TRANSFORMING INDIA

9th May 2019

INVEST INDIA

World's most awarded IPA

TRANSFORMING INDIA

World's #1 IPA

FASTEST GROWING ECONOMY

7.4%
2019-20

$2.6T

TOP INVESTMENT DESTINATION

$268B
Apr 2014 - Dec 2018

POPULATION

1.5B
2025

29
2025

CONSUMPTION

$4T
2025

$245,000
(BCG)

VOTERS

834MM
2014

553MM

NEW VOTERS

117 MM
2014

133MM
(97 MM)
2019

MAKE IN INDIA 4.8T OPPORTUNITY BY 2025

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Auto
$300 billion

Auto Comp
$115 billion

Aviation
$82 billion

Biotech
$100 billion

Mining
$80 billion

Oil & Gas
$110 billion

Pharma
$55 billion

Chemicals
$400 billion

Construction
$640 billion

Defence
$130 billion

Capital Goods
$112 billion

Railways
$142 billion

Renewables
$260 billion

Roads
$150 billion

Electronics
$400 billion

Food Processing
$320 billion

IT / BPM
$350 billion

Leather
$30 billion

Textiles
$223 billion

Thermal Power
$125 billion

Tourism & Hospitality
$419 billion

Media & Entertainment
$30 billion

Wellness
$7 billion

Ports
$150 billion

Space
$40 billion

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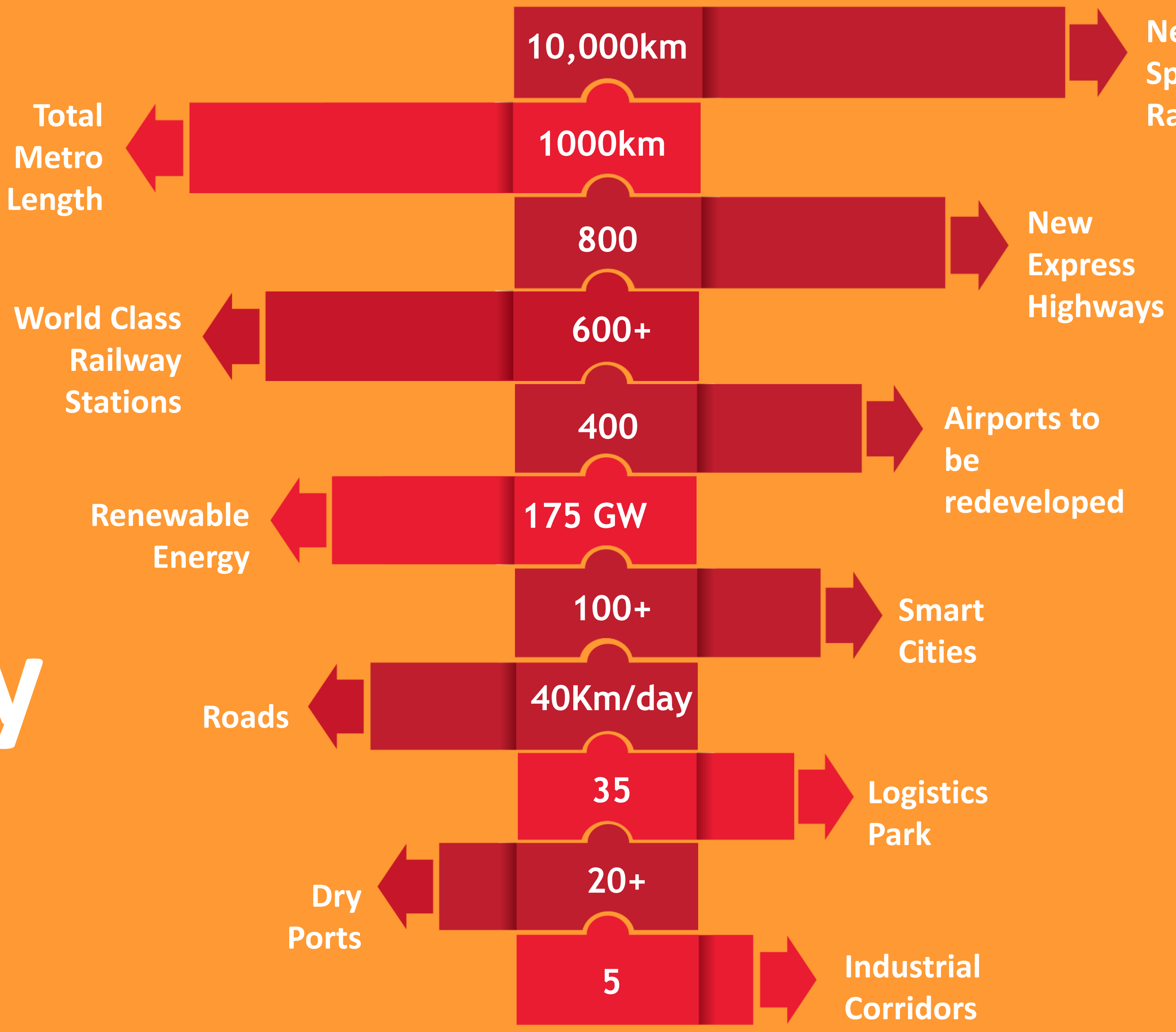
The Opportunity 2025



