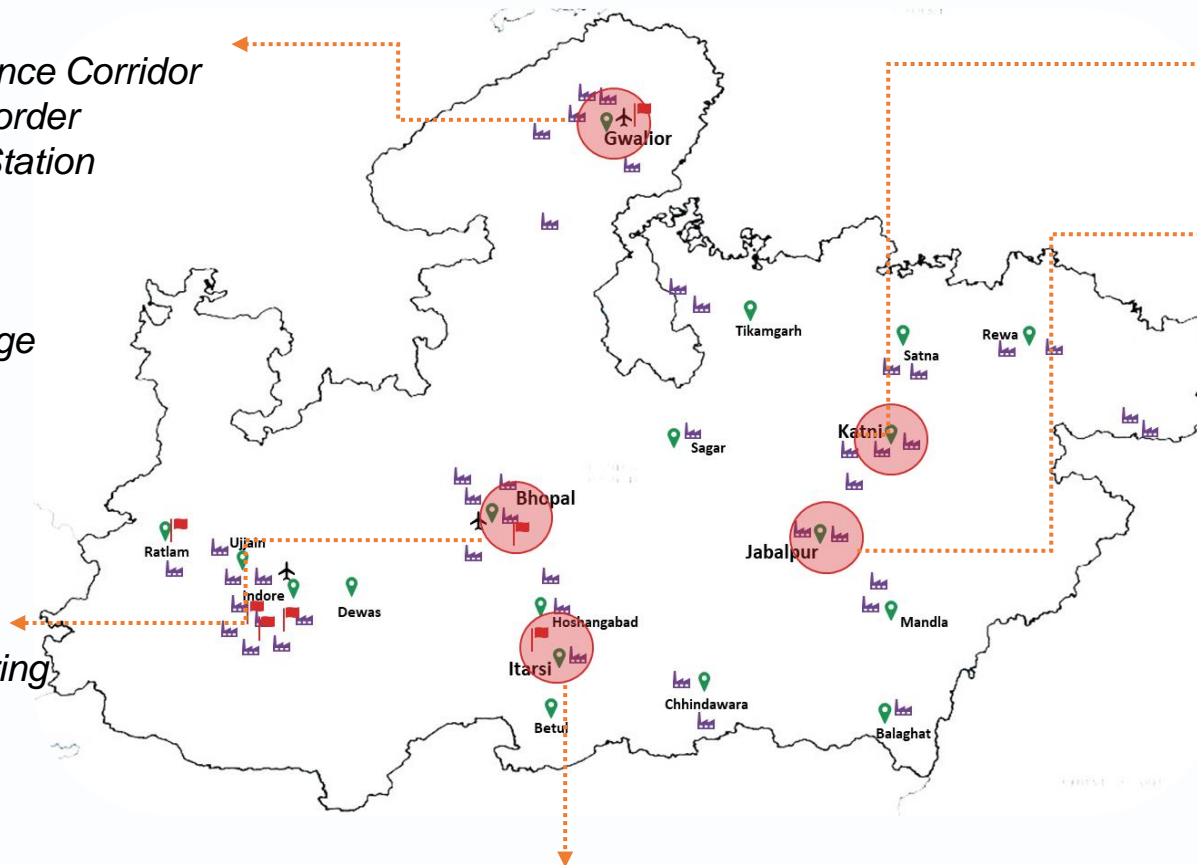
- BHEL

Itarsi: Ordnance Factory engaged in manufacturing double, triple and ball powder propellant

- Central Proof Establishment provides Quality Assurance (QA) services

Katni: Ordnance Factory-integrated metallurgical production unit

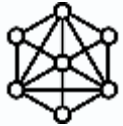
Jabalpur: Hosts one of the largest cantonment & training areas for Indian defence establishment; Ordnance Factory Khamaria, Vehicle Factory Grey Iron Foundry, Gun Carriage Factory



| LEGEND | |
|------------------------------|--|
| State Boundary | |
| City Centre | |
| Industry | |
| ICD | |
| Airport | |
| Industrial Defence Ecosystem | |



Based on the current ecosystem, availability of land, geographical terrain, excellent connectivity with NCR and **proximity to upcoming UP Defence corridor**, MP is suitable for setting up of defence units

