



MAHARASHTRA

December 2008



State Economy and Socio-economic Profile

Maharashtra — a snapshot

- Located in the western region of India, Maharashtra is third-largest state in India in terms of area and second-largest in terms of population.
- Stretches over 3,07,690 Sq. Km. with a total population of 96.9 million (Census 2001),
- Shares borders with Gujarat, Madhya Pradesh, Chhattisgarh, Andhra Pradesh, Karnataka, Goa and the union territory of Dadra and Nagar Haveli.
- The Arabian Sea makes up the state's western coast.
- The state capital Mumbai is the sixth-largest metropolitan area in the world and India's largest and most populous city.



Socio-economic snapshot

Parameters	Maharashtra
Population (Census 2001)	96.9 million
Density (2001)	314 person per Sq. Km.
Sex ratio (Census 2001)	922 females per 1000 males
Principal languages	Marathi and Hindi
Literacy rate (Census 2001)	77 per cent
Major minerals	Coal, manganese and iron
Major industries	Financial services, textiles, auto-ancillaries, chemical and allied products, electrical and non-electrical machinery, petroleum and allied products. Wine, jewellery, pharmaceuticals, engineering goods, media and entertainment, etc.
Major crops	Groundnut ,cotton, sugarcane
GSDP at current prices in 2006-2007	US\$ 124.23 billion*
Domestic airports	10, the main airports are Mumbai, Pune, Nagpur and Nashik.

* Socio-Economic Survey 2007-2008

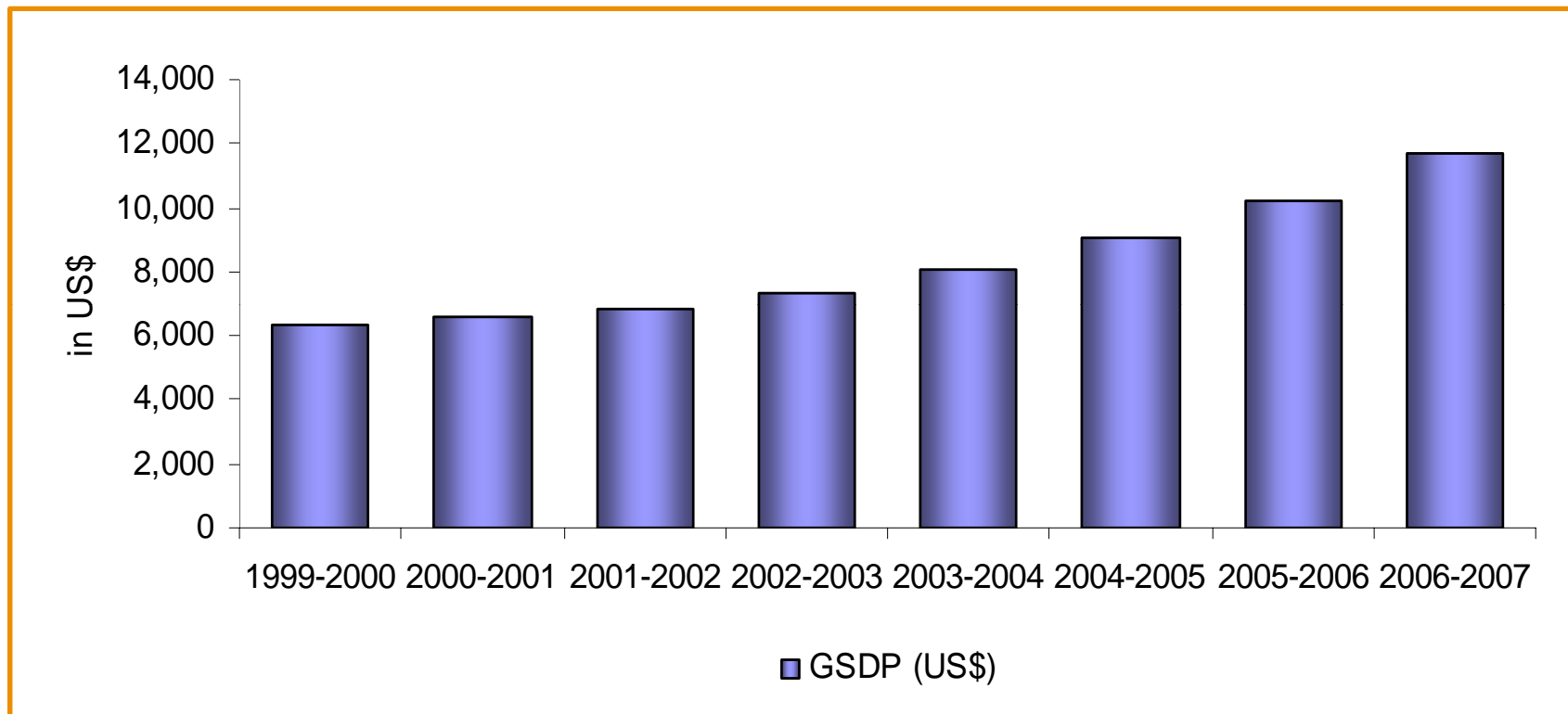
Economic Profile (1/6)

- Gross State Domestic Product (GSDP) registered average growth of 9.7 per cent in 2006-2007.
- First state with growth rate more than nine per cent.
- Net State Domestic Product 2006-2007 at US\$ 1.0 million and per capita state income of US\$ 1,008.
- State contributes 40 per cent of the national fiscal receipts and 8.17 per cent to the total GDP.
- Accounts for 20 per cent of the country's investment, 20 per cent of its industrial output, 40 per cent of its exports.

Maharashtra vs. India: Growth rate 2006-2007 (percent)		
Sector	India (GDP)	Maharashtra (GSDP)
Agriculture and allied activities	2.6	5.8
Industry	8.9	10.3
Services	10.7	9.1
Total	8.7	9

Source: Economic Survey of Maharashtra 2007-2008

Economic Profile (2/6)



Source: Economic Survey of Maharashtra 2007-2008

Economic Profile (3/6)

Sectoral contribution to GSDP

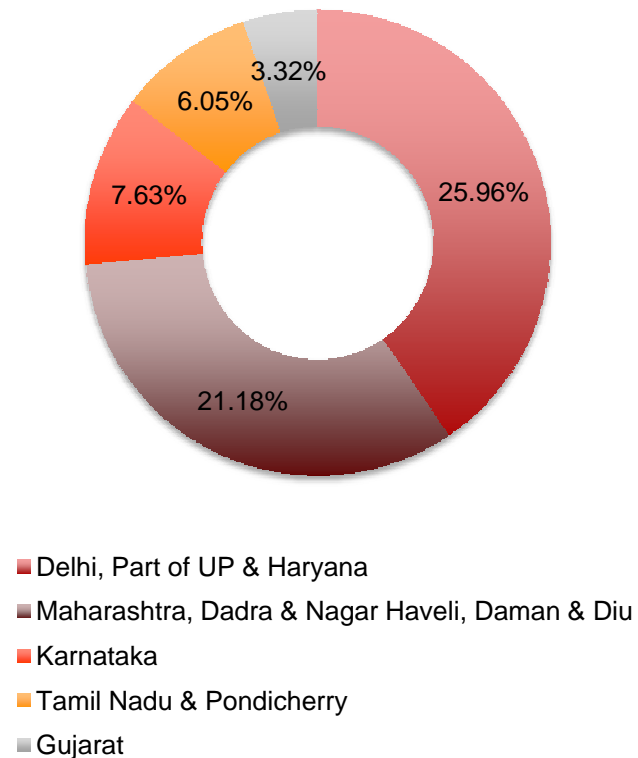
Year	Primary	Secondary	Tertiary
1960-61	31	23	46
1970-71	22	29	49
1980-81	24	30	46
1990-91	21	32	47
2000-01	17	25	58
2006-07	15	26	59

Source: Economic Survey of Maharashtra 2007-2008

Economic Profile (4/6)