MISSION INDIA

World's #1 IPA

AADHAR

1.2 Billion
enrolments

Digital India

500 Million
Internet Subscriptions

Jan Dhan Yojana

1 Billion
Bank accounts
312 M Added in 3yrs

Startup India

Fastest growing ecosystem

Mobile Phones

1.19 Billion
Mobile Subscribers

Goods & Services tax

17+ indirect taxes subsumed

EASE OF DOING BUSINESS

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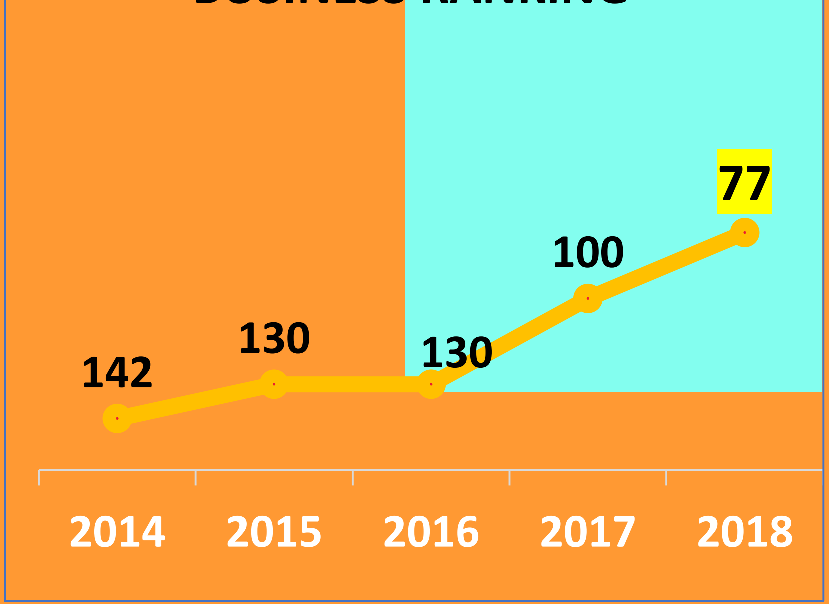
WORLD BANK'S DOING BUSINESS RANKING



↑13 places
Global Competitiveness Index #58 (2019)

↑65 places
Ease of Doing Business Ranking #77 (2019)

↑19 places
Global Retail Development Index #1 (2018)

↑19 Places
Global Innovation Index #57 (2018)

↑4 places
Global GDP Rank #6 (2018)

↑10 Places
Logistics Performance Index
#44 (2018)

