Maharashtra

The Preferred Investment Destination
Advantage Maharashtra

- Strategically located
- Abundant natural resources
- Large number of diverse industries
- Specialized Institutes
- 30% of the total FDI inflow in India
- ‘Financial’ and ‘Trade’ capital of India
- Dedicated investor facilitation cell
- Well developed infrastructure
- Strategically located
- Progressive Government
- Mumbai

Magnetic Maharashtra
Attractions Unlimited
FDI Inflow

Maharashtra Accounts almost ~30% of total FDI inflow since April 2000 to December 2015

Maharashtra & India (USD million)

<table>
<thead>
<tr>
<th></th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15 (till Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maharashtra</td>
<td>25834</td>
<td>21383</td>
<td>35121</td>
<td>22424</td>
<td>24299</td>
<td>29443</td>
</tr>
<tr>
<td>India</td>
<td>8249</td>
<td>6097</td>
<td>9553</td>
<td>8716</td>
<td>3420</td>
<td>5216</td>
</tr>
</tbody>
</table>

Maharashtra & Other States (%)

- Maharashtra: 30%
- New Delhi*: 22%
- Tamil Nadu: 8%
- Karnataka: 7%
- Gujarat: 5%
- Andhra Pradesh: 4%
- Others: 24%

*Note: New Delhi includes Delhi, part of UP and Haryana

Source: Ministry of Commerce and Industry, DIPP
Industrial Ecosystem
Maharashtra: Industrial Clusters

**Mumbai - Thane**
- IT and ITeS
- Gems and Jewellery
- Logistics
- Pharma / Chemical

**Ahmednagar - Nashik**
- Food Processing
- Engineering
- Winery

**Pune**
- Auto, Defence
- IT/ITeS and ESDM
- Engineering
- Chemical
- FMCG

**Nagpur - Amravati**
- Food Processing
- Logistics
- IT
- Textile

**Solapur**
- Textile
- Food Processing

**Aurangabad**
- Engineering
- Auto
- Pharma
- Chemical
Labor Disputes: A comparison of Indian States

Maharashtra is one of the most industry friendly states

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Upto May 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maharashtra</td>
<td>11</td>
<td>14</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Karnataka</td>
<td>14</td>
<td>25</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>16</td>
<td>19</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Gujarat</td>
<td>22</td>
<td>17</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>63</td>
<td>46</td>
<td>30</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Ministry of Labor and Employment, GoI
## Maharashtra: Policy Support

Progressive policies aimed at improving the businesses environment

### Fiscal Support
- VAT + CST Abatement
- Stamp Duty Exemption
- Electricity Duty Exemption

Plus, a host of other benefits...

### Non-Fiscal Support
- Skill Development
- Investor Facilitation
- Investor After Care Cell

### Special Incentives

<table>
<thead>
<tr>
<th>Mega and Ultra Mega project can qualify for fiscal incentives up to <strong>100% of the fixed capital investment</strong></th>
<th>10% additional incentive is provided by the state if the project creates double the employment required for the eligibility</th>
</tr>
</thead>
</table>
## Maharashtra: Policy Support

### Policies for Ultra Mega and Mega Projects

<table>
<thead>
<tr>
<th>Project Classification</th>
<th>Area Classification</th>
<th>Fixed Capital Investment</th>
<th>Direct Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ultra Mega Industrial Unit</td>
<td>Entire State</td>
<td>USD 225 Million (INR 1500 cr)</td>
<td>3,000</td>
</tr>
<tr>
<td>Mega Industrial Unit</td>
<td>A &amp; B</td>
<td>USD 113 Million (INR 750 cr)</td>
<td>1,500</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>USD 75 Million (INR 500 cr)</td>
<td>1,000</td>
</tr>
<tr>
<td></td>
<td>D &amp; D+</td>
<td>USD 38 Million (INR 250 cr)</td>
<td>500</td>
</tr>
</tbody>
</table>

### Qualification Criteria

<table>
<thead>
<tr>
<th>Area Classification</th>
<th>(% of Fix Capital Investment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A &amp; B</td>
<td>50</td>
</tr>
<tr>
<td>C</td>
<td>75</td>
</tr>
<tr>
<td>D, D+ &amp; NID</td>
<td>100</td>
</tr>
</tbody>
</table>

### Incentive Basket

<table>
<thead>
<tr>
<th>Taluka/Area Classification</th>
<th>(% of Fix Capital Investment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A &amp; B</td>
<td>50</td>
</tr>
<tr>
<td>C</td>
<td>75</td>
</tr>
<tr>
<td>D, D+ &amp; NID</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment (In USD Million)</th>
<th>Max. Period (in Yrs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up To 75 (INR 500cr)</td>
<td>7</td>
</tr>
<tr>
<td>86 to 113 (INR 750cr)</td>
<td>9</td>
</tr>
<tr>
<td>114 to 150 (INR 1000cr)</td>
<td>12</td>
</tr>
<tr>
<td>Above 150 (INR 1000cr)</td>
<td>20</td>
</tr>
</tbody>
</table>