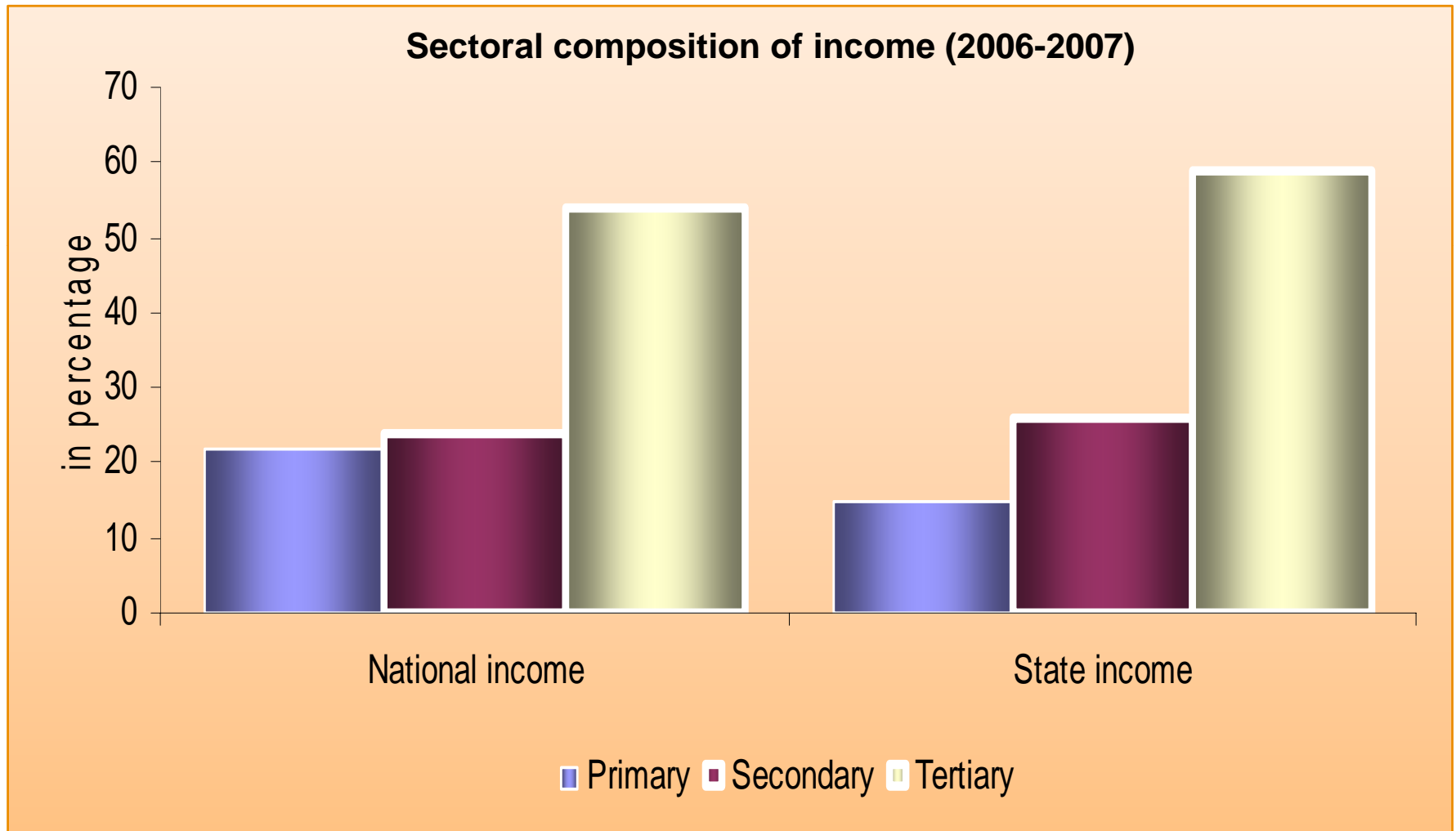
- IMD Switzerland's World Competitiveness Report 2006 ranked Maharashtra above Korea, South Africa, Brazil, Russia and Italy.
- Of the proposed total investment under FDI in India, Maharashtra continued to be at the top position.
- FDI approved projects are mainly in the field of services (24 per cent), IT (21 per cent), infrastructure (12 per cent), automobiles (10 per cent).
- The 'Mega Project Policy' of the state attracted over US\$ 11.5 billion in investment commitments.

FDI inflows received by top five destinations in India



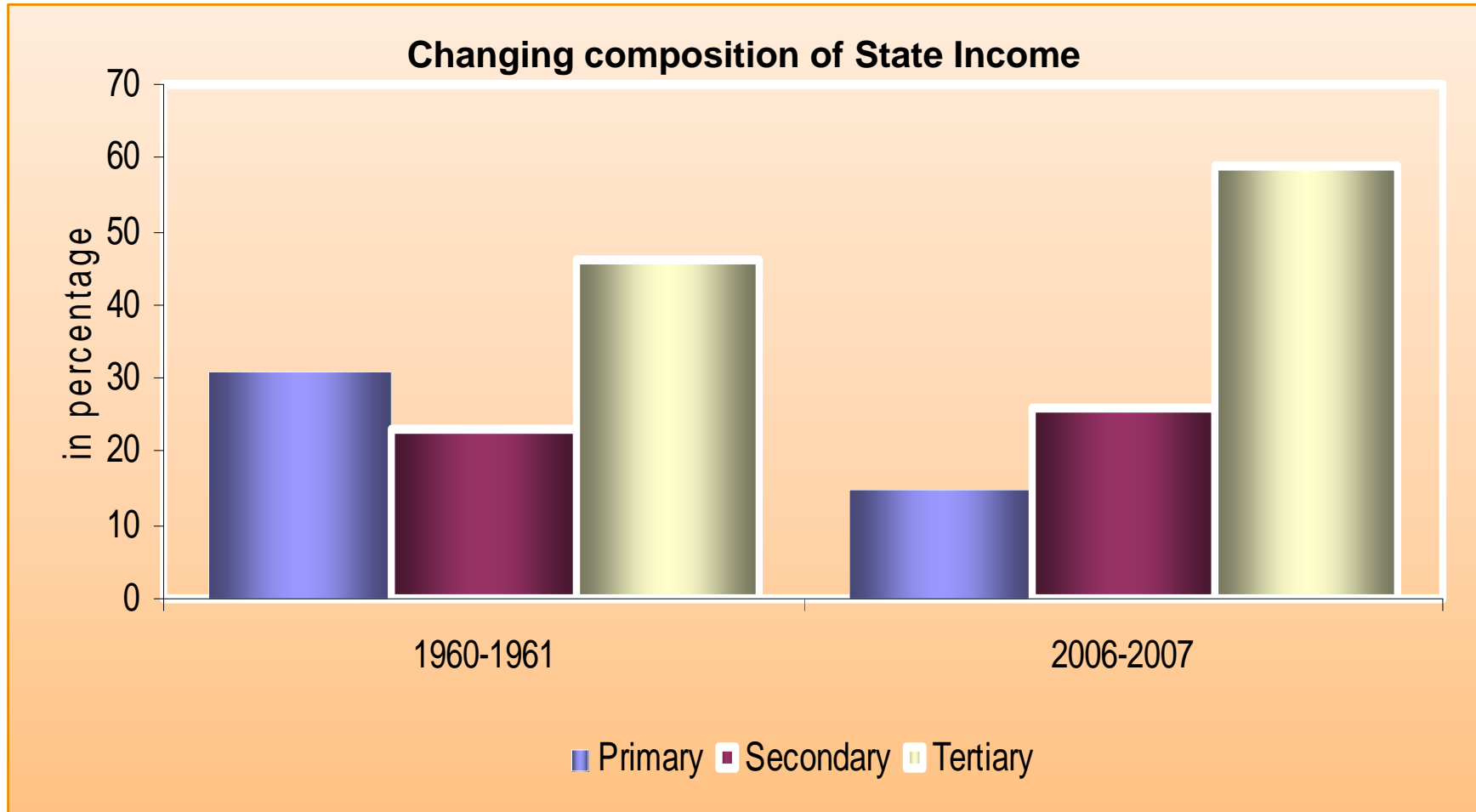
Source: Region-wise inflows furnished by RBI, Mumbai. (2004-2005)

Economic Profile (5/6)



Source: Economic Survey of Maharashtra 2007-2008

Economic Profile (6/6)



Source: Economic Survey of Maharashtra 2007-2008

Infrastructure status

Physical infrastructure (1/4)

Railway

- Most cities in Maharashtra are well connected through an efficient railway network.
- The Central Railways, one of the zones of the Indian Railways, has its headquarters in Mumbai, at the Chhatrapati Shivaji Terminus.
- Maharashtra also has an intra-city network of railways. The suburban railways is responsible for carrying 6.1 million passengers everyday.