AUTOMOTIVE INDUSTRY

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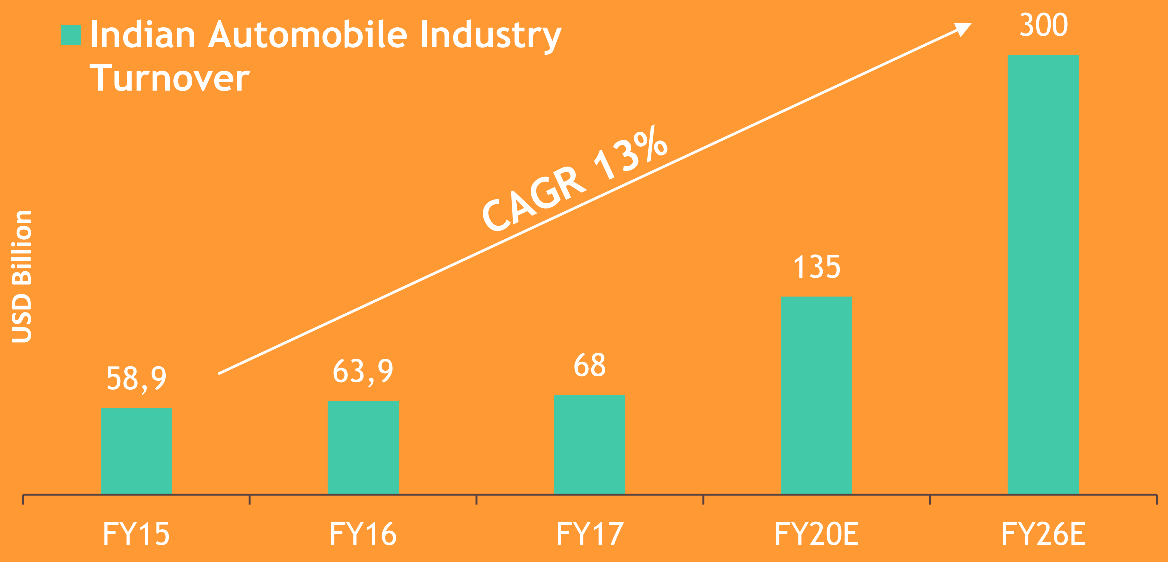
AUTOMOBILE INDUSTRY



7.1% of GDP

49% of manufacturing GDP

#1 Two-Wheeler manufacturer
#2 Bus manufacturer
#4 Car Manufacturer

Automobile sales

20 mn to 75.8 mn units by 2026

Automotive Mission Plan 2016 - 2026

Aiming to be among **top 3 auto hubs**

GROWTH DRIVERS

Vehicle Penetration:

72 vehicles / 1000 (2025)
from 20 currently

Per Capita Income:

US$1,592 (2016)
from US$ 461 (2001)

