

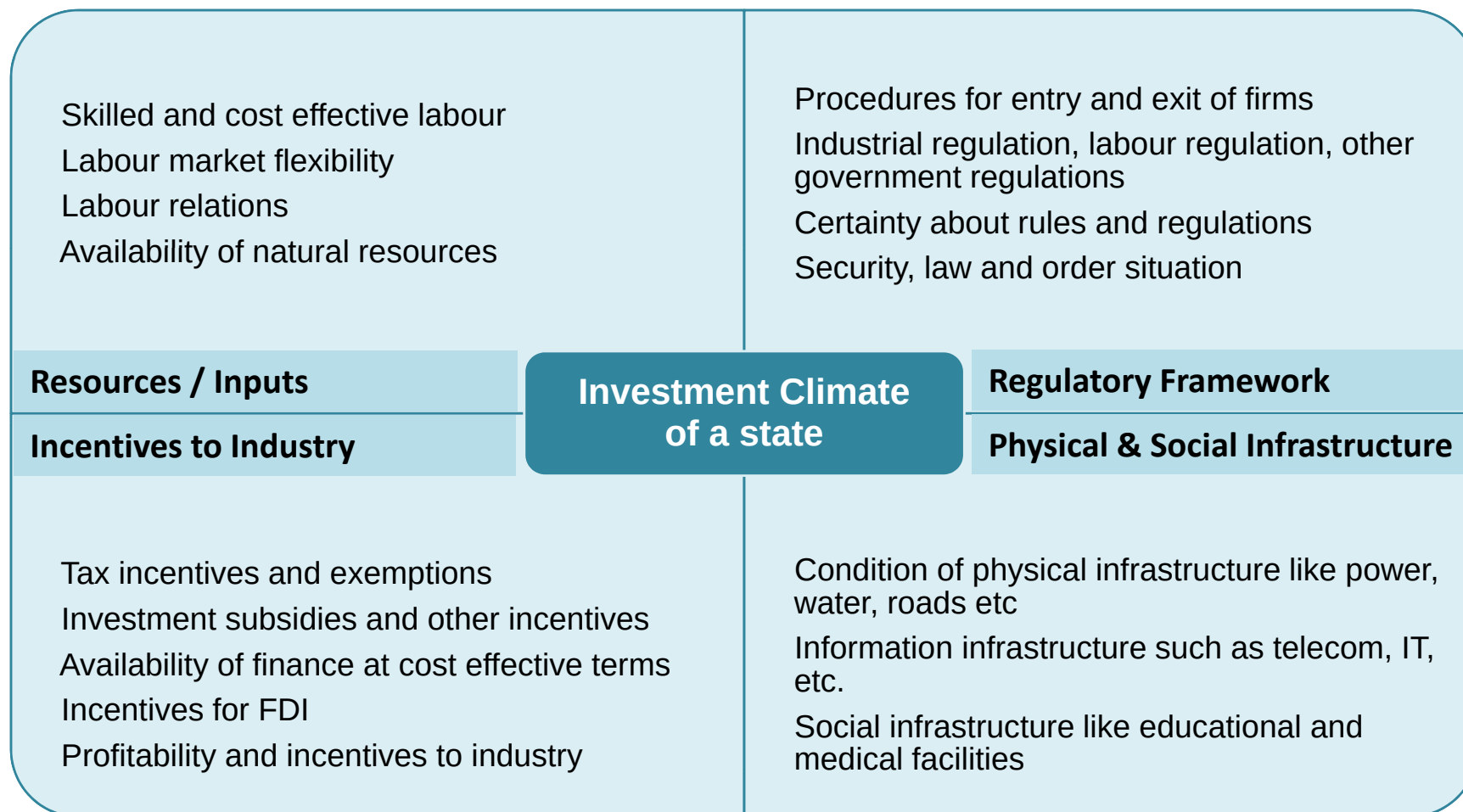


PUNJAB

December 2008



Investment climate of a state is determined by a mix of factors



The focus of this presentation is to discuss

- ⌘ Punjab's performance on key socio-economic indicators
- ⌘ Availability of social and physical infrastructure in the state
- ⌘ Policy framework and investment approval mechanism
- ⌘ Cost of doing business
- ⌘ Key industries and players

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Punjab's economic performance has been improving, driven mainly by all three sectors of the economy

