Maharashtra Electronic System Design & Manufacturing (ESDM) Sector

January 2014

Magnetic Maharashtra

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Maharashtra — The enduring leader

Macro Economic Profile for Maharashtra

The State attracts the highest FDI Investment — INR 97,799 crore (Aug '91 – March '12)

GSDP contribution	**14.4 per cent of India GDP at current prices for 2011-12**
Per Capita Income	INR 95,339 (at current prices)
Employment	14.58 per cent of India
Exports	21.4 per cent of India
Industrial output	16.7 per cent of India (as per the Annual Survey of Industries 2009-10)
Industry growth rate	9.1 per cent. (2010-11 E)

Source: Economic Survey of Maharashtra, 2012-13

Maharashtra — The enduring leader

Macro Economic Profile

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Road and Railways

- 97.8 per cent of the villages are well connected with all weather roads in the state
- 9.2 percent of total railway network in the country
- 2 Major Railway zones
- Dry Ports — Truck terminals and Railway sidings for easy freight movement

Air and Water Ports

- 4 International and 5 Domestic Airports
- 6 MIDC airstrips
- 3 Major ports
- 21.76 per cent of the total cargo traffic of the major ports in India is handled by the JnPT and MbPT ports
- 53 Minor ports

Industries

- Industrial Investment — Projects approved are 17779 inviting proposed investment of INR 9,50,972 Cr.
- Employment to be generated by the proposed projects is nearly 4 million that is nearly 20 per cent of national average
- FDI proposed investment INR 97799, 23 per cent of India

Electricity

- Total State generation 83017 Million kwh nearly 10 per cent
- Total consumption 87396 Million kwh more than 14 per cent of India
- Industrial consumption is at 34416 Million kwh more than 15 per cent of India

Source: Economic Survey of Maharashtra, 2012-13

Introduction

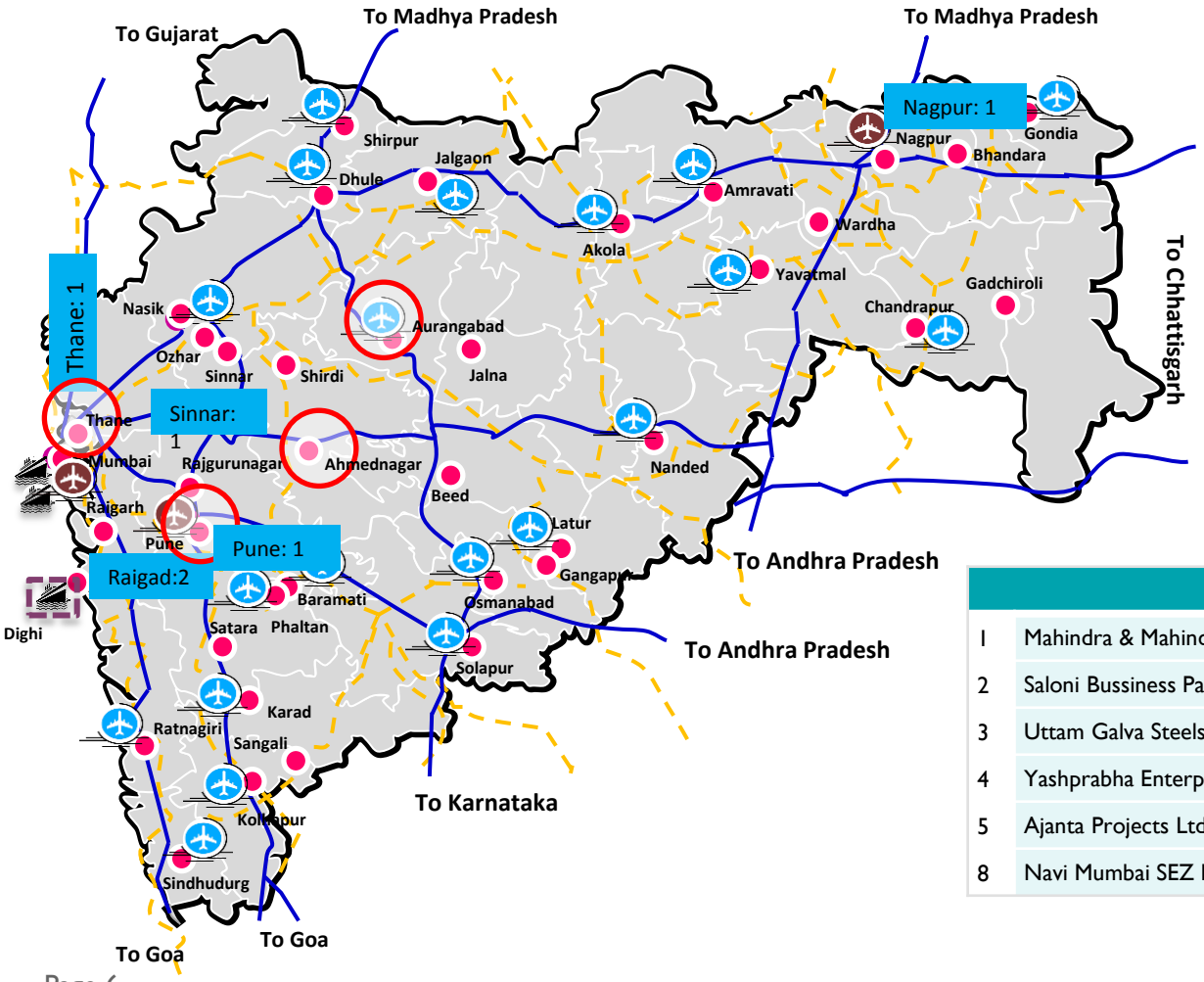
The demand for electronics hardware in the country is projected to increase from USD 45 billion in 2009 to USD400 billion by 2020