Bharat Stage VI by 2020

AUTOMOBILE INDUSTRY

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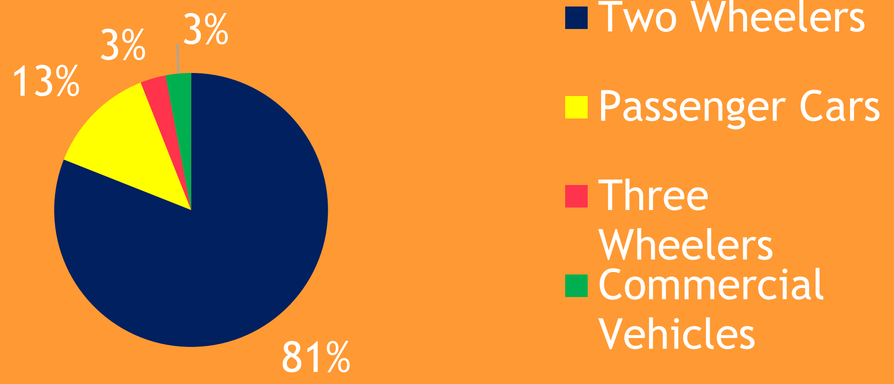
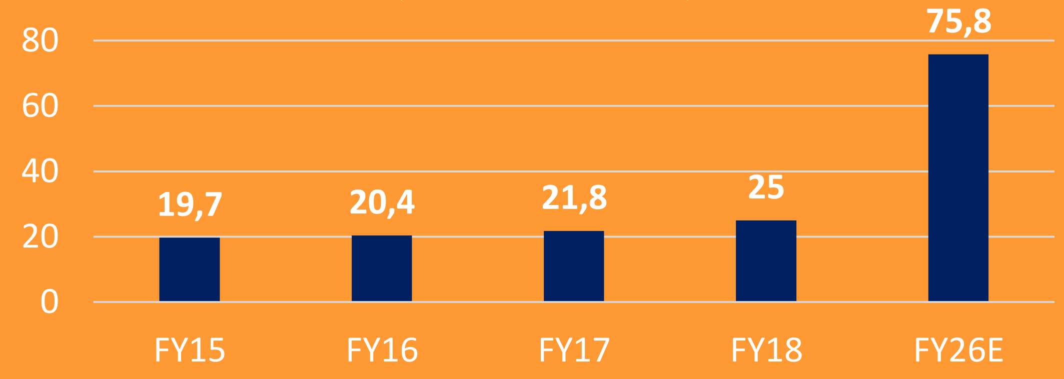
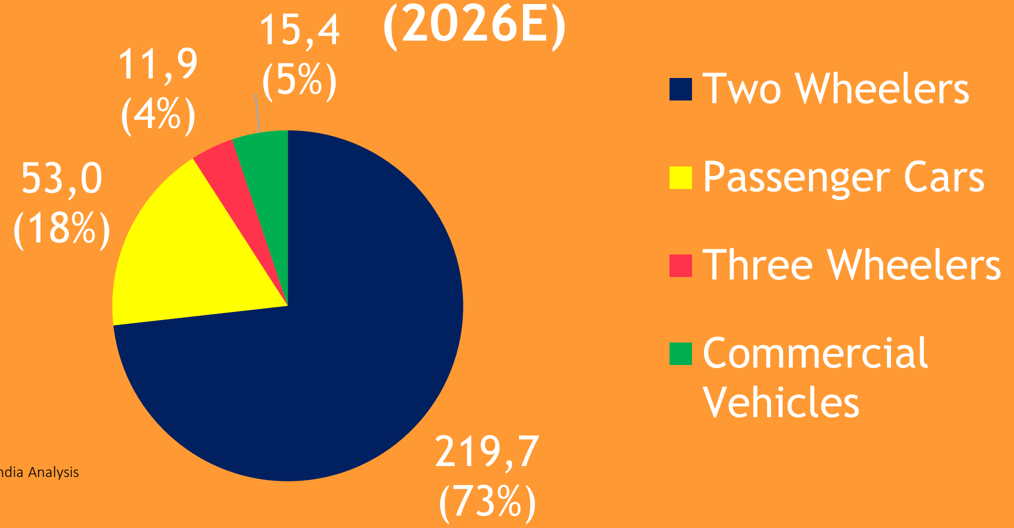
Automobiles: Segment Market Share (Current)



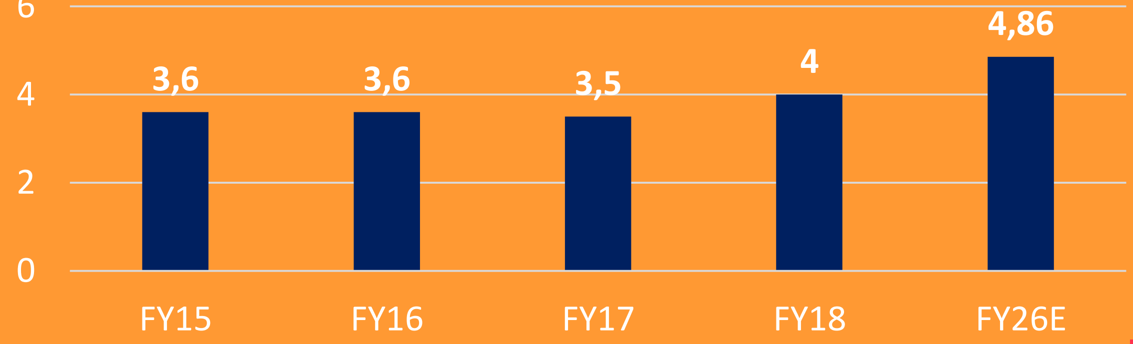
Automobiles: Sales (million units)



Automobiles: Segment Market Share (2026E)