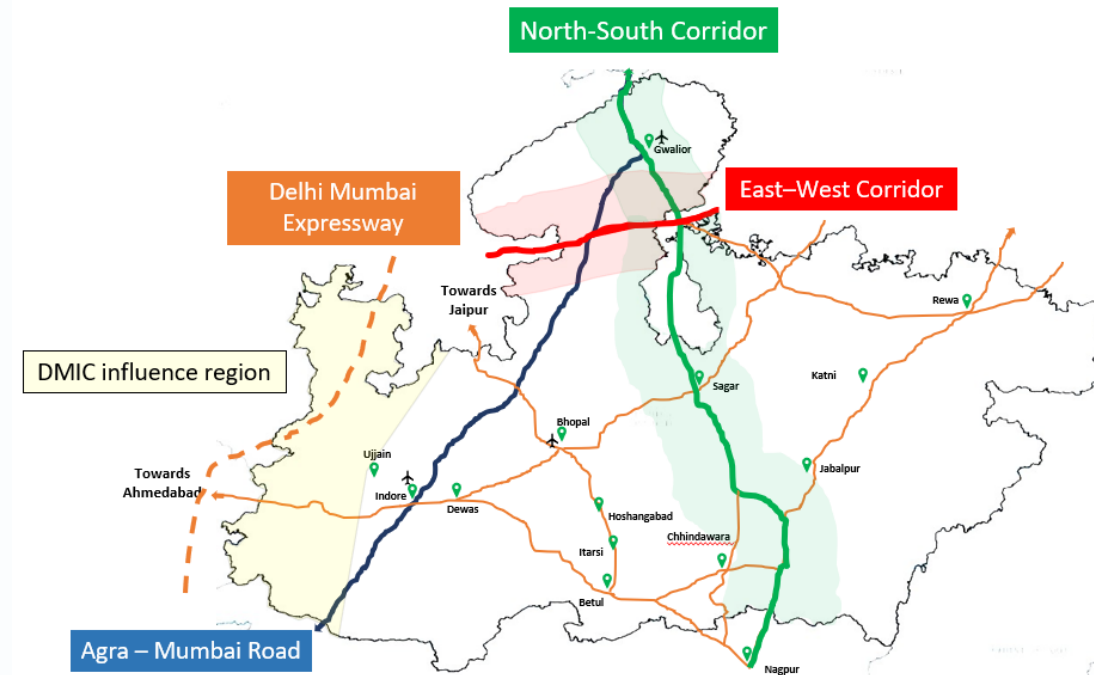


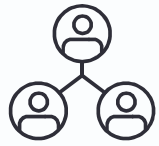
The UP Defence Corridor crosses from Agra, Jhansi which is just around **100 Kms from Gwalior** and **Datia district is just 30 Kms from Jhansi**



Focal point of mega infrastructure projects, thus offering world class connectivity for transportation

- **Atal Pragati Path (Chambal Expressway)** connecting Sheopur, Morena and Bhind district
- **Narmada Expressway** Connecting Eastern MP with Western MP covering 13 districts
- **Delhi- Nagpur Expressway** approved by NICDC has significant portion of the corridor passing through MP





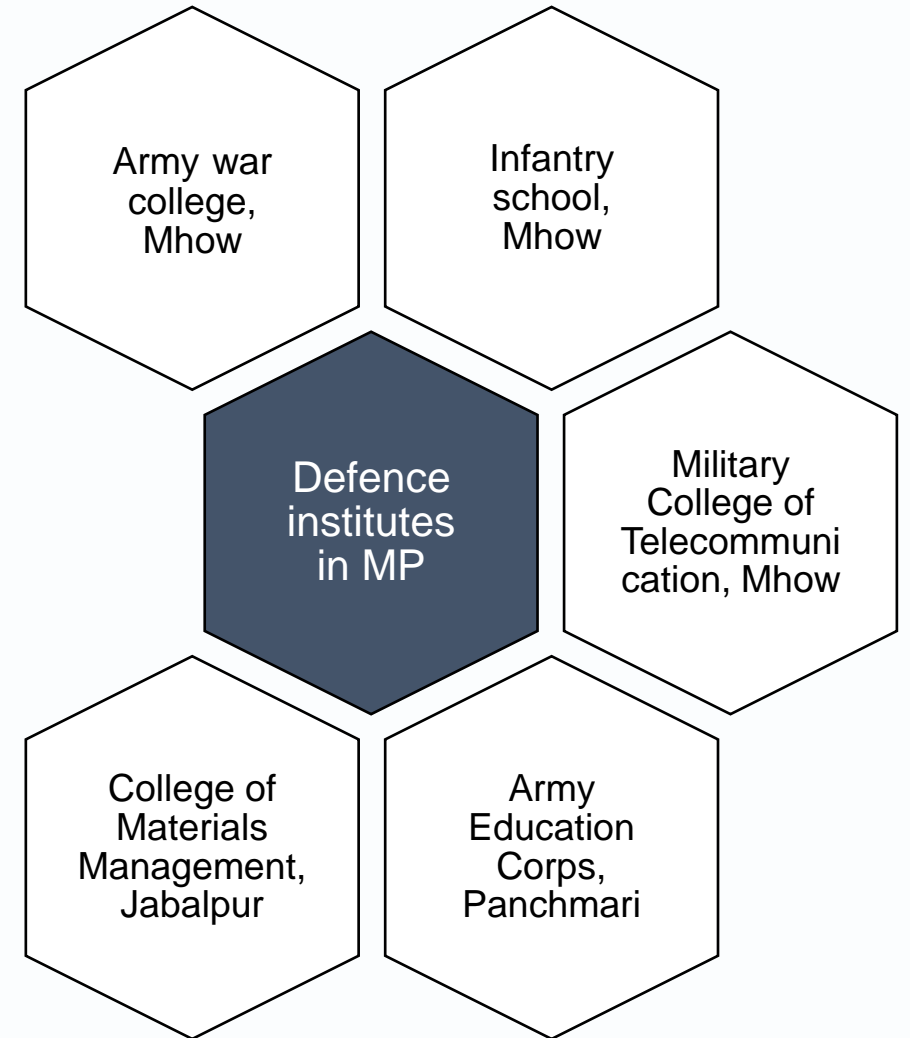
Skilled manpower availability- Defence and heavy engineering companies and their suppliers have been operating in the state for over 40 years



