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- Punjab: Geared to Embrace the Future of Mobility
- Advantage Punjab: The Next Generation Investment Destination
- Investment Opportunities
India Scenario

Market Size of Automobile Industry of India

Automobile Sector Driving Mobility in India

- 2 Wheelers
- 3 Wheelers
- Passenger Vehicles

USD 74 billion (~INR 5.2 lakhs crore) 2018

FDI USD 2 billion (INR 14,000 crore) FY 17-18

6th largest recipient

Source: SESEI, Invest India, IBEF, DPIIT

01
Automobile Sector Driving Mobility in India

MARKET SIZE OF AUTOMOBILE INDUSTRY OF INDIA

USD 74 billion (~INR 5.2 lakhs crore) 2018

AUTOMOBILE SUB-SECTORS BY NO. OF UNITS SOLD -26.27 million during 2019

- 2 Wheelers: 3%
- Passenger Vehicles: 81%
- 3 Wheelers: 3%
- Commercial Vehicles: 13%

FDI

USD 2 billion (INR 14,000 crore) (FY 17-18) 6th largest recipient

Source: SESEI, Invest India, IBEF, DPIIT
Key Initiatives and Projections

- India plans to become USD 5 Trillion economy by 2025
- 100% FDI allowed in Automobile sector through automatic route
- Vehicle Penetration to increase to 72 passenger vehicles per 1000 individuals by 2025*
- India to electrify 30% of its fleet by 2030

Source: Invest India, Economic Times, The Hindu Business Line, Bloomberg Quint
Key Initiatives and Projections

India plans to become USD 5 Trillion economy by 2025
100% FDI allowed in Automobile sector through automatic route
Vehicle Penetration to increase to 72 passenger vehicles per 1000 individuals by 2025*
India to electrify 30% of its fleet by 2030

ACCOLADES
- World’s 2 largest Bicycle Manufacturer
- World’s Largest Tractor Manufacturer
- World’s Largest 2W and 3W Manufacturer
- World’s 2 largest Bus Manufacturer
- World’s 3 largest Truck Manufacturer
- World’s 4 largest Car Manufacturer

Growth Drivers for Mobility Sector

Rise of Affluent middle class driving purchase of New Vehicles

Govt.’s push towards Electric Vehicles – ~USD 1.43 billion (INR 10,000 crore) for FAME II

Govt.’s push for Old Vehicle Scrapping to drive new vehicle purchases

Increasing health awareness and dedicated tracks leading to adoption of bicycles, Industry observed 20% growth across 2015-19*

Disruption in Ownership models (leasing, rental, self drive etc.)

Emerging Commercial Vehicle Segment in India, observed growth of 17.55% during 2018-19

India accounted for 40% of Global Automotive Industry R&D spent

Advances in emerging technologies (IoT, AI, GPS, Big Data etc.) to drive Shared Mobility

Entry of Export oriented Global Automobiles Brands in India

*premium bicycle sector
Source: SIAM, Business World, Invest India, Mint Newspaper
Growing Mobility Market in India

Automobile Market size

USD 300 billion (~INR 21 lakh crore) 2026

USD 74 billion (~INR 5.2 lakh crore) 2018

Vehicle Manufacturing rank in the World

3rd Largest by 2026

4th Largest (2019)

Auto OEM’s Market Growth

India Electric Vehicles Market

Million Units

26 65-76 3.15 12.03
FY 18 FY 26 FY 19 FY 25

Source: McKinsey India, Invest India, Smart Cities Mission-GOI website
Growing Mobility Market in India

Auto Component Manufacturers’ Growth

USD billion

<table>
<thead>
<tr>
<th></th>
<th>FY 18</th>
<th>FY 26</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>13.5</td>
<td>70-80</td>
<td>6X</td>
</tr>
<tr>
<td>Market Size</td>
<td>51</td>
<td>180-200</td>
<td>4X</td>
</tr>
<tr>
<td>Contribution to Mfg. GDP</td>
<td>~5%</td>
<td>~10%</td>
<td>2X</td>
</tr>
</tbody>
</table>

Source: McKinsey India, Invest India, Smart Cities Mission-GOI website
PUNJAB: GEARED TO EMBRACE THE FUTURE OF MOBILITY
Punjab Mobility Ecosystem

