



Maharashtra Defense Sector

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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

- ▶ 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

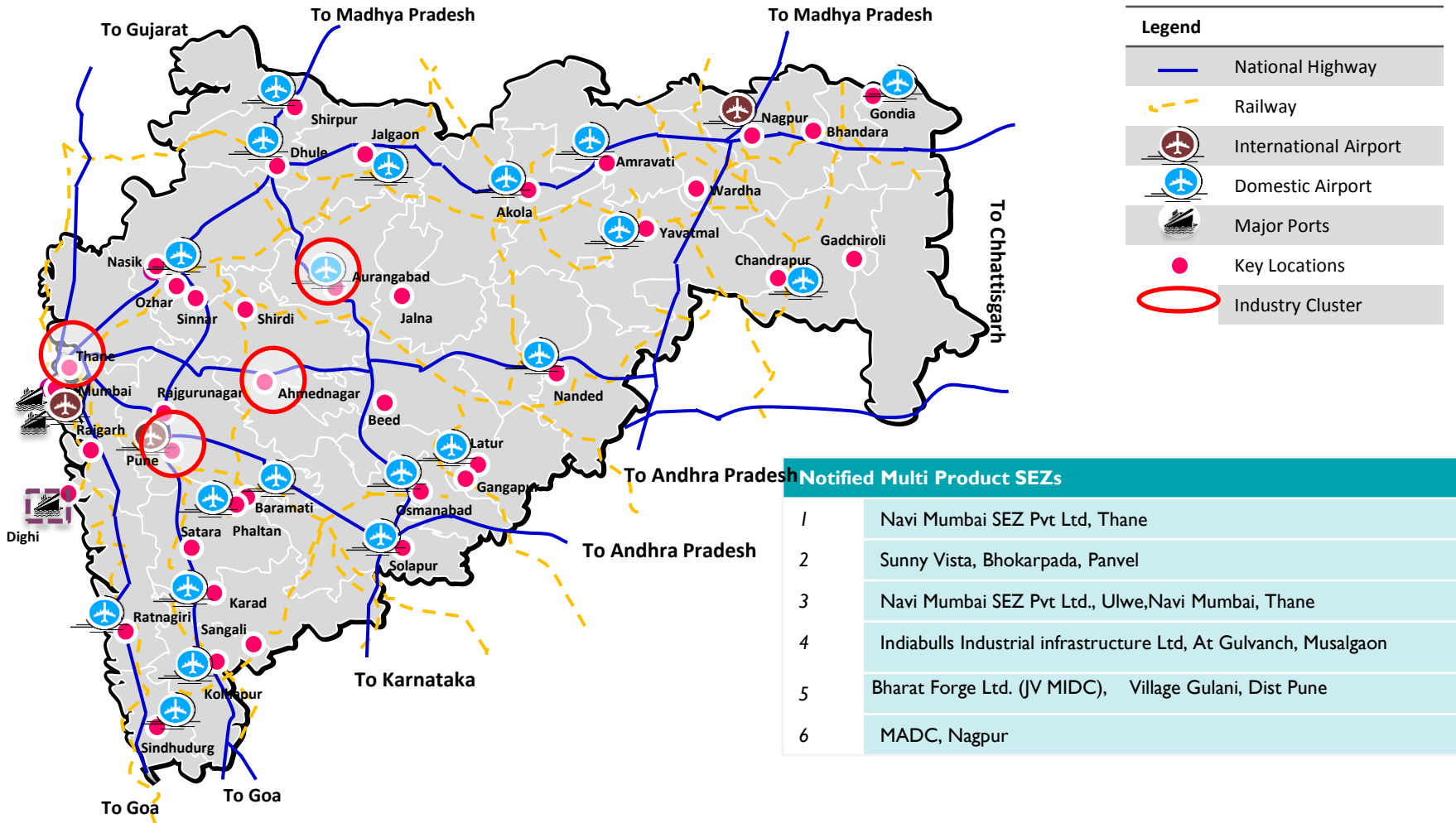
Global defense spending market grew by 2.7 per cent in 2011 to USD 1,540.7 Billion