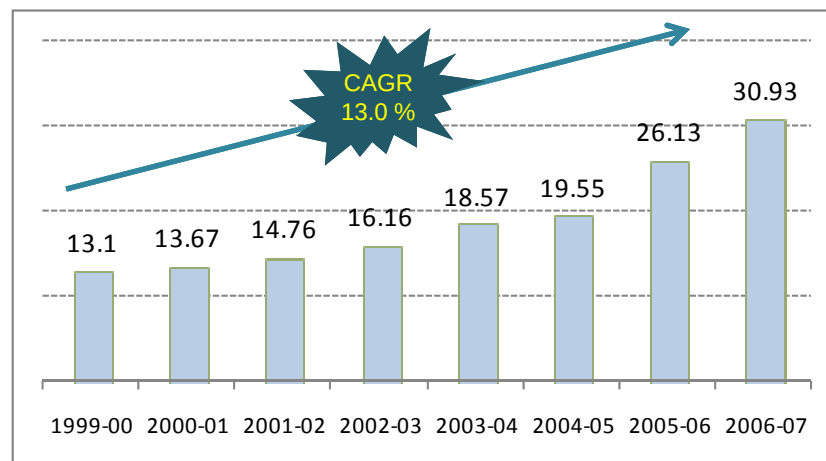
- The state's GDP grew an impressive 13 per cent between 1999-00 and 2006-07 to reach US\$ 30.93 billion
- The tertiary sector has been the fastest growing, driven by growth in sub-sectors like transport, storage and communication (having 20 per cent share in tertiary sector) and financial services (having 16 per cent share)
- Secondary sector driven mainly by construction activities (comprising one-third of the sector)

	CAGR*
Tertiary sector	10.00%
Secondary sector	6.4%
Primary sector	2.3%

*Between 2000 and 2006

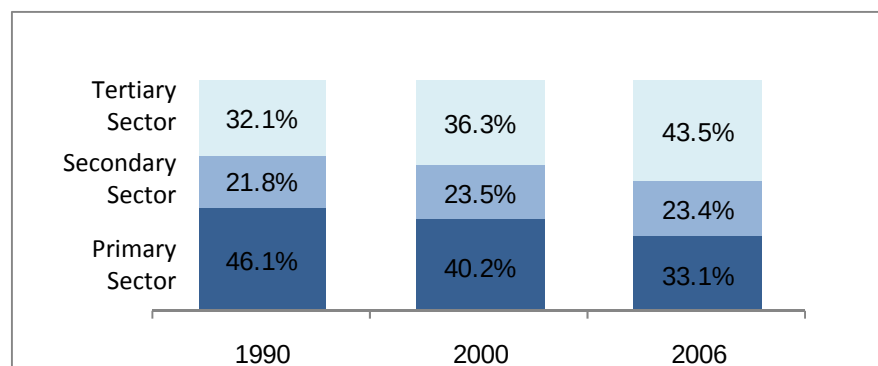
GSDP – Gross State Domestic Product

Punjab's GSDP (US\$ billion)



Source: Economic Survey of Punjab, 2007-08

Percentage distribution of GSDP

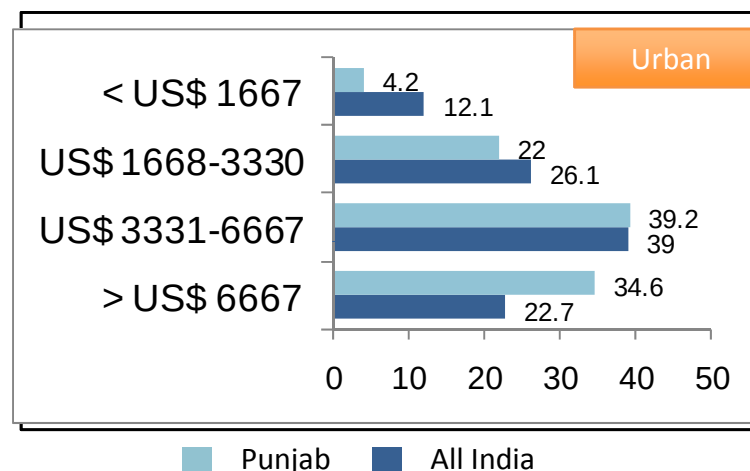
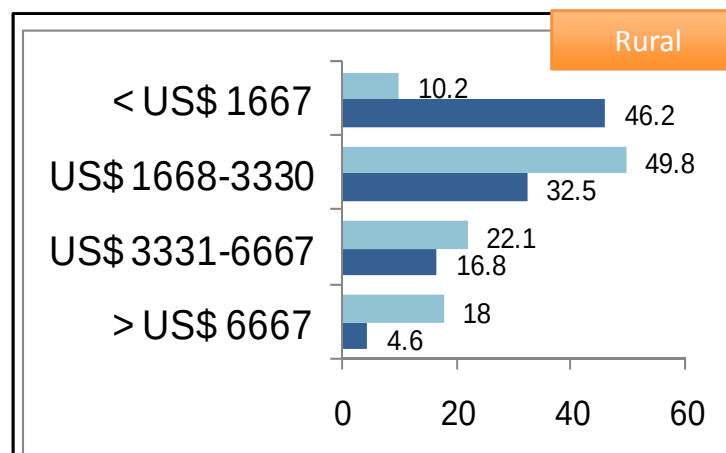