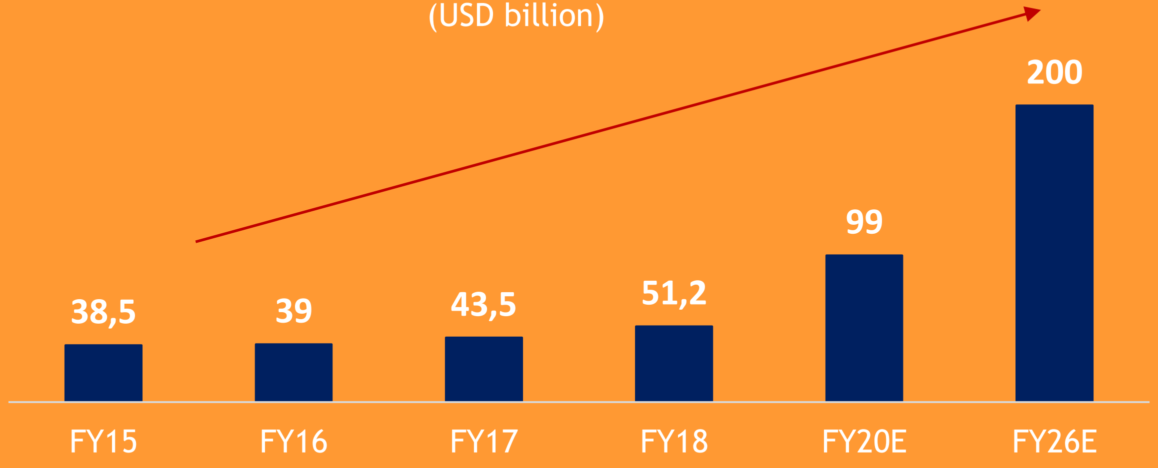
Automobiles: Exports (hundred thousand units)



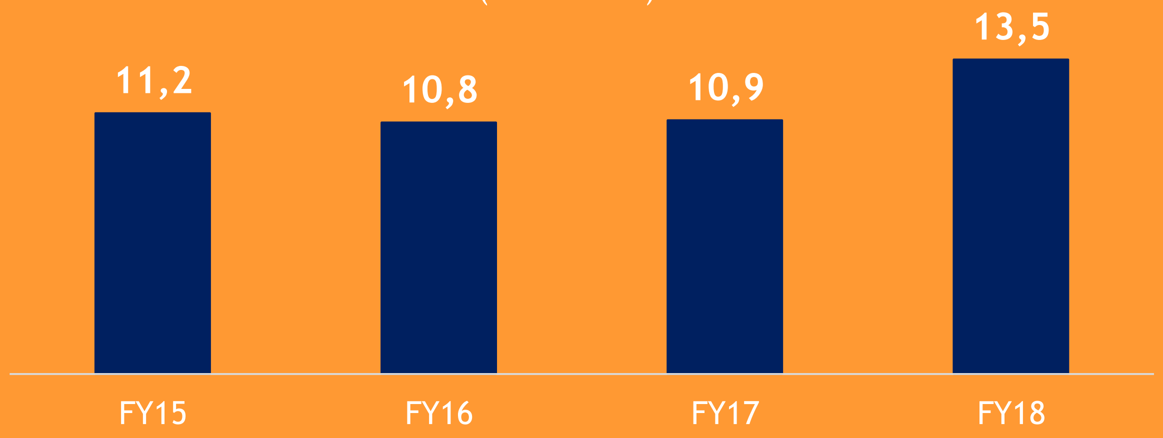
Source: SIAM, Invest India Analysis

AUTO COMPONENT INDUSTRY

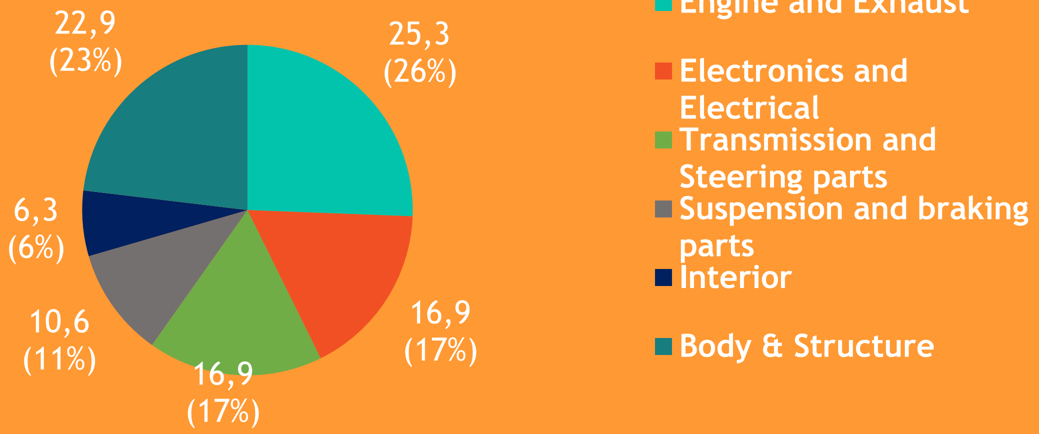
Auto Components Turnover
(USD billion)