- The global electronics industry is very large and growing. India's electronics industry is already important and growing at 7x the global rate
- The Electronics industry reported at USD 1.75 trillion is the largest and fastest growing manufacturing industry in the world
- It is expected to reach USD 2.4 trillion by 2020. India market currently represents ~2 per cent of the global production of electronics and is expected to grow at 22 per cent per year
- Domestic demand is expected to be driven by growth in income levels leading to higher off-take of electronics products, automation demands of corporate sector and the government's focus on e-governance
- Indian Electronics hardware production constitute only around 1.31 per cent of the global production. On the other hand, the share of the global electronic equipment production of the largest contributing nation has increased from 17 per cent in 2004 to 33 per cent in 2009
- India has a semiconductor consumption of around USD 7 billion vis-à-vis USD 304.0B global in annual semiconductor. It has virtually no production.
- Total FDI in the Electrical and Electronics sector from August' 1991 till March 2012 was INR 1467 crore

Growth Drivers

Infrastructure

State plans to develop Brownfield as well as Greenfield Electronics Clusters in future



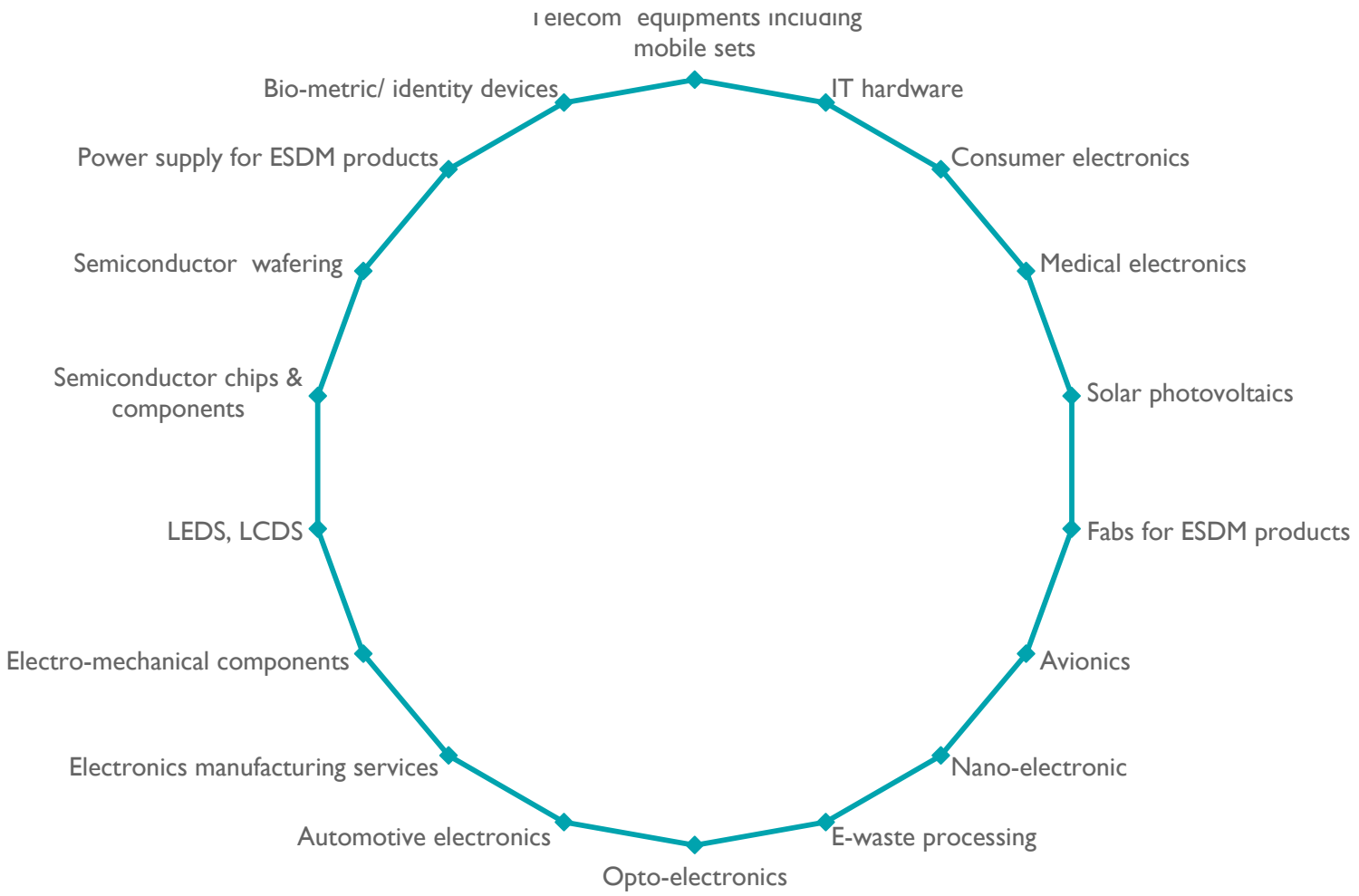
Legend

	National Highway
	Railway
	International Airport
	Domestic Airport
	Major Ports
	Key Locations
	Industry Cluster
MSEZs	Notified Multi Product SEZs as on March 2012

Notified SEZs	
1	Mahindra & Mahindra Ltd., Owale,Ghodbunder Road
2	Saloni Bussiness Park Pvt. Ltd
3	Uttam Galva Steels Ltd (UGCL),Devnhave, Khalapur, Raigad
4	Yashprabha Enterprises
5	Ajanta Projects Ltd.
8	Navi Mumbai SEZ Pvt Ltd

Key Opportunities

As per the National Electronics Policy 2012, key opportunities would include the following



Human Capital

Maharashtra has a literacy rate of 82.9 per cent with a large base of skilled and industrial labor

- The Govt. is promoting "Centers of Excellence", which will cover all aspects of cutting edge research and development in emerging areas of life sciences and technology
- The state also has one of the Indian Institutes of Technology (IITs) at Powai in Mumbai, part of the country's renowned network of engineering and technology institutions. IIT Mumbai has 13 departments and various centers for R&D
- The National Electronics Policy 2012, proposes the strategies to include involvement of private sector, universities and institutions of learning for scaling up of requisite capacities at all levels for the projected manpower demand. A specialized Institute for semiconductor chip design is also proposed. The total project outlay for five years is INR 49.66 Crore.