Source: Economic Survey of Punjab, 2007-08

Households in the state have higher disposable incomes as compared to the rest of the country (1/2)

- The per capita income of Punjab was US\$ 679.2 in 2004-05, while the all-India average is US\$ 514.2
- Estimated percentage of population in Punjab below poverty line is ~2 per cent, as compared to 19.34 per cent for all-India
- Distribution of households by income shows that share of households in higher income categories in Punjab greater than for all-India, a trend common for rural as well as urban households

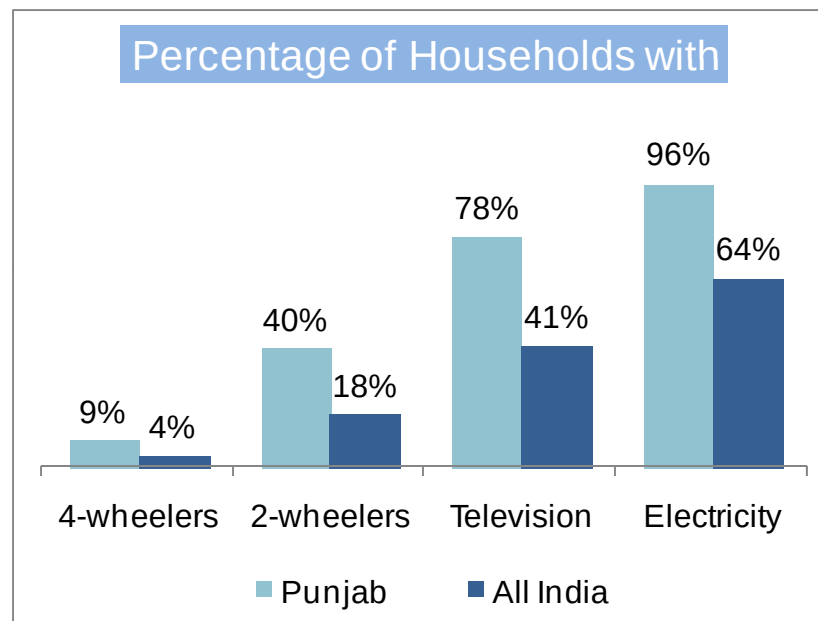
Distribution of Households by Income



Source: The Market Skyline of India 2006 by Indicus Analytics

Households in the state have higher disposable incomes as compared to the rest of the country (2/2)

- In ownership of assets like two/four wheelers and consumer electronics, Punjab is way ahead as compared to all-India



Industrial performance has been driven by small-scale units (1/2)

- Small-scale industry dominates roughly 47 per cent of the production, 60 per cent of exports and 21 per cent investment of the industrial sector
- It generates 3.8 times the employment generated by the medium and large industry
- Small units dominate almost all industries in the state (except chemicals, metals and pharmaceuticals)

Parameter	Large and medium industries	Small-scale units
Working units (No.)	525	204,522
Production (US\$ billion)	8.17	6.86
Fixed investment (US\$ billion)	5.36	1.13
Employment ('000 number)	212.6	951.3