- India's Largest Tractor Manufacturer State
- Accounts for 92% of India's total production of Bicycle parts
- Accounts for 75% of Bicycle production
- Presence of manufacturers across the value chain of Automobiles
- Hosts India's 2nd largest forging unit
- Presence of India’s leading electric 2W manufacturing companies
- Foreign representation in Punjab Auto sector - Germany, Japan, USA

Source: SIAM, Invest India, Business Standard, NDTV, Economic Times
Growth Drivers for Mobility in Punjab

Clean/Green Zones have been declared in 5 Districts (Ludhiana, Jalandhar, Patiala, Amritsar & Bhatinda) to promote cleaner mobility.

Dedicated Bi-Cycle tracks for enhanced safety on roads.

Punjab is among the leading States with Easy Access to Finance.

Young, rich, educated and entrepreneurial society of Punjab welcomes new technologies. Per Capita Income of Punjab is 24% higher than Average India.

Jalandhar, Amritsar and Ludhiana identified as Smart cities, having a key focus on Smart and Clean Mobility.

Preference in Govt. procurements to Punjab based manufacturers.

IBDP 2017 policy – Lucrative incentives to Manufacturers.

GoP EV Policy* – Incentives for user adoption, infrastructure providers and ecosystem enablers.

*upcoming
Key Industry Clusters

Kapurthala
Rail Coaches, Foundry & General Engg, Agricultural implements, Fasteners, Electrical goods, Rubber goods

Jalandhar
Commercial Vehicles, Hand Tools, Auto Components

Ropar
Commercial Vehicles

Hoshiarpur
Tractors, Agricultural implements, Paints & Varnish

Patiala
Tractors, Agriculture implements

Ludhiana
Auto components, Bicycle & components, Hand tools & machine tools, Fasteners, Forging and Machining

Fatehgarh Sahib
Steel Re-rollers, Truck body building

Mohali
Tractors, Auto components, Locomotive Components, ESDM, Education & Research Institutes Automobile

45 Focal Points Across States
Punjab - An Ideal Location for Mobility Manufacturing

North India contributes to nearly 30% of India Automobiles Sales

Proximity to OEM Clusters in NCR, Haryana and Rajasthan. These clusters account for 60% of India’s total production of 2W segment and approximately 50% of passenger cars production

Source: SIAM, Team-BHP, Financial Express
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Punjab Mobility Ecosystem

STEEL FOR AUTO PARTS

AUTO COMPONENTS

BI-CYCLE AND PARTS

OEM, TRACTOR & COMMERCIAL VEHICLES

e - MOBILITY

SCRAPPING UNITS

Source: SIAM, Team-BHP, Financial Express
ADVANTAGE PUNJAB: THE NEXT GENERATION INVESTMENT DESTINATION
Punjab: Strategically Located & Well Connected

Proximity to National Capital

NEW DELHI
150 Miles
4 Hrs
55 Min

Connected to Freight Corridor for easy movement of goods

Connected to all major metro cities

Advantages:

- Proximity to National Capital
- Connected to all major metro cities
- Connected to Freight Corridor

Kolkata
Mumbai
Delhi NCR
Kolkata
Punjab
Bangalore
Hyderabad
Chennai
Mumbai

Punjab: Strategically Located & Well Connected
Robust Connectivity

- 100% Road Connectivity
- All Major Towns Connected with 4/6 Lane Highways
- Road Density 2 times higher than National Average

- 2nd highest rail density in India
Ranked 2nd in Ease of Logistics in India

LAND & RAILWAY PORT
Amritsar

5 ICDs
- Amritsar
- Jalandhar
- Ludhiana
- Bathinda
- Derabassi

MULTIMODAL LOGISTICS PARKS,
Ludhiana
- Adani Logistics Ltd.
- Hind Terminal Pvt. Ltd. (Sharaf Group, UAE)
- Punjab Logistics Infrastructure Ltd. (PLIL)

Ranked Best in India on Safety & Security of Cargo Movement

DEDICATED FREIGHT CORRIDORS
[Eastern & Western]
(Intersection Point – Dadri)

