



Maharashtra Automobile Sector

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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

- ▶ 99.2 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

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

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

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

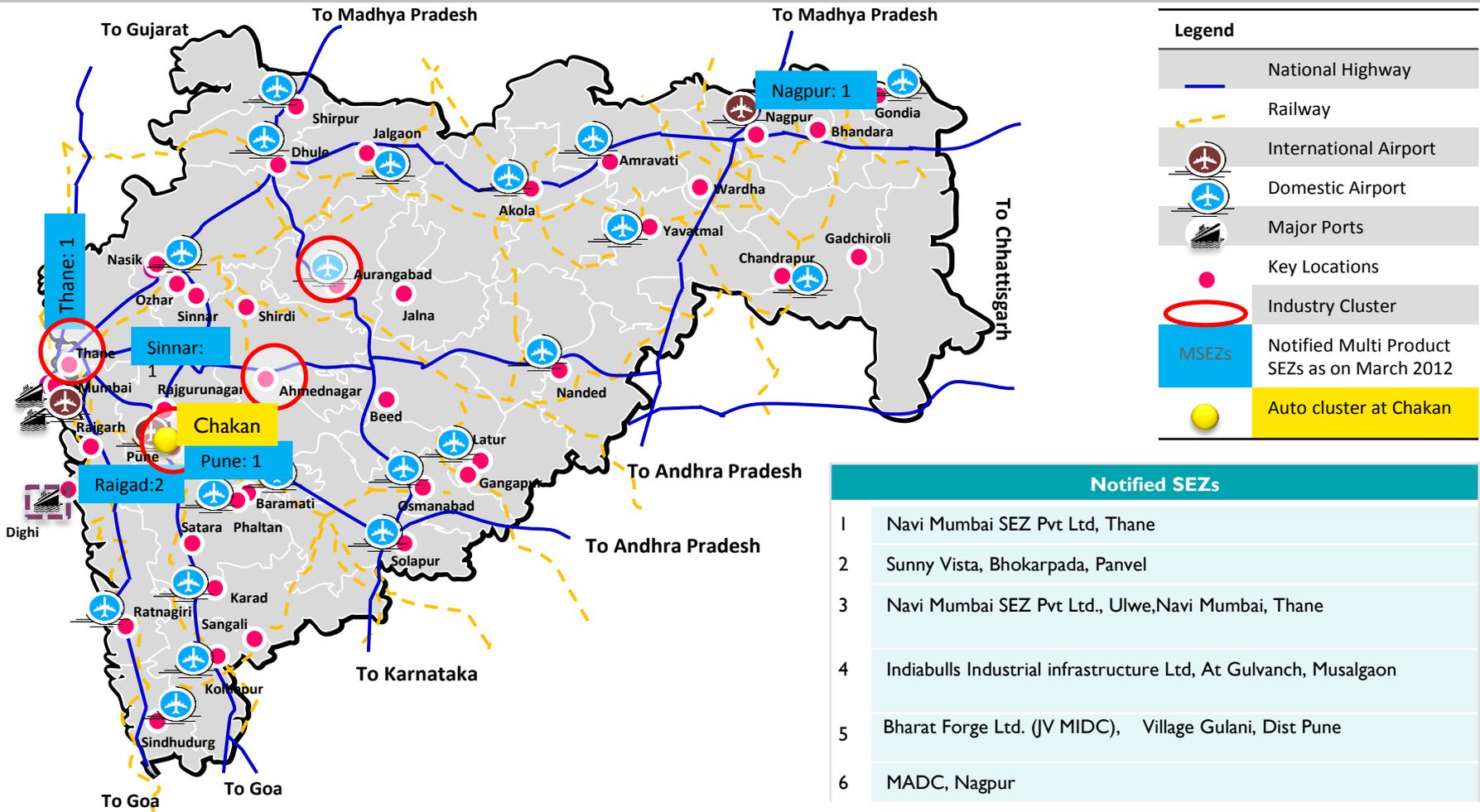
The state accounts for around 38 per cent of the India's output of automobile by value