As of March 31, 2008

Source: Economic Survey of Punjab

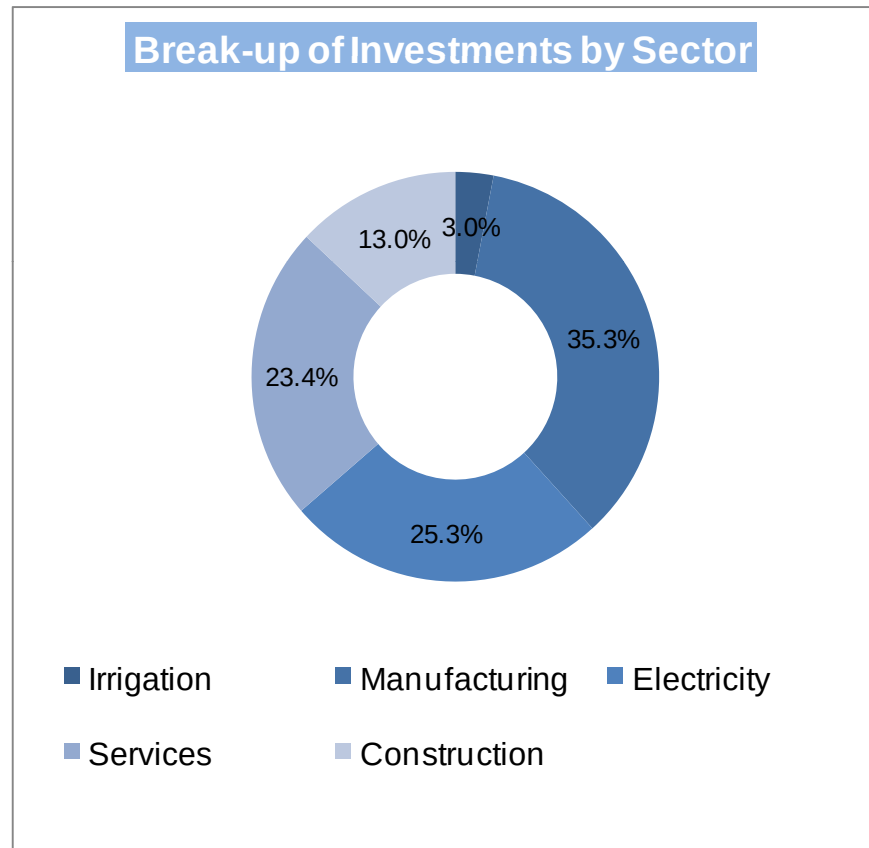
Industrial performance has been driven by small scale units (2/2)

Key industries in Punjab

- Automotive (mainly tractors) and auto components
- Bicycles and bicycle parts
- Chemical products
- Food products
- Light engineering goods—hand tools, machine tools, electronic items, sewing machines and parts
- Metal and alloy products
- Pharmaceuticals
- Paper and paper products
- Sports goods
- Textiles

Punjab has witnessed a strong inflow of investments in the manufacturing sector

- The outstanding investment in the state was roughly US\$ 19.4 billion as on June 1, 2008
- Manufacturing sector has witnessed investments coming to sectors like textiles, paper, paper products and pulp and chemicals
- In the services sector, telecom and IT have attracted maximum investments
- In the area of construction, road infrastructure as well as housing projects and commercial complexes have seen maximum inflow



The top 10 districts constitute 90 percent of production(1/2)

District	Share in production (%)	Industries
Ludhiana	32.7	Bicycle & bicycle parts, including tyres and tubes, automobile parts, sewing machines & parts, machine tools, textiles, rubber goods, oil engines, agricultural implements, electronic goods, plastic goods
Patiala	11.1	Automobile parts, sewing machine parts, enamelled copper wire , electrical goods, bakery machinery
Roop Nagar	8.7	Agricultural implements, pharmaceuticals, tractors & parts, electronic components, electrical components
Amritsar	6.9	Textiles, radio & transistors, agricultural implements, paints, electric fans, pharmaceuticals, printing machinery, chemicals
Sangrur	6.7	Agricultural implements, tractors parts, cycle parts, sewing machine parts, milk products, chilled rolls
Bathinda	6.0	Cotton ginning and processing, pharmaceutical, flour mills
Jalandhar	5.0	Surgical instruments, sports goods, hand tools, automobile parts, pipe fittings, bus body building, leather tanneries, footwear, ball bearings, publications, switch & switch-gears, rubber goods

The top 10 districts constitute 90 percent to production(2/2)

District	Share in production (%)	Industries
FatehgarhSahib	4.8	Steel re-rolling, pump parts, sewing machine parts, truck body building
Gurdaspur& Mansa	3.7	Agricultural implements, conduit pipes, machine tools, soaps, chemicals, castings, brassware
Hoshiarpur	3.6	Rosine & turpentine oil, paints, sugar, agricultural implements, pressure cookers, paper & paper board
Others*	10.7	*Others include Faridkot, Ferozpur, Kapurthala, Moga, Muktsar, Nawanshehar
Total	100	

Source: Director of Industries, Punjab

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Skilled as well as unskilled labour is available in the state