**IPS formula in the State**

- For Mega Projects in Marathwada, Vidarbha, North Maharashtra and Ratnagiri and Sindhudurg: 100% Gross VAT + 100% of CST
- For Mega projects in rest of Maharashtra: 50% Gross VAT + 100% of CST
- For Ultra Mega projects all over the state: 100% Gross VAT + 100% of CST

**Note:** 1 USD = 66.5 INR
Ease of Doing Business: Progress

PROPERTY REGISTRATION
- Sub Registrar office is computerized
- Computerized property bills
- E-payment of fees

ELECTRICITY
- Procedures reduced from 7 to 3
- Time from 67 to 15 days

LAND REFORMS
- Increase in FSI from 1 to 1.5 for industry set up
- Additional FSI up to 200% for IT SEZ

LABOR REFORMS
- Self-certification scheme with Single Integrated Return Form for 16 Labor Laws

SINGLE WINDOW
- MAITRI: Investor facilitation cell
- Assists investors in obtaining approvals for 31 services across 8 departments

CONSTRUCTION PERMITS
- Procedures reduced from 27 to 11
- Time reduced from 162 to 50

ENVIRONMENT
- MPCB: Randomized risk based inspection & submission of inspection reports within 24 Hrs
- River Regulation Zone policy: Discontinued

TAX
- Common Application form for VAT, Professional tax & CST
- Property Tax payment: Mobile app
- Commercial cases: 7 benches High Court judges appointed
MIDC: Nodal agency for all investors

- DMIC
- SUPA – Japanese Investment Zone
- 13 Chemical Zones
- 19 CETPs
- 3 STPs
- 6 CHWTSDF
- Largest water supply network in Asia

Key Activities

- Special planning authority
- Strong network of local authorities
- Link between Govt. and Industry
- Acquisition and disposal of land
- Providing support Infrastructure
- One-stop for Investors Relations

- 264 Industrial complexes
- ~ 72,000 hectares of land
- Wine Parks
- Silver Parks
- Floriculture Park
- Food Parks
- Textile parks
- 32 IT Parks, 9 SEZs
- Dedicated feeders for industries
Key Projects
Maharashtra: Key projects undertaken

Delhi Mumbai Industrial Corridor

Covers 8 districts, 29% of area; 4 major nodes have been identified in the DMIC influence area

SUPA – Japanese Investment Zone

Multiproduct Industrial park to be set up on the contiguous land of 500 acres at Supa
Mayhashtra: Key projects undertaken (2/3)

Dighi Port Industrial Area

Shendra – Bidkin Mega Industrial Park

Multiproduct Industrial park to be set up at Dighi, Raigad

Shendra - Bidkin belt in Aurangabad to be developed as a planned industrial township
Maharashtra: Key projects undertaken (3/3)

Navi Mumbai Airport

Designed to accommodate the new large aircrafts compatible with ICAO Aerodrome Code 4F

Metro Rail Projects

Metro projects in Mumbai, Pune and Nagpur
Maharashtra: Upcoming marquee projects

- Mumbai Trans Harbor
- International Financial Services Centre
- MADC - MIHAN
- NAINA City
Recent Major Investments in Maharashtra
Recent Major Investments in Maharashtra

World’s largest electronics contract manufacturing company in the electronics sector, Foxconn, signed a memorandum of understanding (MoU) with Maharashtra government to set up a manufacturing facility with an investment of $5 billion (Rs 32,250 Cr) over next five years.

The world’s third-largest automobile maker General Motors signed a letter of offer with the Maharashtra government to invest Rs 6,400 crore at its existing Talegaon facility in Pune for further expansion, to export its various models.

South Korean steel firm POSCO signed a memorandum of agreement (MoA) with Shree Uttam Steel and Power Limited, to explore the possibility of setting up a steel plant jointly with the Korean firm in Maharashtra at an estimated cost of Rs 20,000 crore.
Other Recent Key Wins
Key Players
Maharashtra: Key Players (2/2)
France - Maharashtra opportunities

- Of **800** French companies present in India, **30%** are set up in Maharashtra

- **Capgemini** has signed an **MoU** with GoM for **skill and entrepreneurship development**

Opportunities for collaboration include:

**Defense & Aerospace:**

**France** has one of the **largest aerospace industries**
With the opening up of FDI in Defense, Maharashtra looks at **Defense** as a **thrust sector**.