National Accreditation board certified testing laboratories are available for private players in Katni and Jabalpur



The State is also coming up with world class **Research and Development centres**



- The state offers immense opportunities in Defence and Aerospace equipment manufacturing related to:
 - **Automobile manufacturing:** Indore hub of auto manufacturing having 100+ large units
 - **Textile and Technical textiles:** can be utilized for manufacturing of bullet proofs jackets, armours, etc. The State is 5th largest producer of cotton in the country
 - **Heavy Engineering-** Presence of BHEL, vehicle factory and its ancillaries provide excellent eco system for defence electronics and heavy engineering like manufacturing of military motor vehicles including Mine Protected Vehicles
 - **IT & Telecommunications:** Talent pool, emerging infrastructure and presence of large companies
 - **Arms and Ammunition** like ball powder propellant, composite propellants and cast double propellants, small arms ammunition, heavy calibre cartridge case
 - Precision manufacturing, Forging, casting and sheet metal work, Civil and Defence aerospace
 - **Opportunity for MRO:** The airports of Bhopal, Jabalpur, Khajuraho, Shivpuri have adequate availability of land adjacent to making these airstrips suitable for aircraft manufacturing industries, MRO operations & UAV testing centres

- Madhya Pradesh has been consistently featuring among the 'Top Achievers' in EoDB rankings
- Madhya Pradesh has been ranked 4th by DPIIT, Govt of India in the State Reform Action Plan 2019 and has been declared as the best performing state in Western region
- Invest Portal: State's Single Window System (<https://invest.mp.gov.in/>) caters to the needs of the investors from allocation of land to approvals of incentives and acts as a One Stop Solution for any business/ industry
- 45 services of 12 departments can be availed from the Portal



- The state government has a dedicated Defence Production Investment Promotion Policy under which defence manufacturing units intending to invest INR 500 Crores or more are incentivized
 - **Special concession on allotment of Government land**
 - Upto 25% for undeveloped land and 75% for developed industrial land.
 - Reimbursement of stamp duty for registration of land.
 - Five years time to start of production and 10 years for complete utilization of allotted land.
 - A&D manufacturing units allowed to sub lease the land to its sub vendors units with prior approval of MPIDC.
 - **Fiscal Incentives for Mega Aerospace & Defence Units**
 - **Investment Promotion Assistance** of 40% to 10% of investment in plant and machinery over 7 years with a cap of **150 crores**.
 - **Infrastructure development assistance** to the tune of 50% or maximum of **INR 5 Crores** for the development of power, water and road infrastructure.
 - **Transfer subsidy** of 50% of cost up to a maximum of **INR 2 crores** on transportation of imported equipment, plant and machinery from harbors/port to the place of production applicable upto the date of start of production.

- **Technology transfer reimbursement** of 50% of the cost of technology transfer with a ceiling of up to **INR 50 Lakhs** if they develop local units as their vendor.
- **Assistance for Filing Patents** 100% reimbursement of expenditure incurred with maximum upto **5 lakh per patent**. Applicable for patents registered in MP (w.e.f. 23.10.2019).
- Additional incentives for joint venture units established in joint collaboration with public enterprises of Defence sector units under the Ministry of Defence-
 - Up to 100 acres of land shall be given on subsidized rate to projects worth INR 1000 crores or above.
 - Road and electricity infrastructure shall be built and made available for projects worth INR 1000 crores and above.
 - 100% reimbursement of stamp duty and registration fees levied on instruments, land registration for joint venture projects.

The state government is coming up with very attractive new Industrial Promotion Policy with revised incentives for Defence and Aerospace equipment manufacturing

- **Additions in fiscal incentives have been made in the new draft policy such as:**
 - **Investment promotion assistance** from 40% to 10% of investment in Plant & Machinery over 7 years with a cap of INR 300 Crores
 - **Electricity Duty Exemption**
 - **Rebate in power tariff** of INR 1/unit for 5 years
 - **Assistance for Filing Patents:** reimbursement of INR 25 lakh per patent for obtaining each patent filed by a company in Madhya Pradesh
 - **Quality Certification:** Reimbursement of 50% of Quality Certification cost or INR 1 Lakh whichever is lower
 - **Establishment of R&D Centre** 10% subsidy on investments subject to a maximum of INR 10 crores per investment
 - **Reimbursement of cost of transfer of technology** 50% of the cost of technology transfer with a ceiling of up to INR 1 Crore
 - **Skill development assistance** INR 10,000 per month per trainee for three months, for 5 years from Date of Commercial Production

THANK YOU

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