Airports

- Maharashtra has air connectivity from 10 cities, the main airports being- Mumbai, Pune, Nagpur and Nashik.
- Mumbai is India's busiest airport. Further, an additional airport is being proposed at Navi-Mumbai.
- A greenfield airport is proposed near Pune.
- 34 per cent of country's International passengers handled by airports in Maharashtra



Physical infrastructure (2/4)

Road Network

- Has the largest road network in the country with a total road length of over 2,67,000 Km.
- National highway length: 4,176 Km., state highways length is 33,705 Km. Under the on-going National Highway Development Programme (NHDP), 721 Km. is being converted into four to six lane highways
- The Mumbai – Pune Expressway forms an important link between the financial and the cultural capital of the state.



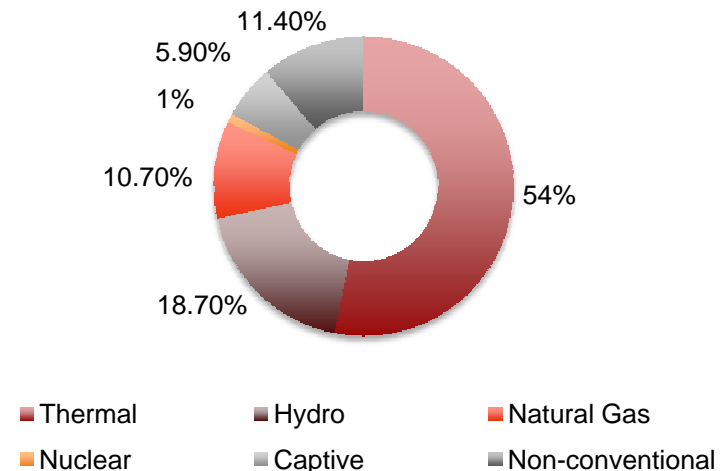
Physical infrastructure (3/4)

Power

- Largest installed electricity generation capacity in the country. Total electricity generation increased from 37,311 million kWh to 73,129 million kWh between 1990-1991 and 2006-2007.
- Consumption of electricity increased from 29,971 million kWh in 1990-91 to 62,085 million kWh in 2006-2007.
- Installed capacity of thermal stations continued to form the largest share (80.6 per cent) of the installed generating capacity followed by hydro stations.
- The requirement for power in the state stood at 16069 MW for the year 2005-2006, the state suffered a shortage of around 23.10 per cent.

- Captive electricity generation capacity of 704 MW.
- Industrial sector is the largest consumer followed by domestic agriculture.

Installed Capacity (2006-2007)



Source: Economic Survey of Maharashtra, 2007-2008

Physical infrastructure (4/4)

Telecom

- The state witnessed rapid development in telecommunications services during the past decade.
- Maharashtra is the second-largest GSM market with 11.2 million subscribers in 2006-2007.
- The growth in mobile telephony has been equally strong with total number of 4,913 telephone exchanges with 2,75,533 mobile phone subscribers.
- By March 2007, the number of PCOs under MTNL and BSNL were 0.16 million and 0.24 million respectively.
- The number of cell phone users per lakh population at the end of September 2007 in the state was 26,001.

Telecom status of Maharashtra as on Nov 30, 2007

Total no. of exchanges (urban + rural)	4,944
Working connections:	
Landlines	35,29,820
WLL	3,62,946
Cellular	26,80,684
No. of villages with public telephone	37,006
No. of internet connections	3,40,080
No. of broad band connections	1,13,001

Source: Economic survey of Maharashtra, 2007-2008

Social infrastructure(1/2)

Telecom

- Second-highest literacy rate in the country.
 - Education network consists of 10 universities, over 1,800 higher education institutions, 67,800 primary and 17,530 secondary schools.
 - 344 engineering colleges, with an annual intake of over 88,000 students.
 - 612 Industrial Training Institutes (ITIs) and 34 architecture colleges with an annual intake of over 93,000 and 1,000 respectively.
 - One of the six Indian Institutes of Technology (IITs) at Mumbai.
- Number of reputed national R&D institutions including:
 - Centre for Development of Advanced Computing (C-DAC)
 - Bhabha Atomic Research Centre
 - National Environmental Engineering Research Institute
 - National Chemical Lab
 - Tata Institute of Fundamental Research

Social infrastructure (2/2)

Health

- There are 212 medical institutes and 136 nursing colleges with an annual intake of over 13,000 and 3,500 respectively.
- The network of public and government-aided health facilities in the state comprise 964 hospitals, 2,081 dispensaries and 1,806 primary health centers.
- The number of beds in various public and government aided health institutions in the state are 92,106, which is 930 beds per million population.

Key industrial centers (1/2)

Mumbai

- Mumbai, the capital of Maharashtra, is the most-populous city in the country.
- It has an international airport and two major ports, Mumbai and NhavaSheva.
- It is the financial and commercial hub of India with headquarters for most Indian and multinational financial institutions including Reserve Bank of India.
- Mumbai is the centre of India's film and entertainment industry, producing over 800 movies each year.
- The city is the main centre for capital market-related activities and has the country's two largest stock exchanges.
- Mumbai is also home to several large chemicals and pharmaceutical players.

Pune

- Pune is the second-largest city in Maharashtra and sixth-largest city in the country.
- The city houses a large number of national and international players from automobile and IT industries, including Tata Motors, Bajaj Auto, Daimler Chrysler, Fiat, Bharat Forge, Tata Consultancy Services, Infosys and Wipro, among others.
- It has 12 industrial areas focusing on automobiles, chemicals, consumer durables, engineering and information technology.
- It is also a prominent education centre with a presence of over 100 colleges and institutions.

Key industrial centers(2/2)

Nashik

- Nashik is an important commercial and religious centre in the state.
- It has a significant presence of automobile and auto-components, engineering and grape processing industries.
- The major players in Nashik include Mahindra and Mahindra, Schneider Electric, Siemens and Crompton Greaves
- Nashik is a potential destination for engineering, food processing and biotechnology industries in the state.

Nagpur

- Being centrally located, Nagpur has excellent road and rail connectivity to all parts of the country.
- Its unique location in the Indian sub continent makes it a viable passenger and cargo hub.
- It is home to reputed companies including Indo-Rama Synthetics, Electrolux and Voltas.
- Nagpur is a potential destination for food processing, chemicals and engineering industries.

| State policy and Incentives

State level policies(1/5)

Industrial Policy

- Targets to reduce the percentage of population living below the poverty line by 50 per cent by the year 2010.
- Human Development Index (HDI) of Maharashtra be improved to the level which is comparable with the best among the Asian countries.
- The Industrial, Investment, Infrastructure Policy aims at ensuring sustainable industrial growth through innovative initiatives for development of key potential sectors and further improving the conducive industrial climate in the state, for providing a global competitive edge to the state's industry.

Policy objective

'To achieve higher and sustainable economic growth with emphasis on balanced regional development, employment generation through greater private and public investment in industrial and infrastructure development.'

Policy Targets

- Industrial sector growth rate of 10 per cent by 2010,
- Service sector growth rate of 12 per cent by 2010, and
- Additional employment generation of two million by 2010.

State level policies(2/5)

Strategies

- Identification of thrust sectors
- Building up of quality infrastructure
- Creating incentives for investments and for employment generation in districts low on Human Development Index
- Attracting mega investments both foreign and domestic
- Emphasis on tapping the local economic resources
- Strengthening the SME sector through promotion of quality, competitiveness, research and development and technology upgradation
- Nurturing industrial clusters
- Facilitating smooth exit option for sick industries, and in some cases reviving the sick units, if that's viable
- Streamlining procedures, and creation of hassle free industry friendly environment
- Strengthening institutional support.