**Water Supply and sanitation:**

**10** of the 100 India’s **smart cities** are to be developed in the state of Maharashtra. This gives huge opportunity to deploy **French expertise in water supply and sanitation**
Russia - Maharashtra opportunities

- **Sukhoi Corporation** of Russia has an agreement with HAL, Nashik to build fifth generation **fighter jets**.

- Mumbai based Reliance Infra’s Pipavav Defense has a JV with Russia’s JSC ship repairing centre.

Opportunities for collaboration include:

**Iron & Steel:**
Russia has a large number of companies operating in Iron and Steel sector. Given Maharashtra has a number of planned **infrastructure projects**, it's an opportune moment for Russian iron and steel companies to invest in the state.

India is also set to be the 3rd largest market for **automobiles**. Maharashtra with huge urban population and rising middle class has seen large number of automobile manufacturing units in the state. Automobile one of the major consumers of steel, opens opportunities for Russian steel manufacturers.

**Defense & Aerospace:**
**Russia** is world's **2nd largest conventional arms exporter**. 49% FDI and clear defense procurement policy provides opportunity for Russian defense companies to invest in the state.
<table>
<thead>
<tr>
<th>Country</th>
<th>Opportunity</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyprus</td>
<td>Maritime</td>
<td>✓ Cyprus hosts the largest third-party ship management center in the EU.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Maharashtra can leverage ship management expertise to manage its ports</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>Infrastructure</td>
<td>✓ 10 smart cities out of the total 100 to come up in Maharashtra</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ With their vast experience, Saudi Arabia can help Maharashtra in development of these cities</td>
</tr>
<tr>
<td>Fiji</td>
<td>Agriculture</td>
<td>✓ As agriculture is the main economic activity in Fiji, strategic partnership with Maharashtra will be mutually beneficial to improve agricultural productivity</td>
</tr>
<tr>
<td></td>
<td>Tourism</td>
<td>✓ Maharashtra has been top rated in tourism potential by World Travel and Tourism council amongst other states.</td>
</tr>
<tr>
<td></td>
<td>Real Estate</td>
<td>✓ Saudi Arabia can play a significant role to boost the “Housing for all” mission in Maharashtra</td>
</tr>
<tr>
<td>Denmark</td>
<td>Food Processing</td>
<td>✓ Food park at Nagpur and across the state and additional incentives for this industry offered in the state’s industrial policy</td>
</tr>
<tr>
<td></td>
<td>Tourism</td>
<td>✓ Maharashtra can leverage Fiji’s expertise in beach development to enhance its tourism in the coastal area</td>
</tr>
</tbody>
</table>
Opportunities for Chile, Papua New Guinea, Krygzstan, Guyana

<table>
<thead>
<tr>
<th>Country</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td><strong>Food Processing and Beverages</strong>&lt;br&gt;✓ Food Park in Nagpur and additional incentives to food processing units offered by the state</td>
</tr>
<tr>
<td></td>
<td><strong>Renewable Energy</strong>&lt;br&gt;✓ Chile can be a significant contributor in India’s aim to achieve the target of 175 GW in renewable energy sector by 2022</td>
</tr>
<tr>
<td></td>
<td><strong>Manufacturing</strong>&lt;br&gt;✓ Setting up units in Maharashtra will help companies from Papua New Guinea to mutually benefit both in areas of R&amp;D, trade and employment opportunities in different manufacturing sectors</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td><strong>Agriculture</strong>&lt;br&gt;✓ Papua New Guinea and Maharashtra can benefit by helping each other in R&amp;D initiatives to improve soil productivity and harvest quality by sharing best practices</td>
</tr>
<tr>
<td>Krygyzstan</td>
<td><strong>Textile and Garment</strong>&lt;br&gt;✓ Development of 14 exclusive textile parks and 10 new Mega textile parks across Maharashtra offer big opportunity to the burgeoning textile industry of Krygyzstan</td>
</tr>
<tr>
<td>Guyana</td>
<td><strong>Agriculture</strong>&lt;br&gt;✓ As agriculture is the main economic activity in Guyana, strategic partnership with Maharashtra will be mutually beneficial to improve agricultural productivity</td>
</tr>
</tbody>
</table>
Follow us on
@MIDC_India
MIDC
MIDC India
Maharashtra Industrial Development Corporation

Maharashtra Industrial Development Corporation
Udyog Sarathi, Mahakali caves road,
Andheri (E), Mumbai – 400 093
Board Number: 91-22-26870027/52/54/73
Fax: 91-22-26871587
Email: ceo@midcindia.org
Website: www.midcindia.org