- Over 85 per cent of the workforce are main workers
- Ample workforce availability (both skilled and unskilled) makes Punjab an attractive investment destination
- Unemployment falling since 2000; however roughly 315,000 educated youth still unemployed
- Strong industrial safety record with 0.05 fatal injuries per thousand workers in Punjab against 0.18 on all-India level, 0.19 non-fatal injuries per thousand workers in Punjab against 8.48 for all-India
- Cordial labour relations compared to other leading states - Punjab has had the lowest number of strikes and

lockouts and has lost the lowest number of man days due to industrial disputes as compared to other industrialised states

States	Disputes	Workers involved	Man Days Lost
Punjab	10	2,561	36,482
Maharashtra	14	49,091	434,947
Haryana	15	7,944	378,234
Karnataka	19	84,169	239,021
Gujarat	22	49,537	168,405

Social infrastructure in the form of educational institutes and medical institutions is strong (1/2)

Educational infrastructure

- Roughly 360,000 students join primary schools every year, primary school within 1 km radius of every village
- State has 6 universities, 232 graduate colleges, 4,043 senior secondary schools
- Leading technical, medical, management, law institutions present in the state
- Private participation in technical & vocational education is being encouraged

Social infrastructure in the form of educational institutes and medical institutions is strong (2/2)

Medical infrastructure

- Punjab has ~205 hospitals, 440 primary health centres and 1,480 dispensaries
- 90 per cent of non-hospital healthcare and 67 per cent of hospital care cases under private healthcare
- The state exhibits better health ratios as compared to the national average

Health Indicators		
	Punjab	All-India
Population served per doctor	1,486	1607
Medical institutions	12,176	26,536
Birth rate (per thousand persons)	17.8	24.8
Death rate (per thousand persons)	6.8	8.1
Infant mortality rate (per thousand live births)	44	63
Life expectancy at birth (years)		
- Male	69.8	64.1
- Female	72.0	65.4

Source: Statistical Abstract of Punjab, Statistical Abstract of India

Punjab has amongst the best infrastructure for collection of savings and disbursal of credit

- Per capita credit in the state is the fourth highest in the country
- Per capita bank deposit of US\$ 683 is much above the all-India average of US\$ 463; it is the second highest in the country, next only to Maharashtra
- Average population served by a bank office in the state is 9,425 persons, amongst the healthiest ratio in the country even in comparison with other developed states like Maharashtra, Tamil Nadu and Karnataka and the all-India average of 16,152 persons

Financial Institutions in Punjab	
Co-operative societies	21,230
Primary agricultural credit societies	3,985
Post office saving banks	3,960
Indian commercial banks	2,757
Co-operative banks	838
Primary agriculture development banks	87
Foreign banks	5

Source: Reserve Bank of India

Transport infrastructure is adequate and is also being ramped up

Roads

- Punjab among the first states with 100 per cent connectivity of rural areas with metalled roads
- Road density is 121 km/100 sq km, national average 76.8 km/100 sq km
- Existing network being upgraded, with express highways and freeways being taken up, e.g., a corridor of Chandigarh-Ludhiana highway
- Upgradation of Chandigarh-Ludhiana, Zirakpur-Patiala, Ropar-Nawanshahar and Jagraon-Nakodar highways being undertaken

Civil Aviation

- International airport at Amritsar
- Domestic airport at Chandigarh

- Air cargo complex at Amritsar, inland container depot at Ludhiana and container freight stations at Jalandhar, Ludhiana, Amritsar, Bathinda and Rajpura provide conducive environment for trade and cargo export within and outside India

Railways

- Punjab is well connected to network of Indian Railways; railway route length in the state is roughly 2,098 kilometres
- Main railway routes Amritsar-Ambala-Delhi, Sriganganagar-Ambala-Delhi, Ferozepur-Ludhiana-Ambala, Pathankot-Rupnagar-Fatehgarh Sahib and Sriganganagar-Bathinda-Narwana

The situation in the power sector and telecommunication is encouraging (1/2)

Power

- State focussing on maximising utilisation of existing capacities, reducing transmission and distribution losses, development of captive power plants and adopting non-conventional sources for power generation
- Has approved 20.78 per cent of its budget outlay to be spent on the energy sector in 2007-08
- Demand for power has been driven by the agriculture and industrial sectors
- Total installed capacity in Punjab in 1990-91 was 3,049 MW, which increased to 4,626 MW in 2006-07
- Per capita consumption of electricity in Punjab is 940 kWh, nearly 2.5 times the all-India number of 390.3 kWh
- All inhabited villages have been electrified
- Two thermal power plants recently been announced at Talwandi Sabo in district Mansa and Nabha in district Patiala, each with a capacity of 1,200 MW