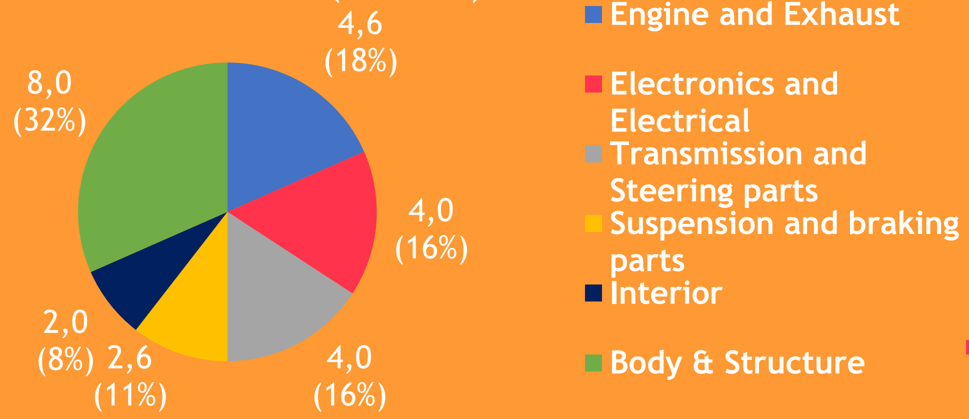
Exports Turnover
(USD billion)



Domestic Market Potential: By Components (2020E)



Export Market Potential: By Components (2020E)



HIGH TIER 1 LOCALIZATION

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Vehicle Category	Average localization in top selling models	Details
Hatchbacks, compact sedans/SUVs	90 - 95%	• Segment leaders have achieved 95% localization • Foreign OEM launches also securing as high as 98% localization
Premium sedans	85 - 90%	• Even smaller players have increased localization levels from ~70% to > 80% in the past ~5 years and intend to increase to ~90% in the next ~5 years
Commercial vehicles	>90%	• Home grown leaders have localization well above 90% • Premium offerings have also increased their localization from ~80% to >90% in 2015
Two- Wheelers	>90%	• Market leaders have started developing bikes which are 100% indigenous • Mass foreign players have also surpassed 90% localization
Tractors	>95%	• Cost-sensitive segment dominated by Indian players who have localization levels close to 100%

Source: Mc Kinsey Report- The auto component industry in India: Preparing for the future 2018

ELECTRIC MOBILITY

World's #1 IPA

Opportunity	Current EV Sales	National Electric Mobility Mission Plan	Goal
Opportunity: US$ 200 billion* (2030)	266,810 (till March, 2019)	Target: 15-16 million (2020)	All Electric Car Fleet by 2030

FAME II (1st Apr'19)

- Budget of $1.5 billion
- Incentives for purchase of Electric/Hybrid vehicles

Incentives	$285	$715	$2,100	$71,000	
Ex-factory Price	$2,100	$7,100	$21,500	$2,85,000	
Size of battery	2kWh	5kWh	15kWh	250kWh	
Target	1,000,000	500,000	55,000	7,090	2,700 stations

$1 = INR 70

Source: Navigant Research. Opportunity (2030)

CHARGING INFRASTRUCTURE

World's #1 IPA

Department of Science & Technology, Government of India

सत्यमेव जयते

Nodal office for charging infrastructure

220+
Charging Stations

350+
Charger Units

As of Feb 2019

NOTIFICATIONS BY GOVERNMENT

1 Charging stations *do not* need a separate licence under the Electricity Act of 2003 as of April'18

2 Ministry of Power guidelines for Standardized Charging Infra '19

GOVERNMENT INITIATIVES

- MAHAVITARAN (Maharashtra State Electricity Distribution Company Limited): 50 stations (tender issued)
- New Delhi Municipal Council (Palika Kendra, Sansad Marg, New Delhi): 25 stations (installed)
- BESCOM (Bangalore Electricity Supply Company Limited, Government of Karnataka Undertaking): 150 stations (tender issued)
- REIL (Rajasthan Electronics and Instruments Limited): 200 stations (proposed)
- NTPC (एनटीपीसी, A Maharatna Company): 100,000 stations (proposed)