- ▶ Projections indicate an increase by 10 per cent to USD 1,694.8 Billion by 2016
- ▶ The Global defense expenditure represents a 1.3 per cent increase in real terms over 2008 and a 50 per cent increase since 2001; This corresponds to 2.6 per cent of world gross domestic product (GDP), or approximately USD 236 for each person in the world
- ▶ USA with 44 per cent (2010) of the world total spending budget is the principal determinant of the global trend; and is responsible for 41 per cent of the world total, distantly followed by the China (8.2 per cent of world share), Russia (4.1 per cent), UK and France (both 3.6 per cent)
- ▶ Government spendings increased 4 times from USD 3 Billion in 2000 to USD 12.2 Billion in 2010¹
- ▶ India was the 6th biggest spender on defense globally from 2000-10. Capital spendings in India are 70 per cent through inter-government purchases,
- ▶ France, Israel, UK, and USA in the period 2000-10 emerged as the new buyers for Indian Defense sector
- ▶ Post creation of Defense Procurement Procedure (DPP) in 2002 the progress built up to approximately USD 4.3 Billion worth offset contracts signed and launched since 2007




Source: 1. The Military Balance , The International Institute For Strategic Studies, 2000 and 2011 editions
2. Indian Thirteenth Finance Commission Report, Dec 2009; Union Budget(s) & Economic Survey 2003-2011

Growth Drivers

Existing infrastructure supporting Defense Sector

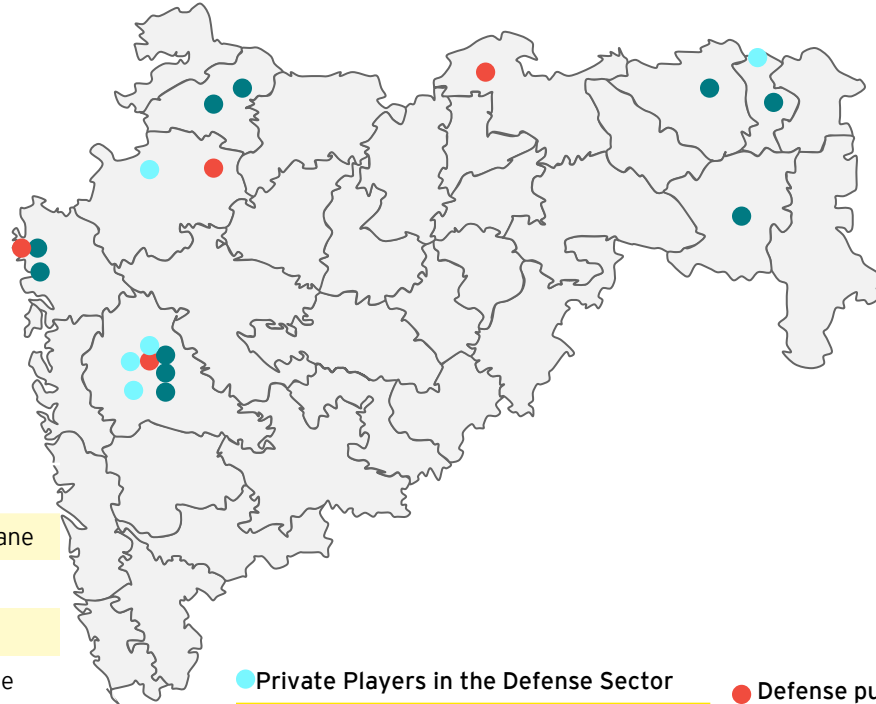


Legend

- National Highway
- - - Railway
-  International Airport
-  Domestic Airport
-  Major Ports
- Key Locations
- Industry Cluster