- Max Speed
  46 to 62 Miles/Hr

- Load Capacity Per Train
  5300 to 13000 tonnes

- Reduction in Freight Cost
  By 33%

Source: LEADS Index 2019, Government of India
Attractive Incentives for Anchor Units

NET GST REIMBURSEMENT FOR 15 YEARS ON BOTH INTER & INTRA STATE SALES
Up to 200% OF FCI

EMPLOYMENT SUBSIDY UP TO INR 48,000 PER EMPLOYEE PER YEAR FOR 5 YEARS

Other Incentives

100% Exemption

<table>
<thead>
<tr>
<th>Electricity Duty (15 yrs)</th>
<th>Stamp Duty</th>
<th>CLU/EDC</th>
</tr>
</thead>
</table>

Mobility Sector Anchor Unit

Minimum Investment (FCI)
INR 200 crore

OR
Cycles, Auto, Auto-components, EV, Battery Manufacturing

Minimum Direct Employment
1000
Attractive Incentives - MSME and Large Units*

**MSME UNITS**

- Net GST reimbursement for 7 years up to 100% FCI
- 5% p.a. Interest Subsidy in Border Districts and Kandi Area and SC/Women Entrepreneurs upto 10 lakh/ year for 3 years
- 100% exemption in Electricity Duty for 7 years
- 100% exemption/ reimbursement from Stamp Duty
- 100% exemption from property tax for 10 Years
- Reimbursement of 50% of expenses up to INR 5 lakh under ZED scheme of GOI
- Assistance for access of Finance, Technology, Infrastructure, Marketing & Exports

**LARGE UNITS**

- Net GST reimbursement for 7 years up to 100% of FCI
- 100% Exemption from Electricity Duty for 10 years
- 100% Exemption / reimbursement from Stamp Duty
- 50% Exemption from Property Tax for 10 years

*additional incentives for Large/MSME units in thrust sector (E-vehicle, Energy storage devices, Bicycles and Bicycle components/ parts)

**INDUSTRIAL PARKS - 25 ACRE & ABOVE**

UPTO 50% ALLOWED FOR OTHER USE & NO CLU/EDC CHARGES
Ease of Doing Business - Punjab Bureau of Investment Promotion

- Unified Regulator
- Investment Promotion Agency
- Dedicated Relationship Officer
- Digital Approvals

INVESTMENT PROMOTION  FISCAL INCENTIVE APPROVALS

ONE STOP OFFICE
ADVANCED SINGLE WINDOW SYSTEM
ONE OF ITS KIND IN INDIA

REGULATORY CLEARANCES  INVESTMENT FACILITATION

LEVEL

STATE  DISTRICT

AUTHORITY

CEO, PBIP  DC

UNITS

LARGE  MSME UNITS

No shortage even during peak demand

<table>
<thead>
<tr>
<th>Peak Availability (MW)</th>
<th>Peak Demand (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>5000</td>
</tr>
<tr>
<td>5000</td>
<td>10000</td>
</tr>
<tr>
<td>10000</td>
<td>15000</td>
</tr>
</tbody>
</table>

Month-wise power supply 2017-18 (in terms of peak demand and availability)

Quality Power at Low Cost

ABUNDANT Power Surplus

Installed Capacity 13,432 MW

LOW COST Power @ INR 5.00 per unit

QUALITY T&D Losses 14.11%

National Average 22%

Peaceful & Competitive Workforce

PEACEFUL No Lockouts No Strikes

FLEXIBILITY IN HIRING

FRIENDLY Ranks 3rd on Interstate Migrant Policy Index 2019

REFORMS 24x7 Shifts Allowed Across Genders

No disruptions in working environment

INVESTMENT PROMOTION FISCAL INCENTIVE APPROVALS

REGULATORY CLEARANCES INVESTMENT FACILITATION

ONE STOP OFFICE ADVANCED SINGLE WINDOW SYSTEM ONE OF ITS KIND IN INDIA

LEVEL

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UNITS

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No Strikes
Flexibility In Hiring