- ▶ The Indian automobiles production has increased at a compound annual growth rate (CAGR) of 13.2 per cent over FY05-12, while the export volumes increased at a CAGR of 22.4 per cent.
- ▶ The total turnover of the country's auto -components sector is expected to grow by almost three folds in size from USD 43.5 billion in FY12 to USD 113 billion in FY21. Whereas the domestic market is expected to account for 80 per cent of total sales by 2020 with a total market size of USD 80 billion.
- ▶ With the growing demand in the sector India is expected to become one among the world's top five auto-producers by 2015 and the global hub for auto component sourcing.
- ▶ FDI in Maharashtra - The total FDI in Automobile sector from August 1991 – March 2012 was INR 895 crores. Major automobile clusters in the state are Pune, Nashik, Aurangabad and Nagpur
- ▶ With over 4,000 manufacturing units in Pimpri- Chinchwad region Pune is the largest auto hub of India.
- ▶ Maharashtra is one of the largest base for local OEM players in India. The state is a home to major automobile, OEMs and auto ancillary units such as Daimler Chrysler, Fiat, Skoda Auto, Audi, John Dierre, Tata Motors, Mahindra & Mahindra, Bajaj Auto, Kinetic Engineering, and Bharat Forge, have their presence in the state

Source: Economic Survey of Maharashtra, 2012-13

Growth Drivers

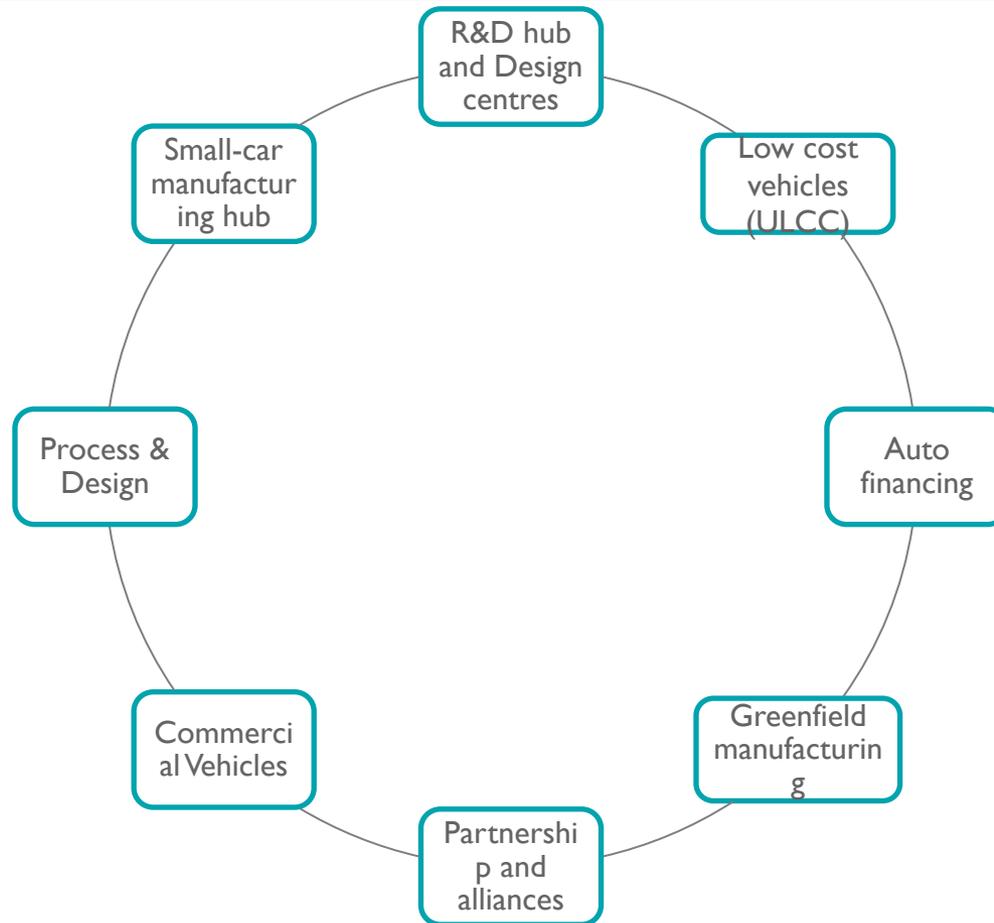
Pune is one of the major Auto Cluster



Key Opportunities



The following sectors present key opportunities in the Auto Sector



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 technology
- ▶ India's premier automotive R&D, testing and certification organisation, Automotive Research Association of India (ARAI) is present in Pune.
- ▶ Vehicle Research and Development Establishment (VRDE), laboratory of the Defence Research & Development Organization (DRDO) located in Ahmednagar, carries out research and development on various light tracked, wheeled & specialised vehicles for defence applications.
- ▶ 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. Some of the other leading R&D institutes in the State are the Centre for Development of Advanced Computing (C-DAC), the Bhabha Atomic Research Centre, the National Environmental Engineering Research Institute, the National Chemical Laboratories