PRIVATE SECTOR PLANS

- Exicom: 2,000 stations (bid won)
- ABB: 4500 stations (planned)
- BSES / EVI Technologies: 20,000 stations (proposed)
- EVM (EV Motors India Pvt. Ltd): 6500 stations (5 year plan)
- fortum: 200 stations (planned)
- Mahindra
- OLA

AUTOMOTIVE CLUSTERS

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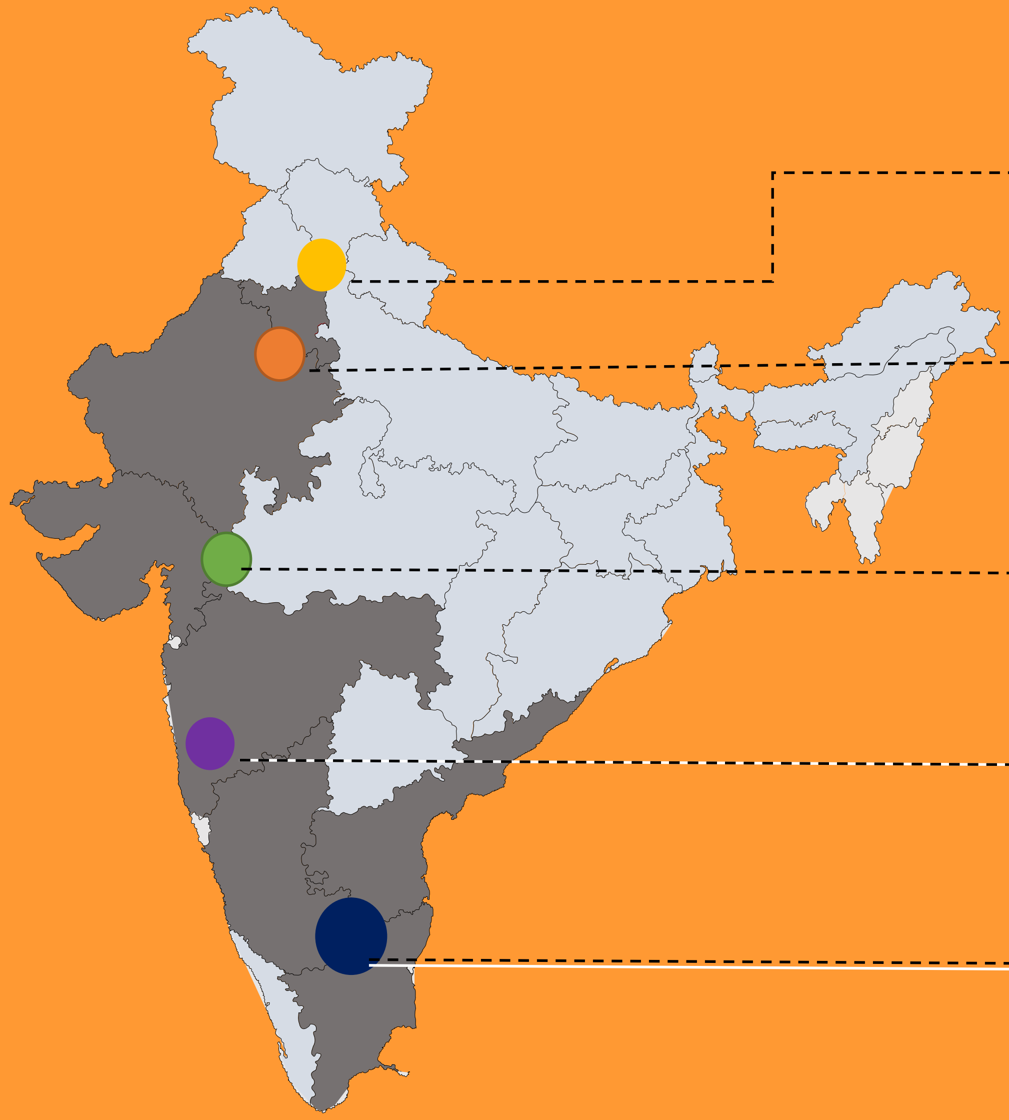