Notified Multi Product SEZs	
1	Navi Mumbai SEZ Pvt Ltd, Thane
2	Sunny Vista, Bhokarpada, Panvel
3	Navi Mumbai SEZ Pvt Ltd., Ulwe, Navi Mumbai, Thane
4	Indiabulls Industrial infrastructure Ltd, At Gulvanch, Musalgaon
5	Bharat Forge Ltd. (JV MIDC), Village Gulani, Dist Pune
6	MADC, Nagpur

Infrastructure Existing Defense Units



● Ordnance Factories in Maharashtra

MPF	Machine Tool Prototype Factory, Thane
OFA	Ordnance Factor Ambarnath
AFK	Ammunition Factory Khadki , Pune
HEF	High Explosive Factory , Khadki ,Pune
OFDR	Ordnance Factory Dehu Road, Pune
OFBA	Ordnance Factory Bhandara
OFCH	Ordnance Factory Chandrapur
OFV	Ordnance Factory Varangaon, Jalgaon
OFBH	Ordnance Factory Bhusawal, Jalgaon
OFAJ	Ordnance Factory Ambajhari, Nagpur

● Private Players in the Defense Sector

Mahindra Satyam
Mahindra and Mahindra
Tata Power
Ashok Leyland
Kirloskar
Bharat Forge

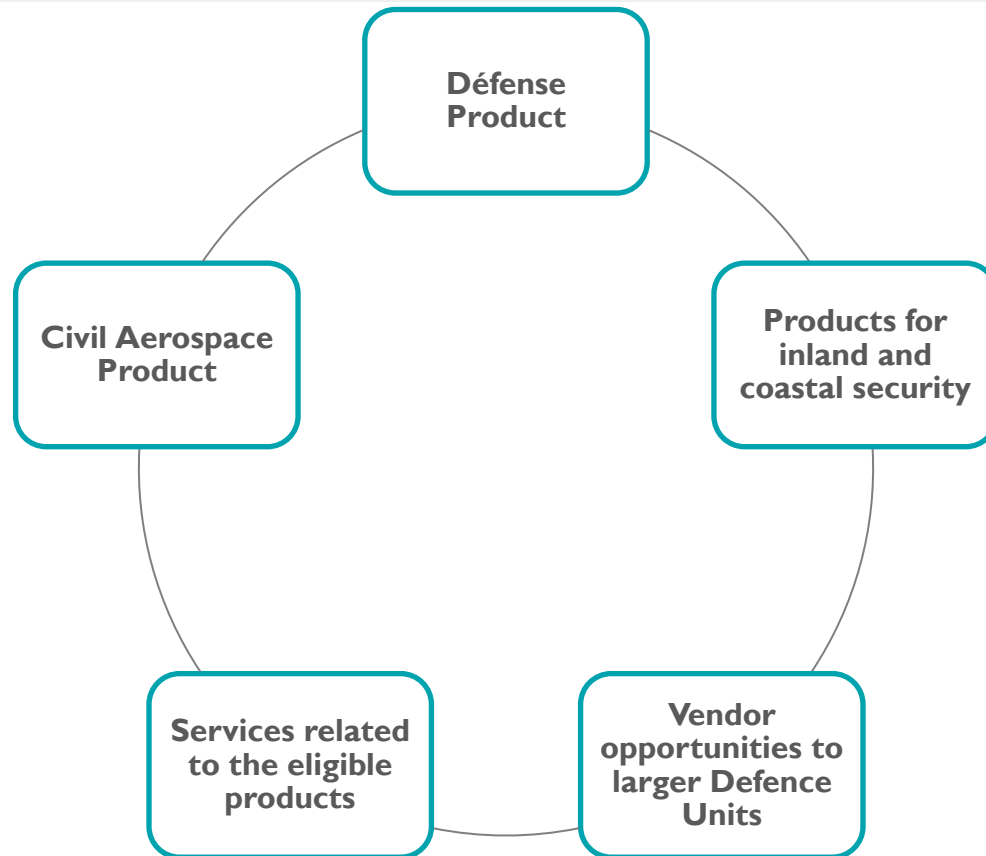
● Defense public sector undertakings Manufacturing units