Manpower strength in Maharashtra

Sector	Institutions	Capacity
Engineering (Diploma, Degree and PG)	901	622045
Management Sciences	508	60100
Industrial Training Institutes	766	1,54,710

Source: Economic Survey of Maharashtra, 2012-13

Government Policy and regulatory support



Government Initiatives

- ▶ Auto Policy 2002: Automatic approval for foreign equity investment up to 100 per cent and rebates on the R&D expenditure spent by the companies
- ▶ Automotive Mission Plan (AMP) 2006-16: Setting up of a technology modernisation fund focussed on SMEs and establishment of automotives training institutes, auto design centres, special auto parks.
- ▶ NATRiPs: R&D centres of excellence with focus on low-cost manufacturing and product development solutions
- ▶ Dept. of Heavy Industries & Public Enterprises: reduced excise duty on small cars and the increase of budgetary allocation for R&D
- ▶ Union Budget FY13: Increase in excise duty on large premium cars to 27 per cent, increase in custom duty on cars and MUVs valued above USD40,000 to 75 per cent and 5 year extension on deduction of R&D expenditure under Income Tax Act
- ▶ The State also has conducive Labor laws and procedures to provide quality and availability of skilled man power and a favorable legislative framework for facilitating investment

State policy support

Industrial Promotion Subsidy (IPS)

Additional Incentives for SSI Units located in Industrial parks and clusters

Special Incentives for EPF AND ESI Refund for Units coming up in Districts low in HDI

Interest Subsidy

Exemption from Electricity Duty

Waiver of Stamp Duty

Royalty Refund

Refund of Octroi / Entry Tax in lieu of Octroi

Incentives for Strengthening the SME Sector

Relevant documents to refer to:

- ▶ Maharashtra Industrial Policy 2013
- ▶ Package Scheme of Incentives 2013
- ▶ Maharashtra SEZ Policy 2001
- ▶ I.T. Act, 1961
- ▶ Customs Tariff Act, 1975

Key players

Maharashtra Auto Sector: Key Players



The logo for Skoda Auto, featuring a green and white circular emblem with a stylized 'S' and 'K' and the word 'SKODA' above and 'AUTO' below.	The logo for Bridgestone, featuring the word 'BRIDGESTONE' in a bold, black, sans-serif font with a red checkmark above the 'B', and the tagline 'Your Journey, Our Passion' below.	The logo for Volkswagen, featuring a blue and white circular emblem with a 'V' over a 'W'.	The logo for Kinetic, featuring a stylized 'K' in a black circle above the word 'KINETIC' in a bold, black, sans-serif font.	The logo for Audi, featuring four interlocking rings above the word 'Audi' in a red, sans-serif font.	The logo for Bajaj, featuring a blue stylized 'B' above the word 'BAJAJ' in a bold, black, sans-serif font and the tagline 'Distinctly Ahead' below.
The logo for Piaggio, featuring a blue and white stylized 'P' above the word 'PIAGGIO' in a bold, black, sans-serif font.	The logo for Hyundai Heavy Industries Co., Ltd., featuring a green triangle above the word 'HYUNDAI' in a bold, black, sans-serif font and 'HEAVY INDUSTRIES CO., LTD.' below.	The logo for Fiat, featuring a red and white circular emblem with the word 'FIAT' in a bold, black, sans-serif font.	The logo for Mahindra, featuring a stylized orange and red 'M' above the word 'Mahindra' in a bold, black, sans-serif font.	The logo for Mercedes-Benz, featuring a silver three-pointed star in a circle above the text 'Mercedes-Benz' in a black, sans-serif font.	The logo for General Motors (GM), featuring a blue square with the letters 'GM' in white.
The logo for Tata, featuring a blue stylized 'T' above the word 'TATA' in a bold, black, sans-serif font.	The logo for Foton, featuring a stylized silver 'F' above the word 'FOTON' in a bold, black, sans-serif font.	The logo for Goodyear, featuring the word 'GOODYEAR' in a bold, black, sans-serif font with a yellow lightning bolt above the 'Y'.	The logo for Bosch, featuring a silver 'H' in a circle above the word 'BOSCH' in a bold, black, sans-serif font and the tagline 'Invented for life' below.	The logo for Force Motors, featuring a blue stylized 'F' above the word 'FORCE' in a bold, black, sans-serif font and 'MOTORS' below.	The logo for DaimlerChrysler, featuring the text 'DAIMLERCHRYSLER' in a black, sans-serif font.

For further enquiries ..



Contact the
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Disclaimer

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