NCR
EICHER, YAMAHA, MARUTI SUZUKI

Haryana - Rajasthan
HONDA The Power of Dreams, FEDERAL MOGUL, ALSTOM, JCB, NEW HOLLAND AGRICULTURE, Hero

Gujarat- Madhya Pradesh
JOHN DEERE, TATA, SAIC, CNH INDUSTRIAL, Mahindra, VE COMMERCIAL VEHICLES A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

Mumbai-Pune
FIAT, PIAGGIO, DAIMLER, SKODA AUTO, Mahindra, FORCE MOTORS, BAJAJ

Andhra Pradesh - Chennai - Bangalore
ISUZU, HYUNDAI, Ashok Leyland, KIA MOTORS, Ford, TOYOTA, ROYAL ENFIELD

AUTOMOTIVE POLICY

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100% FDI

Motor Vehicle Act amendments to open up the Road Transport sector

Special vendor parks

Automotive Mission Plan 2016-26

Faster Adoption and Manufacturing of Electric Hybrid Vehicles (FAME 2)

National Automotive Testing and R&D Infrastructure Project (NATRiP) - (3 Operational; 3 In-progress)

Voluntary Vehicle Fleet Modernization programme (V-VMP)

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INVESTMENT & TRADE POLICY ENVIRONMENT

100% FDI allowed

WTO complaint policies

- No restrictions on import- No quantitative restrictions
- No localisation requirements
- No export obligation
- No R&D requirement

No differentiation in domestic taxation for imports

Conditions of imports- Emission & Safety norms as applicable to domestic companies

Increased engagements in FTA's/PTA's with sensitivities on CBU's

TESTING FACILITIES IN INDIA

World's #1 IPA

Department of Heavy Industries (Nodal Ministry for Automotive Industry] established USD 571 Mn National Automotive Testing and R&D Infrastructure to create state of the art Testing, Validation & R&D Infrastructure in the country

Single largest public investment in automotive infrastructure in the country

Greenfield Testing Centres: Chennai (Tamil Nadu), Indore (Madhya Pradesh), & Silchar(Assam)

Brownfield Testing Centres: Pune (Maharashtra), Ahmednagar (Maharashtra), & Manesar (Haryana)

State of the art Laboratories and proving grounds will make India a regional hub for vehicle testing, homologation and R&D

INCENTIVE SUPPORT FOR MANUFACTURING

World's #1 IPA

CENTRAL GOVERNMENT INCENTIVES

- Export Promotion Capital Goods Scheme
- Merchandise Exports from India Scheme
- Duty Free Import Authorisation Scheme & Project Import Scheme
- Special Economic Zones
- Industrial R&D Promotion Program
- MSIPS Scheme

STATE GOVERNMENT INCENTIVES

- Capital Subsidy
- Stamp Duty Exemption
- Tax Incentives
- Electricity Duty Exemption
- Interest Subsidy
- Customised Package Incentive Scheme

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CASE STUDY: INVEST INDIA FACILITATION

Company Background & Requirements	• Leading multinational automobile manufacturer • Exploring **greenfield or brownfield facility for passenger cars** across various countries
Business Advisory & Facilitation	• Strategy building, market entry and company structure • Location assessment and identification • One-point of contact with the Government (Both Centre & State) • **Procedures, applicable policies, incentives and regulations advisory**
Key Outcomes	• **Commitment of an investment of USD 1 billion in Phase 1** • **Partnership deal by 2018 / Product launch by 2021** • Next phase: for powertrain, gearboxes, assembly of cars and R&D centre

INVEST INDIA: YOUR ONE-STOP SHOP

World's #1 IPA

GOVERNMENT	INVEST INDIA	INDUSTRY
Centre / States	World's most awarded IPA	Associations / Corporates
Foreign Missions / Agencies		Professional Advisors / Academia

Awareness & Engagement → Business Advisory → Strategy & Implementation → Investor Aftercare → Long term partnership

171,625 Business Requests	33 States & UTs	117 Nations	40 Sectors

IORA – Indian Ocean Rim Association	AIM – Annual Investment Meeting	United Nations UNCTAD	Great Place To Work® Certified India
2016	2016, 2017, 2018, 2019	2016, 2018	2018


INVEST INDIA
NATIONAL INVESTMENT PROMOTION AND
FACILITATION AGENCY