State level policies(3/5)

IT/ITeS policy

- Setting up of an empowered committee and a Directorate of Information Technology
- Fiscal incentives including stamp duty and electricity duty exemptions, double FSI (FAR) for units built in IT Parks
- Permission for 24x7 working hours and relaxation of labour laws
- Initiatives to strengthen human resources

Tourism Policy

- Maharashtra Tourism Development Corporation to work as a single window for clearance of tourism. projects
- Tax exemptions and electricity supply at industrial rates
- Land allotment process to be made easier.

Biotech policy

- Establishment of Maharashtra Biotechnology Board and Maharashtra Biotechnology Commission
- Setting up of a Special Biotechnology Development Fund
- Creation of biotech parks and biotech resource centre
- Fiscal incentives including stamp duty and electricity duty exemptions and other incentives available to IT units
- Establishment of Grape Processing Industry Board
- Creation of wine institute and wine parks at Nashik/Sangli
- Excise exemptions and other fiscal benefits.

State level policies(4/5)

Special Economic Zone (SEZ) Policy

- The Government of Maharashtra has adopted the SEZ Policy for developing Special Economic Zones in the state.
- The SEZs, earmarked as duty-free enclaves, have a relaxed and business friendly policy regime, aimed at promoting rapid industrial development and employment generation.

Approved policy regime includes:

- Exemption of all state and local taxes and levies for transactions with the SEZ and for supply from domestic tariff areas to the SEZ.
- Exemption from stamp duty and registration fees.
- Grant of labour and environment related permits and approvals through a dedicated single window mechanism.

- Permission to generate electricity for own consumption.
- Expeditious process for land acquisition to set up SEZs.

State level policies (5/5)

Infrastructure policy

- In order to improve the management of existing industrial infrastructure in the state, the state government is planning to set up 'industrial township authorities' in respective industrial areas.
- These authorities will be autonomous bodies responsible for managing common infrastructure with active participation from the industrial units located in the area.
- They will also collect taxes and revenues for various services.
- In the first phase, 12 such industrial township authorities shall be set up.
- The government is also planning to develop industrial parks through private sector participation.
- The state's electricity sector is considered among the more progressive ones, the state Government has taken steps to further streamline the sector.
- Maharashtra Electricity Regulatory Commission (MERC) set up under the provisions of the Electricity Regulatory Commission Act, 1998.
- The process of restructuring the Maharashtra state Electricity Board (MSEB) is underway.

State level incentives(1/2)

Schemes of incentives

Electricity duty

- Export Oriented Units (EOUs), Information Technology (IT) and Bio-Technology (BT) units, and industries setting up in Special Economic Zones (SEZs), and Electronic Hardware Technology Parks will be exempted from payment of Electricity Duty for a period of 10 years.

Waiver of stamp duty and registration fees

- New as well as units undertaking expansion/ diversification will be exempted from payment of Stamp duty up to March 31, 2011. Stamp Duty exemption would be available as given below:
 - BT and IT units in public parks: 100 per cent
 - BT and IT units in private parks: 75 per cent
 - Mega projects: 50 per cent

Strengthening the Micro, Small and Medium manufacturing enterprises

- Incentives to promote quality competitiveness, research and development and technology up gradation:
 - Five per cent subsidy on capital equipment for technology up gradation subject to maximum of US\$ 60,975.
 - 50 per cent subsidy on the expenses incurred for quality certification limited to US\$ 2,440.
 - 25 per cent subsidy on cleaner production measures limited to US\$ 12,196.

Special incentives for units coming up in the low Human Development Index districts

- New units setting up facilities in notified districts (Annexure-II) and employing at least 75 per cent local persons as defined in the Employment of Local Persons Policy will be offered 75 per cent reimbursement of expenditure on account of contribution towards Employee state Insurance (ESI) and Employee Provident Fund (EPF) Scheme for a period of five years.

State level incentives (2/2)

Mega projects*

- The quantum of incentives within the approved limit will be decided by the High Power Committee under the chairmanship of Chief Secretary, Government of Maharashtra.

Royalty refund

- All eligible units, new as well as old units undertaking expansion in Vidarbha region will be eligible for refund of royalty paid on purchase of minerals from mine owners within the state of Maharashtra for a period of five years from the date of commencement of commercial production.

Promotion of education and research institutions

- Maharashtra has pioneered the establishment of institutions of democratic decentralization and local self-governance several decades ago. More recently, these concepts were extended through statutory amendments to enable the establishment of independent industrial townships.

* *Mega Project*

Mega projects can be defined as "industrial projects with investment of more than US\$ 122 million or generating employment for more than 1000 persons or projects with investment more than US\$ 61 million or generating employment for more than 500 persons" and would be eligible for customized package of incentives like exemption from sales tax for two years for mega projects in Pune.

| Business Opportunities

Thrust areas of the state(1/17)

Financial services

- Robust financial infrastructure availability is an asset for the state.
- Key financial institutions like the Bombay Stock Exchange, National Stock Exchange, and Reserve Bank of India are located in the state.
- 95 per cent of value of stock exchange deals in Mumbai.
- Around 80 per cent of India's mutual funds are registered in Mumbai.
- Over 90 per cent of merchant banking transactions are structured in Mumbai.
- Around 14 per cent of the national bank deposits are found in Mumbai alone.

- The three largest industrial groups in India namely, Tata Group, the AV Birla Group and Reliance have their flagship companies in Maharashtra.
- Maharashtra also enjoys the largest share of the total foreign direct investment and foreign collaborations approved by the Government of India so far. These include Coco Cola, Mercedes Benz, Siemens, Procter & Gamble and Unilever.

Thrust areas of the state(2/17)

Textile industry

- Abundant availability of cotton is the state's key competitive advantage
- Accounts for about 65 million Kg. of cotton production which is 19 per cent of the country's total and produces 272 million Kg. of cotton yarn which is 12 per cent of country's total cotton yarn output.
- Large base of a skilled workforce in the textiles industry with an installed capacity of 1.66 million spindles, equivalent to 17 per cent of the country's capacity.
- Steps to strengthen the textile industry in the state include establishing textile parks at Nagpur, Dhule and Ambernath
- Key players in the state include Bombay Dyeing, Century Textiles and Raymond.
- Raymond plans to expand its denim manufacturing capacity at Yavatmal from 20 to 30 million meters per annum.
- Carrera Holding Inc. proposes to set up a green-field textile project in the country with an estimated investment of US\$ 130 million at Kolhapur.
- Nine textile / apparel SEZs are planned in the state.

Thrust areas of the state(3/17)

Textile parks in Maharashtra

Nardhana Textile Park ,Dhule

- Spread over 648 Ha* on which 72 plots will be demarcated.

Butibori (Nagpur) Textile Park

- Spread over 100 hectares ,from which 40 are held in reserve for the bleaching & dyeing Units, 60 for non-polluting activities like garments, and weaving and spinning.

Ambarnath Textile Park

- It is an ultra-modern industrial area developed on 507 Ha near Ambarnath, a suburb of Mumbai.

* Hectare

Textile / apparel SEZs in Maharashtra

Developer	Location	Area**
MIDC	Nagpur	383
MIDC	Kagal	104
MIDC	Yavatyamal	208
MIDC	Pune	101
Nirmal Realty Pvt. Ltd.	Thane	162
Lodha Dwellers Pvt. Ltd.	Thane	360
Welspun Anjar SEZ Ltd.	Anjar	NA
MIDC	Solapur	195
MIDC	Aurangabad	200

** In hectares

Thrust areas of the state(4/17)

Logistics industry

- Mumbai Port

- The Mumbai port caters to about 11.29 per cent of the total sea-borne traffic handled by major ports of the country in terms of volume. It handles about 20.84 per cent of POL(Port of Loading) traffic and 2.53 per cent of container traffic (in terms of TEUs) handled by major ports in India. The year 2006-2007 closed with a throughput of 52.36 million tonnes of cargo traffic comprising 31.09 million tonnes of imports and 21.27 million tonnes of exports.