**FRIENDLY**
Ranks 3rd on Interstate Migrant Policy Index 2019

**REFORMS**
24x7 Shifts Allowed Across Genders

No disruptions in working environment
Workforce – Engineering and Research

<table>
<thead>
<tr>
<th>Annual Pass Outs</th>
<th>MBA</th>
<th>Engineers</th>
<th>Post Graduates</th>
<th>Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>860,000+</td>
<td>6,600</td>
<td>20,000</td>
<td>100,000</td>
<td>600,000</td>
</tr>
</tbody>
</table>

Technical Certifications (ITIs)
140,000

Premium Institutes

- Institute for Hand Tools and Auto Parts, Ludhiana
- Central Tool Room, Ludhiana
- State Institute of Automotive and Driving Skills, Mahuana
- Indian Institute of Management, Amritsar
- Indian Institute of Science Education & Research, Mohali
- Indian Institute of Technology, Ropar
- Indian School of Business, Mohali
- Semi Conductor Laboratory, Mohali
- Indian Institute of Nano Science & Technology

Shimla - 130 km
Chail - 106 km
Kasauli - 54 km
Amritsar - 225 km
Ensuring Quality of Life

Modern Health Infrastructure
- Ranks 2nd on National Health Index
- Home to leading health institutions such as PGI, Fortis, Max, Apollo

Peaceful Environment
- Abundant green spaces around settlements
- Better air quality than Delhi NCR

Leisure Spaces

Hotels

Hospitals

Schools

Night Life

Weekend Getaways

Shimla - 130 km
Chail - 106 km
Kasauli - 54 km
Amritsar - 225 km
### Safest Place to do Business

#### Rate of Cognizable Crimes (2017)

<table>
<thead>
<tr>
<th>State</th>
<th>Percentage Share of State for Cognizable Crime in India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haryana</td>
<td>802.9</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>602.6</td>
</tr>
<tr>
<td>Gujarat</td>
<td>525</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>478.6</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>383.4</td>
</tr>
<tr>
<td>Telangana</td>
<td>358.7</td>
</tr>
<tr>
<td>Chhattisgarh</td>
<td>344.3</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>330.7</td>
</tr>
<tr>
<td>Karnataka</td>
<td>291.7</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>283.9</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>269.6</td>
</tr>
<tr>
<td>Odisha</td>
<td>242</td>
</tr>
<tr>
<td>Punjab</td>
<td>239.9</td>
</tr>
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#### Percentage Share of State for Cognizable Crime in India

<table>
<thead>
<tr>
<th>State</th>
<th>Percentage Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>12</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>9.3</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>8.4</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>7.6</td>
</tr>
<tr>
<td>Gujarat</td>
<td>6.7</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>4.9</td>
</tr>
<tr>
<td>Bihar</td>
<td>4.7</td>
</tr>
<tr>
<td>Haryana</td>
<td>4.5</td>
</tr>
<tr>
<td>West Bengal</td>
<td>3.9</td>
</tr>
<tr>
<td>Karnataka</td>
<td>3.7</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>3</td>
</tr>
<tr>
<td>Telangana</td>
<td>2.7</td>
</tr>
<tr>
<td>Odisha</td>
<td>2.1</td>
</tr>
<tr>
<td>Chhattisgarh</td>
<td>1.8</td>
</tr>
<tr>
<td>Punjab</td>
<td>1.4</td>
</tr>
</tbody>
</table>

*Source: As per NCRB 2017*
<table>
<thead>
<tr>
<th>State</th>
<th>Percentage Share of State for Cognizable Crime in India</th>
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</thead>
<tbody>
<tr>
<td>Maharashtra</td>
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</tr>
<tr>
<td>Odisha</td>
<td>24.2</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>26.9</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>28.3</td>
</tr>
<tr>
<td>Karnataka</td>
<td>29.2</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>33.1</td>
</tr>
<tr>
<td>Chhatisgarh</td>
<td>34.4</td>
</tr>
<tr>
<td>Telangana</td>
<td>35.9</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>38.3</td>
</tr>
<tr>
<td>Punjab</td>
<td>47.9</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>52.5</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>60.3</td>
</tr>
<tr>
<td>Haryana</td>
<td>80.3</td>
</tr>
</tbody>
</table>

*Source: As per NCRB 2017*
INVESTMENT OPPORTUNITIES

Investment Opportunities in Mobility Sector

- Punjab has 45 Industrial Focal Points with State-of-The-Art Common Infrastructure facilities including common facilities centres with advanced machines, labs to support manufacturing for Mobility Sector.