- To significantly enhance availability of skilled manpower in the ESDM sector. Special focus for augmenting postgraduate education and to produce about 2500 PhDs annually by 2020

Manpower strength in Maharashtra

Sector	Institutions	Capacity
Engineering (Diploma, Degree, PG)	1004	323533
Management Sciences	508	60100
Industrial Training Institutes	766	1,54,710

Government Policy and regulatory support

Government Initiatives

- National Electronics Policy 2012 has been launched with a vision to create a globally competitive electronics design and manufacturing industry to meet the country's need and serve the international market
- As per the Union Budget 2013-14, it is intended to promote manufacture of electronic goods in India. The pivotal role of semiconductor wafer fabs in the eco-system of manufacture of electronics is recognized. Provision of appropriate incentives to semiconductor wafer fab manufacturing facilities, including zero customs duty for plant and machinery is proposed. To attract new investment and to quicken the implementation of projects, introduction of an investment allowance for new high value investments is proposed.

State policy support

- Industrial Promotion Subsidy (IPS)
- Incentives for Cleaner Production
- Incentives for Technology Up gradation
- Interest Subsidy
- Exemption from Electricity Duty
- Waiver of Stamp Duty
- Royalty Refund
- Incentive for Water Conservation
- Incentive for Water & Energy Audit Subsidy
- Incentive for Water & Energy Subsidy

Relevant documents to refer to:

- Maharashtra Industrial Policy 2013
- National Electronics Policy, 2012
- Package Scheme of Incentives 2013
- Maharashtra SEZ Policy 2001

The Electronics Hub
Talegaon, Pune

Talegaon, Pune
External Connectivity

Location Information

Located at a distance of 143 km from Mumbai, along the Mumbai Pune express highway. From Pune, it is just 38 kms away*

Site connectivity

- Road: Located near NH 4, 117 km from Mumbai, 38 km from Pune
- Rail : connected through rail by major cities. Nearest railway Station- Talegaon (7 km), Pune-Talegaon (39 km) Mumbai-Talegaon (126 km).
- Airports:- Nearest international airport - Pune (45 km) and Mumbai (135 km)
- Water Ports: Mumbai Port trust (104 km)

*Land for Talegaon Phase II & V is yet to come under possession

The Electronics Hub
Khed City, Pune

Khed City, Pune
External Connectivity

Location Information

- 50 Km from Pune city *

Site connectivity

- Road : Located off (NH-50) Pune – Nashik. 50kms from Pune city. 151kms from Nashik city
- Rail : Nearest, Chinchwad and Talegaon (35 Km). And Pune (45 km)
- Airports: Pune Airport (50Km)
- Water Port : JNPT, 135 Km

*The area is being developed by M/s KEIPL

Key players

Maharashtra ESDM Sector — Key Players

For further enquiries . .

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