- Mumbra Port

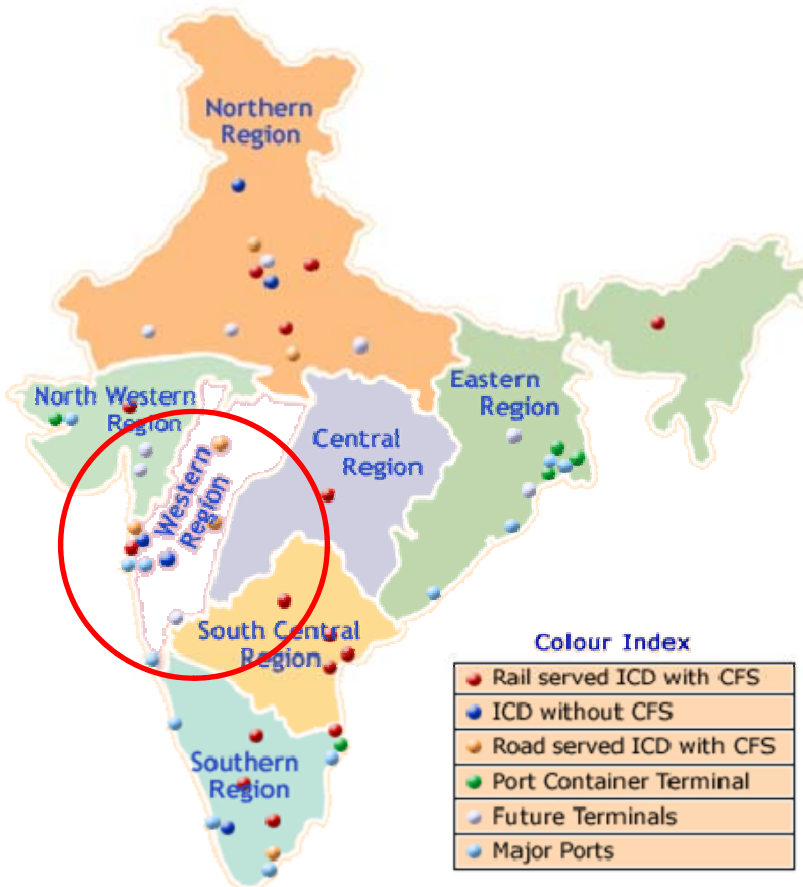
- Inland container terminal at
 - Nagpur
 - Mumbai
 - Pune

- JNPT Port

- The container traffic handled during the year 2006-2007 was 3.30 million TEUs against 2.67 million TEUs handled during 2005-2006. The growth in container traffic was 23.69 per cent and overall growth in total traffic was 18.45 per cent.

- Emerging hub for the auto-industry nationally- Pune-Nasik-Baroda belt dominated by Telco, Mahindra, Fiat, and GM.
- Logistic hubs and warehousing facilities expected to come up around major infrastructure projects like the Delhi-Mumbai Industrial Corridor.
- Chiplun Infrastructure Pvt. Ltd has proposed to develop an FTWZ in Mumbai over 40 acres of land.

Thrust areas of the state(5/17)



Key Growth Drivers:

- Rapid growth in FMCG, pharma and agro processing industries
- Major infrastructure projects
- Booming auto industry
- Free Trade Warehousing Zones
- Burgeoning retail sector

Thrust areas of the state(6/17)

Engineering industry

- Maharashtra occupies an important place in both production and export of engineering goods from the country.
- Engineering industry in the state is highly diversified and produces a large range of parts from industrial machinery to industrial castings and forgings.
- The industry, which was initially concentrated in the Mumbai-Pune belt, has spread all over the state, the major production centers being Nagpur, Aurangabad, Nasik, and Kolhapur.
- The major engineering items of production and exports in Maharashtra are: Textile mill machinery, machinery for sugar, cement, and chemical plants,

food processing machinery, construction machinery, tractors electric power machinery, transmission line towers , automobiles and ship and ship buildings.

- Key engineering good companies situated in Pune are Bharat Forge Ltd., the world's second-largest forging company, Cummins Engines Co Ltd.

Examples of engineering companies in Maharashtra:

- SBEM Pvt. Ltd. Pune
- Atul Electro Formers Pvt. Ltd., Pune
- Hylo Transmissions Pvt. Ltd., Pune
- Kam-AvidaEnviro Engineers Pvt. Ltd., Pune
- Legend Communications Pvt. Ltd., Pune
- Mahavir Group of Industries, Pune

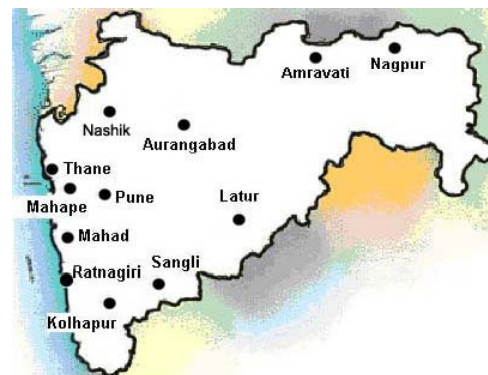
Thrust areas of the state(7/17)

Auto and auto-components

- State accounts for 38 per cent of the country's output of automobiles
- 40 per cent of the workforce engaged in the automobile industry is employed in the state
- Every segment of the sector including two and three wheelers, passenger cars and commercial vehicles is represented in the state.
- The major automobile centers in the state include Pune, Nashik, Aurangabad and Nagpur.
- Pune is home to large players like Bajaj Auto Ltd, Daimler Chrysler Ltd, TELCO etc.
- Nashik is home to India's largest multi-utility vehicle manufacturer, Mahindra & Mahindra Ltd.

State's strength in the sector:

- Presence of established manufacturers
- Presence of the engineering sector
- Large skilled labour base
- Good transport infrastructure for the logistics-intensive auto industry.



Thrust areas of the state(8/17)

IT/ITes

- Maharashtra accounts for more than 30 per cent of the country's software exports, with over 1,200 software units based in the state.
- The Government of Maharashtra is largely focusing on providing IT related infrastructure, fiscal incentives to IT units, IT in governance and institutional framework for the IT sector.
- To provide impetus to the IT industry, state has set up several state-of-the-art IT parks.

- Major IT players present in the state include Tata Consultancy Services, Infosys Technologies, Wipro, Patni Computers, i-Flex Technologies, Veritas
- BPO centres of large national and international players in the state include LG, HSBC, Aviva, vCustomer, Xansa, EDS and e-Gain, among others

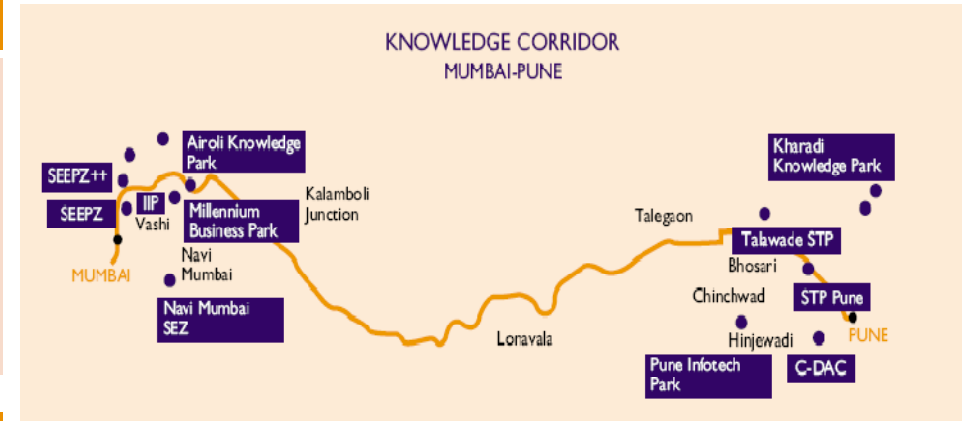
Thrust areas of the state(9/17)

State's strength in the industry

- 40 per cent of India's Internet users
- 35 per cent of PC penetration in the country
- 1,69,000 trained technical personnel added to manpower pool each year
- Development of large number of IT parks in both the public and private sector and development of knowledge corridor.