BDL missile unit in Nandgaon Peth, Amravati
HAL Manufacture and overhaul of aircraft, Nashik
Bharat Earth Movers Ltd, Pune
Mazgaon Dock, Mumbai

Key Opportunities



In Defense Procurement Procedure, 2011 (“DPP”) the Defense Offset Guidelines (“DOG”) in Annexure VI provides a 4 categories of products and services that are eligible for the purpose of discharging offset obligations



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 sciences and technology
- ▶ Centre for Development of Advanced Computing (C-DAC), the Bhabha Atomic Research Centre, the National Environmental Engineering Research Institute, the National Chemical Laboratories and the Tata Institute of Fundamental Research
- ▶ The Defense Research and Development Organization (DRDO) centered in Pune, is working in Research and development on various areas of military technology which include aeronautics, armaments, combat vehicles, electronics, instrumentation engineering systems, missiles, materials, naval systems, advanced computing, simulation and life sciences

Manpower strength in Maharashtra

Sector	Institutions	Capacity
Engineering	1004	6,37,061
Management Sciences	408	51735
Industrial Training Institutes	766	1,57,523

Government Policy and regulatory support



Government Initiatives

- ▶ Defense Procurement Policy 2001, Gov opens Defense industry for private sector participation resulting in 100 per cent private sector participation, FDI permissible up to 26 per cent Domestic and FDI both subjected to licensing
- ▶ India Defense Offset Policy 2012 (Aug 2012) — Transfer of technology (ToT) permitted, Allowing credit multipliers of up to 300 per cent for specified technologies that vendors transfer to the DRDO, widening the product and services list eligible, extending the period within which vendors must discharge offset obligations by two years, extending the validity of banked offset credits to seven years, Incentivizing domestic private firms and MSMEs in Defense sector, Formation of new offset management agency – Defense offset Management Wing (DOMW)

State Industrial 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:

1. The Defense Offset Policy
2. Industrial License
3. The FDI Policy
4. The Export and Import Policy
5. Tax Regime



The Defense Hub *Kesurdi SEZ, Satara*

Kesurdi SEZ, Satara

External Connectivity



Location Information

Kesurdi Industrial area is located in the Satara District of Maharashtra

Site connectivity

- Road : On NH 4 Pune – Bangalore highway, 55km from Pune and Satara city , 205 km from Mumbai and 184 km from Kolhapur
- Rail : nearest railway station is in Lonand (Pune –Kolhapur –Goa Route) which is 30 km, Pune – 55 km, Satara – 60 km.
- Airports: Pune Airport (65 Km)
- Water Port : Mumbai Port (219 Km.)

Land Availability

- Total Area — 384.57 hectares
- SEZ Area — 111.12 hectares

Key players

Key Players



<p>SELEX GALILEO A Finmeccanica Company</p>	<p>SM CREATIVE ELECTRONICS LTD</p>	<p>PRECISION ELECTRONICS</p>	<p>ASHOK LEYLAND</p>	<p>KALYANI BHARAT FORGE</p>	<p>WIPRO Applying Thought</p>
<p>Mahindra Satyam</p>	<p>SAAB</p>	<p>Mahindra</p>	<p>CENTUM</p>	<p>Kirloskar</p>	<p>LARSEN & TOUBRO</p>
<p>TATA TATA POWER STRATEGIC ELECTRONICS DIVISION</p>	<p>Electronics Corporation of India Limited</p>	<p>BHARAT DYNAMICS LIMITED</p>	<p>HAL</p>	<p>बी ई एम एल bhel NEW FRONTIERS. NEW DREAMS</p>	<p>माई md</p>

For further enquiries ..



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