- Setting up of Integrated Manufacturing Cluster at AKIC (Rajpura) - 1000 acres.

- Present on Amritsar-Kolkata Industrial Corridor, IMC offers best connectivity and ecosystem for Mobility Component Manufacturers and OEMs.

- Setting up of Light Engineering Goods Cluster at NABHA - 84 Acres.

- Cluster for manufacturing Auto components, Machine Tools etc.

- Located on State Highway. NABHA is well connected to Dry Port, Airports and to nearby auto clusters.

- Setting up e-vehicle Manufacturing Facilities at Ludhiana.

- Hi-tech Mobility Valley, Ludhiana (380 Acres) offers the best ecosystem and infrastructure for setting up e-vehicle manufacturing facilities.

- Vehicle Scrapping Units.

- Central /State Government(s) are providing incentives for Vehicle Scrapping and buying EVs (FAME II) to encourage faster adoption of electric vehicles. Vehicle scrapping Units can cater to the rising demand for scrapping of old vehicles.

- GIGA Scale Battery Manufacturing Facility.

- Punjab offers great access to North India’s emerging market for Electric Vehicles.

- Setting up Charging Infrastructure and Manufacturing.

- Given impetus on Electric mobility across state, there is a requirement to set up charging infrastructure across cities and highways.

- Automatic Testing Stations (ATS) across the State.

- Technology driven ATS to provide Commercial vehicle (including e-Vehicle) fitness certificate in a faster and an efficient way.
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**45 Industrial Focal Points to support manufacturing in Automobile Sector**

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**GIGA Scale Battery Manufacturing Facility**

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**Setting up Charging Infrastructure and Manufacturing**

- Given impetus on Electric mobility across state, there is a requirement to set up charging infrastructure across cities and highways
We have never had any labour problem, have very good relationship with labour with no strikes in last 30 years. Punjab Government is very supportive. It’s a nice place to live and work. Punjab has young people and young students, and there is a good chance for many auto companies to come to Punjab.

The State of Punjab provides an Excellent Platform for the growth of industries in automobile sector. Surplus & affordable power, strong base for ancillary units, skilled Manpower and excellent connectivity have contributed to our success. We have planned expansion at the current electric 2W facility at Ludhiana to ramp up production to 5 lakhs units annually.

The State offers power at most competitive rates, has a strong base for ancillary units, has trained and educated manpower and excellent connectivity to the large consumer market of North India. The Punjab Bureau of Investment Promotion has contributed in a big way in growth of Industries in the State. Given unmatchable support from Government of Punjab, we have executed two consecutive expansions of INR 553 crore and INR 500 crore in the existing facility.

The Punjab unit was built in just 11 months and stabilized within six months of opening and will reach budgeted monthly capacity of about 1.5 lakh cycles next month. This is one of the fastest such roll outs which was supported by the components hub in nearby Ludhiana.
Investors Voice

Jagminder Singh Bawa
President and Head of Operations, Vibracoustic India

“Vibracoustic is having its presence in Punjab for over 20 years. We started operations with two acres of land and considering the conducive business environment we have our presence in over 8 acres of land now. The vibrant policies of the Punjab Government has encouraged our group to look forward for greater investment opportunities in near future.”

Harish Chavan
CEO
Swaraj Division at Mahindra & Mahindra Ltd.

“We at Mahindra & Mahindra are benefitted by the programme of Incentives not only for new investments but also for upgradation of technologies and capacities. It is heartening to know that Govt. of Punjab is on a noble mission of revitalizing Punjab’s industrial landscape and its current initiatives towards industry are a testimony to its commitment.”

Sriram Kannan
Managing Director
Claas India

“Claas set up its factory 10 years back at Morinda, Punjab and never faced any challenge. We strongly believe Punjab is the place to be for agricultural implements industry. Punjab offers availability of skilled manpower, abundant electricity for industry to thrive. We experienced actual one stop shop for industrial facilitation at Invest Punjab. Officers at Invest Punjab are highly competitive and motivated to support industries. Govt of Punjab considers industry as stakeholders while taking decisions for the industry.”

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