New developments in the industry

- Hughes Communications Ltd., plans to set up Information Communication Technology (ICT) kiosks in 200 villages across the state, including 100 each in Nashik and Sangli districts in 2008 generating around 600 jobs.
- Organised 'Gram Baithaks' to demonstrate services and applications that ICT kiosks can offer.



Thrust areas of the state(10/17)

Pharmaceutical and biotechnology

- The state accounts for 40 per cent of the country' pharmaceuticals output.
- Strong research capabilities and accounts for over 30 per cent of country's patents.
- Presence of reputed companies focusing on the biotech sector including Wockhardt, Nicholas Piramal, Cipla and Lupin, among others and state is setting up biotech parks at Hinjewadi, near Pune.
- Major opportunities have emerged in the pharmaceutical sector, primarily in the areas of contract research, contract manufacturing and clinical trials.

State's strength in the industry

- Low costs, strong manufacturing base,
- Well developed laboratory and R&D infrastructure,
- A strong resource pool,
- Presence of reputed companies focusing on the sector including Wockhardt, Nicholas Piramal, Cipla, GlaxoSmithKline, Johnson & Johnson.
- The backward linkages with the well-developed chemicals and petrochemicals sector is an added advantage.

Thrust areas of the state(11/17)

Chemicals and petrochemicals

- Maharashtra has a strong presence in the chemicals, petrochemicals, and oil and gas sector.
- The petrochemical industry has witnessed tremendous growth in the state after the installation of India's offshore oil wells near Mumbai in 1976.
- Contributes 27.4 per cent of the country's chemicals, petrochemicals and oil and gas output
- The state also accounts for 18.2 per cent of the country's employment in the sector.
- Maharashtra contributed as much as 15 per cent of the total production of basic petrochemical products during 2006-2007, second to Gujarat (62 per cent).

- Opportunities in the chemical sector would primarily exist in the areas of polymers and plastics, fertilizers and synthetic yarns.

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Thrust areas of the state(12/17)

Petrochemical industrial units have set up base taking into account three main criteria:

- Logistical convenience
- Availability of raw materials
- Internal and external economies of scale

Petrochemical companies in Maharashtra

- Reliance Petrochemicals- Patalganga, 70 Km. from Mumbai
- Bharat Petroleum Corporation Limited (BPCL)- Mumbai (Mahul)
- Nagothane (near Mumbai)
- Rabale, Navi Mumbai (Catalyst manufacturing)
- Mumbai Refinery

Thrust areas of the state (13/17)

Agro and food processing

- Large areas of the state have been brought under fruit cultivation- Nagpur and Bathplug oranges, the Alphonso mangoes and the grapes of Nashik.
- The state has pioneered in use of water saving technology like drip and sprinkler irrigation, and watershed programme and accounts for 60 per cent of total area under drip irrigation in the country.
- Government of India (GoI) has announced the creation of Agri Export Zone (AEZ) for promoting greater exports of fresh and processed agricultural produce from the country. The state has identified eight potential horticultural crops of commercial importance for AEZ.
- The main food crops of Maharashtra are mangoes, grapes, bananas, oranges, wheat, rice, jowar, bajra, and pulses. Cash crops include groundnut, cotton, sugarcane, turmeric, and tobacco.
- Sugar output in the state in 2007-2008 is pegged at 8.80 million tonnes with an average recovery rate of 11.5 per cent.

Thrust areas of the state(14/17)

Agro and food processing

State's strength in the industry

- Diverse agro climatic conditions suitable to cultivation of a wide range of crops
- Strong industrial base with scope for agro-processing and agro export
- Well developed basic infrastructure
- Four agriculture universities and a chain of agriculture research institutions
- Vibrant crop based farmer organizations like Mahagrape, Maha mango etc.
- Predominance of cash crops in irrigated area
- A major horticulture state in India with more than 1.3 million hectares under different fruit crops.

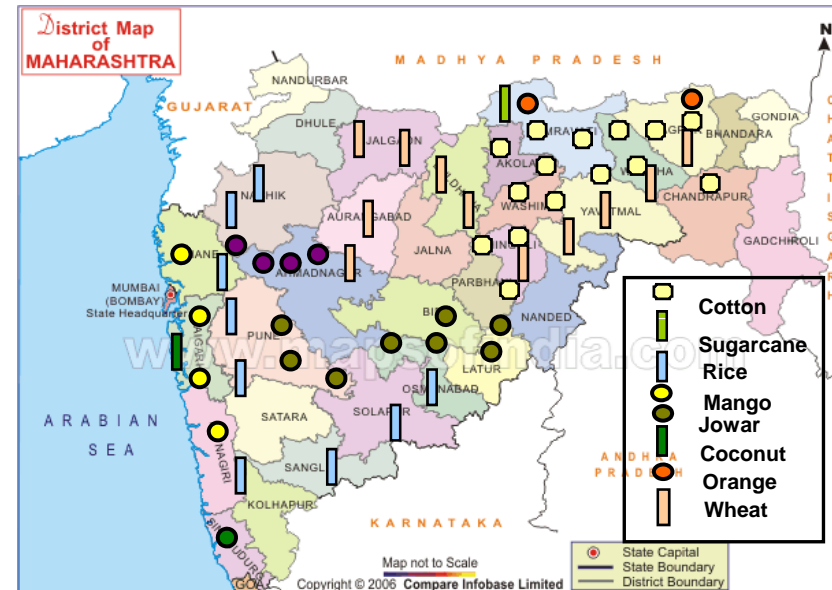
Annual growth rates of gross value added of agriculture and animal husbandary
(In percent)



Thrust areas of the state (15/17)

Agro and food processing

- Maharashtra is the largest producer of jowar, tur, cotton, onion, cashew nut, grapes, banana, orange, pomegranate and long stem cut flowers.
- Second-largest producer of soya bean and sugarcane
- Has highest per Hectare productivity in soya bean and second-highest yield in sugar cane
- Apart from 16 major fruit crops; spices, medicinal and aromatic plants plantations have also been allowed under horticulture.



Maharashtra's position in various crops

Crop/ crop group	Per cent share	Position
Pulses	18.51	Third
Jowar	46.09	First
Arhar	29.11	First
Gram	10.61	Third
Soya bean	28.14	Second

Thrust areas of the state(16/17)

Media and entertainment

- Mumbai is the nerve centre of Indian film, media and entertainment Industry.
- Mumbai is also the celluloid capital of India. Mumbai is home to the country's first I-MAX dome theatre as well as cinema multiplex.
- The city has famous film studios like Film City in Goregaon, Natraj in Andheri, and RK Studio in Chembur
- Maharashtra is also home to the famous Film and Television Institute in Pune. Established in the year 1960, the FTII is one of the oldest and best institutes in the field of imparting training in film making and television programme production.
- The Hindi film industry worth nearly US\$

1.22 billion, presents a huge investment opportunity in several areas such as film production, studios- indoor and outdoor, music recording, editing, choreography etc.

Enabling factors

- The state government would not levy entertainment tax on new multiplexes that came up in Maharashtra for the first three years of their operations. Further, 75 per cent of the entertainment tax for the next two years was waived (Entermedia 2001 conference).

Films produced in 2006 (based out of Mumbai, Maharashtra):

Hindi	Marathi	Bhojpuri
223	73	76

Thrust areas of the state (17/17)

Tourism

- The Maharashtra Tourism Development Corporation (MTDC) recorded 100 per cent increase in revenues from INR 3.81 crore in 2005 to INR 6.57 crore in 2006-2007.
- MTDC is working on innovative schemes to tap the tourism potential of the state to the fullest, the response to the Bed and Breakfast scheme has been good.

| Key Players

Key players



Reliance

- India's largest business house with total revenues of US\$ 22.6 billion, and exports worth US\$ 3.6 billion.
- The group's activities span exploration and production (E&P) of oil and gas, refining and marketing, petrochemicals (polyester, polymers, and intermediates), textiles, financial services and insurance, power, telecom and infocom initiatives.
- Reliance Group has emerged as India's largest wealth creator in the private sector.
- The group has its corporate headquarters at Mumbai.



ICICI Bank

- ICICI Bank (formerly Industrial Credit and Investment Corporation of India)
- ICICI Bank is India's largest private sector bank in market capitalization and second-largest overall in terms of assets.
- ICICI Bank has total assets of about US\$ 79 billion (March 2007), a network of over 950 branches and offices, about 3,600 ATMs, and 24 million customers (July 2007).
- ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialised subsidiaries. It also affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management
- ICICI Bank is headquartered at Mumbai.



Bharat Petroleum

- Established in 1976 with the nationalization of the Burmah Shell Group of Companies by the Indian Government.
- One of India's largest PSU companies, involved in the refining and retailing of petroleum products
- Revenues of US\$ 21.862 billion (March 2006).
- BPCL sells its products through a network of 4,562 retail outlets and 970 kerosene dealers spread all across India.
- BPCL's refinery in Mahul, Mumbai, processes about nine million metric tonnes of crude oil per annum. The unit has so far processed 61 different types of crude, making it one of the most flexible refineries in the country.

Key players



Larsen & Toubro

- Larsen & Toubro Limited is India's largest engineering and construction conglomerate.
- Founded in 1938, the company is headquartered in Mumbai.
- Company generates a revenue of US\$ 5 billion (2006) and has 35,000 (2007) employees.
- Generates almost 85 per cent of its revenue from the construction business.
- L&T's in-house capabilities in technology development are complemented by tie-ups with world leaders.
- The company has created the infrastructure for its global operations with office locations in USA, Europe, Middle East and Japan.



Hindustan Unilever Ltd

- Hindustan Unilever Limited (HUL) formerly Hindustan Lever Limited, is India's largest consumer products company and was established in 1933 as Lever Brothers India Limited.
- With over 41,000 employees, it is currently headquartered in Mumbai, India.
- The company has leadership in the home and personal care products, and foods and beverages. HUL's brands, spread across 20 distinct consumer categories.
- Scale of combined volumes of about four MT and sales of US\$3 million in 2008.
- HUL products are manufactured in 80 factories. The operations involve over 2,000 suppliers and associates.



Godrej Group

- The Godrej Group was founded by Ardeshir and Pirojsha Godrej in 1897.
- Godrej Group is one of the largest industrial groups in India, involved in businesses including Appliances, precision equipment, machine tools, furniture, office equipment, food-processing, security, materials handling and industrial storage solutions, construction and information technology.
- Group revenue was approximately US\$ 1.875 billion in financial year 2007-2008.
- The group operates across India and its products are exported to more than 40 countries around the world.
- The Godrej group can be broadly divided into two major holding companies, working independently: Godrej Industries Ltd. and Godrej & Boyce Mfg. Co. Ltd.

Key players



Mahindra & Mahindra Ltd

- Mahindra & Mahindra Limited (M&M), the flagship company of the Mahindra Group was set up in 1945.
- It is a US\$ 4.5 billion conglomerate and has a leadership position in the Indian automotive sector.
- M&M comprises of the automotive Sector, the farm equipment Sector and the systems & technologies Sector. It is the leading manufacturer of Multi-Utility Vehicles (MUV) and tractors.
- By 2005, M&M had become the largest producer of SUVs in India.
- The company has recently started a separate unit, the Mahindra Systems and Automotive Technologies (MSAT), to focus on developing components and offering engineering services.



ACC Ltd.

- ACC, set up more than six decades ago, is one of India's largest cement manufacturers.
- A pioneer in cement and Ready Mixed Concrete (RMC), ACC is also a leading Indian player in the refractories segment. ACC manufactures various types of ordinary portland cement, composite cement and special cement.
- The management control of the company was taken over by Swiss cement major Holcim in 2004.
- The company is the only cement company to get the Superbrand status in India.
- It also provides consultancy services in the areas of project engineering, geological investigation and environment management.



Bajaj Auto Ltd

- Bajaj Auto is India's leading two-wheeler manufacturer. Founded in 1945, the company has 10,250 employees (2006-2007) and a revenue of US\$ 1.93 billion (May 2007).
- Bajaj Auto makes five kinds of motorcycles, two kinds of scooters and eight kinds of three wheelers.
- Based in Pune, the company has three plants in Maharashtra, at Akurdi, Waluj and Chakan.
- Bajaj Auto has a technical tie-up with Kawasaki Heavy Industries of Japan to produce a range of the latest, state-of-the-art two-wheelers in India.
- It is planning to open assembly plants in Brazil and Indonesia to enhance its overseas presence.

Key players



Bharat Forge Ltd (BFL)

- Bharat Forge Ltd (BFL) , founded in 1961 Bharat Forge is the world's second largest forging company and the largest in Asia.
- The company, based in Pune, has nine manufacturing plants in India and is a market leader in forged and machined auto component manufacture and exports.
- In 2006, Bharat Forge had total sales of US\$ 659 million and has a market value of US\$ 1.8 billion
- BFL has manufacturing facilities at nine locations spread over six countries - India, Germany, Sweden, Scotland, one in North America and China.
- Company's international operations are carried out by its subsidiary Carl Dan Peddinghus GmbH.



Kirloskar Group

- The Kirloskar Group, founded in 1888, is one of India's largest engineering & construction conglomerates with sales of US\$ 2.70 billion (2005) and 20,000 employees (2004).
- The group produces pumps, engines, compressors, lathes and electrical equipments like motors, transformers and generators (being world's largest genset manufacturer).
- The Kirloskar Group today exports to over 70 countries.
- Toyota Motor Corporation (TMC) is planning to have a JV with Kirloskar Group, for equity infusion into the US\$ 6.34 billion compact car project.



TATA Chemicals

- Tata Chemicals Ltd is a Tata Group Company (India), headquartered in Mumbai, India.
- The company was a pioneer in the branded, iodised salt segment.
- The company employs 3,500 people and has an annual turnover of US\$ 0.7 billion.
- The various products manufactured by Tata Chemicals find applications in agriculture; animal nutrition; construction; food products; glass; metals; pharmaceuticals; safety and environment; soaps and detergents; textile and leather.
- The company manufactures about 34 per cent of the country's soda ash.

Key players



Essei Group

- The Essei Group is one of India's prominent business houses with a diverse portfolio of businesses in media, packaging, entertainment, technology-enabled services, infrastructure development and education.
- Essei was started in 1976 with the commodity trading and export firm, Rama Associates Limited.



Jet Airways

- Jet Airways, India's largest private sector airline started its commercial airline operations in May 1993.
- The airline operates over 350 flights daily across 44 destinations within India and also operates flights to nine international destinations.
- In April 2007 Jet Airways bought out Air Sahara for US\$ 340 million.
- The deal will give the airline a combined domestic market share of about 32 per cent.
- The company has a fleet size of approximately 62 aircraft and employs 10,017 people.



Pantaloon Retail (India) Limited

- Pantaloon Retail is the flagship company of Future Group. Pantaloon Retail (India) Limited, is India's leading retailer that operates multiple retail formats in both the value and lifestyle segment of the Indian consumer market.
- Headquartered in Mumbai (Bombay), the Group operates over 5 million Sq. ft. of retail space, has over 450 stores across 40 cities in India and employs over 18,000 people.
- The company's leading formats include Pantaloons, a chain of fashion outlets, Big Bazaar, a uniquely Indian hypermarket chain, Food Bazaar, a supermarket chain, and Central, a chain of seamless destination malls.

Key players



Indian Hotels Company

- The Indian Hotels Company and its subsidiaries are collectively known as Taj Hotels Resorts and Palaces, recognised as one of Asia's largest and finest hotel companies.
- The company opened its first property, The TajMahal Palace Hotel, Bombay, in 1903. The Taj, a symbol of Indian hospitality, completed its centenary year in 2003.
- Taj Hotels Resorts and Palaces comprises 59 hotels at 40 locations across India with an additional 17 international hotels in the Maldives, Mauritius, Malaysia, UK, USA, Bhutan, Sri Lanka, Africa, the Middle East and Australia.
- Taj Hotels Resorts and Palaces is grouped into luxury, leisure and business categories to provide consistency across different hotels and standardise products and services.



Pfizer

- It is one of the fastest growing global pharmaceutical companies in India.
- Headquartered in Mumbai, Pfizer Limited (India) has a turnover of US\$ 172 million (November 2006) and over 2,000 employees.
- Pfizer has made clinical research investments of US\$ 15.75 million in India.
- Seven Pfizer brands feature among the Top-100 pharmaceutical brands in India.
- In 1960, Pfizer established a large and modern plant at Thane, near Mumbai. This plant has won a number of national safety awards.
- Pfizer Inc.'s India unit sold Johnson & Johnson's local arm the exclusive license for trademarks related to cough syrups, Benadryl and Benylin, anti-allergic lotion Caladryl, and Listerine mouthwash, as well as other assets for US\$ 52 million in early 2008.



Nicholas

Nicholas Piramal India Limited

- NPIL is the flagship company of the US\$ 500 million Piramal Enterprises (PEL).
- NPIL came into existence in 1988 when it acquired Nicholas Laboratories from Sara Lee.
- NPIL is India's second-largest pharmaceutical healthcare company.
- NPIL's has a 2,700-strong field force and together with its JVs, has 16 strong brands in the Indian pharma industry;
- In the last 15 years the company has grown primarily on acquisitions, mergers and alliances.
- Piramal Healthcare recorded a consolidated revenue of US\$ 217 million for second quarter of 2008-2009.

Key players



Tata Consultancy Services (TCS)

- Tata Consultancy Services, a part of the Tata Group, is one of India's largest IT organisations.
- It began operations in 1968 and offers services to Fortune 500 clients across 55 countries.
- TCS has its headquarters at Mumbai and development centres at Mumbai and Pune.
- In 1981, TCS set up the Tata Research, Design and Development Centre (TRDDC), India's first industrial software R&D centre, in Pune. The core areas of research are systems and software engineering, process engineering, embedded systems, VLSI, bioinformatics and security.
- TCS has strategic, technical and marketing alliances with companies like Adobe Systems, Retail Pro, Microsoft Corporation, Mercury Interactive Corporation, Web Health Systems Ltd. and IBM.

| Doing Business

Key approvals required

List of approvals and clearances required	Departments to be consulted
Prior to setting up the unit	
Registration	Development authority
Allotment of land/ shed	Development authority
Permission for land use	Industrial development authorities
No objection certificate under Water & Air Act	Pollution control board
Approval for construction activity and building plan	Development authority
No objection certificate	Fire department
Provisional trade tax registrations	Central and state excise departments
Registration under Central Sales Tax Act	Central and state excise departments
Before commencement of production	
No objection certificate under Water & Air Act	Pollution control board
No objection certificate	Fire department
Permanent trade tax registration under	Central and state excise departments
Registration under Central Sales Tax Act 1956	Central and state excise departments
After commencement of production /activity	
Registration	Industries department

Average cost of doing business in the state

Sr. no.	Sector	Cost* (in US\$)
1	Land price (US\$/Sq. mt.)	Mumbai - 28.72, Pune - 14.36
2	Electricity (per kWh)	0.0957
3	Office space rent (US\$/Sq. mt./month)	Mumbai - 2.39 Pune - 0.957
4	Residential rent (US\$/three-bedroom flat/month)	Mumbai - 957 Pune - 287
5	Five-star hotel room (US\$ per night)	Mumbai - 95.74 to 263 Pune - 95.74

* These costs are merely indicative

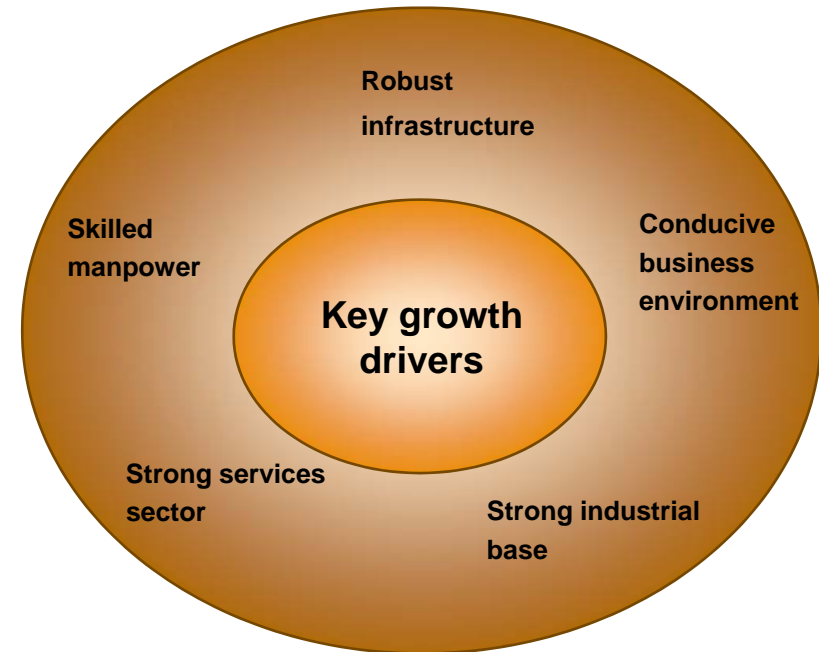
Overall business climate (1/2)

Skilled manpower

- High literacy rate of 77 per cent
- Network of educational institutions
- 12 per cent of country's universities
- 17 per cent of medical colleges .
- 13 per cent of engineering colleges (~344)
- 19 per cent of management institutions
- 1,69,000 technocrats every year

Robust infrastructure

- Reliable, cost effective telecom connectivity
- 11 per cent of national road network (Road) ; Length 2,46,000 Km.)
- Nine per cent of national railway network (5,987 Km.)
- 34 per cent of country's International passengers handled by airports
- 34 per cent of international cargo handled by airports
- 56 per cent of container traffic is handled by Jawaharlal Nehru Port in the state
- Four international airports and domestic airports at all major cities



Overall business climate (2/2)

Strong services sector

- Services contribute to 61 per cent to the state's economy
- Produces 20 per cent of country's software exports
- Produces 32 per cent of country's IT professionals
- 90 per cent of all merchant banking activities take place in Mumbai
- SEEPZ contributes 56 per cent to exports of functional SEZs
- Largest number of 100 per cent EOUs (571)

Conducive business environment

- State IT policy
- State SEZ policy
- Maharashtra Biotechnology policy
- Tourism policy
- Infrastructure policy
- E-governance

Strong industrial base

- Most industrialised state and contributes around 20 per cent of the country's gross domestic product (GDP)
- Around 30 per cent of India's exports - gems/jewellery, textiles/garments, leather goods, engineering goods, plastics, pharmaceuticals, electronics/Information Technology, horticulture - are from Maharashtra
- Diversified industrial base and the state ranks first in 12 out of 35 sectors in terms of value of output and ranks among the top three in 25 sectors
- Largest network of industrial areas - 217 industrial complexes, with 1,25,000 acres (50,000 ha) of land. There are specialised parks for different sectors, including IT

Source: Economic Survey of Maharashtra

Overall state competitiveness

Advantage Maharashtra

- Largest economy in the country, with a high per capita income,
- Most industrialized state, with strong presence of petrochemicals, automobiles, financial services, IT/ITeS and textile industries.
- Most attractive investment destination in the country, accounting for 40 per cent of exports,
- Large network of professional education institutions, presence of reputed R&D centres and superior support infrastructure.

Overall state competitiveness (1/2)

Parameter	Maharashtra
Opportunities in type of industry	
Tourism	High
IT based industries	High
Auto and auto component industry	High
Pharmaceuticals and bio-tech	High
Agro based industry	High
Mineral based industry	Medium
Engineering industry	High
Chemicals industry	High
Logistics	High
Policy incentives	
Setting up and carrying out business	High

Overall state competitiveness (2/2)

Parameter	Maharashtra
Industrial infrastructure existing and proposed	
Power	High
Transportation	High
Industrial estates/areas	High
STP/IT Parks	High
EPIP	High
Industrial infrastructure existing and proposed	
EPZ	High
IIDC	High
Industrial growth center	High
Food processing park	High

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