The situation in the power sector and telecommunication is encouraging (2/2)

Telecommunications

- The Punjab circle had 12.44 million wireless subscribers and 1.66 million wireline subscribers as on September 30, 2008
- The state has about 3,960 post offices, 380 telegraph offices and 1,528 telephone exchanges in Punjab
- Software Technology Park of India (STPI), Mohali, has two dedicated satellite earth stations. TDMA radio links or optical fibre links can be easily established

Industrial infrastructure is being built up

- State facilitating availability of land through its notified Land Allotment Policy, 2002
- Further, also focusing on sector-specific infrastructure for food, apparel, biotech and IT and electronics

Infrastructure	Details
Electronics Township (ELTOP), Mohali	Promoted jointly by Punjab InfoTech Corp and the Department of Information Technology, this facility also has a software technology park
Industry clusters for specific industries	Clusters identified: bicycles and bicycle parts (Ludhiana), steel re-rolling (Mandi Gobindgarh), textiles (Ludhiana), sports and leather goods (Jalandhar)
Food Park Project, Sirhind, Fatehgarh Sahib district	Joint initiative of an NRI group and Punjab Agro Industries Corporation, it is spread over 25 acres and is one of India's largest and most sophisticated integrated vegetable and fruit processing complexes with support facilities for an annual capacity of over 5,000 MT
Apparel Park, Doraha, Ludhiana	Integrated textile park with 115 plots jointly developed by Punjab Small Industry and Export Corporation Limited and the Association of Textile Industry
Biotech Park, Dera Bassi, Chandigarh	Public-private partnership of Beckons Industries and Punjab State Council for Science and Technology, the first cluster would comprise of 10 to 15 industrial units in agri-biotech and healthcare sectors. A biotech incubator is also proposed
SEZ (two cleared, 13 others in the pipeline)	Punjab offers all SEZ units and developers exemption from payment of taxes, duties. SEZ status has been granted to Quark City in Mohali to promote the IT and electronics industries and to Ranbaxy's SEZ at SAS Nagar, Mohali

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Key nodal agencies in Punjab

Punjab Small Industry and Export Corporation Limited (PSIEC)	<ul style="list-style-type: none"> • Focuses on the development of SSI and promotion of exports • Responsible for setting up industrial focal points (38 so far)
Punjab Finance Corporation (PFC)	<ul style="list-style-type: none"> • Provides medium- and long-term loans for new industrial units, expansion of existing units and revival of sick concerns in the state (loans up to limit set up by the State Financial Corporation Act, 1951)
Punjab Agro Industries Corporation (PAIC)	<ul style="list-style-type: none"> • Acts as the promoter for agro-based industries in Punjab and provides inputs such as fertilisers, machinery, seeds, pesticides to farmers • Assists investors in obtaining all the necessary approvals for new projects and facilitates contract farming
Punjab State Industrial Development Corporation Limited (PSIDC)	<ul style="list-style-type: none"> • Promotes large- and medium-scale projects in the state • Provides escort services especially for industrial ventures and has been instrumental in facilitating projects of Godrej-GE (white goods), Century Textiles (pulp and paper), Gujarat Ambuja (cement), ICI (paints) and HPCL-Saudi Aramco (mega project for gas) • Also acts an infrastructure developer and financial facilitator

Key nodal agencies for single window clearance

Udyog Sahayak—State-level nodal agency for single window clearance

Purpose:

- Handles a composite application form from entrepreneurs and assists in getting clearance from various departments within the stipulated time period
- It also provides escort services, guidance and information to investors about policies and programmes of the state and is monitored by the Empowered Committee

Composition:

Officers from the Punjab State Electricity Board, Pollution Control Board, Punjab Infotech, Punjab State Industrial Development Corporation, Punjab Finance Corporation, Punjab Small Industries and Export Corporation, Labour Department, Punjab Agro Industries Corporation, Directorate of Industries

Key nodal agencies for single window clearance

District Industry Centre—Acts as district-level committee for single window clearance

Purpose:

- Provides sanctions/clearances for setting up small-scale industrial units in the state

Composition:

Convened by the General Manager, District Industries Centre and includes Environmental Engineer of Punjab Pollution Control Board, Superintending Engineer/Executive Engineer of PSEB, District Officer of Housing and Urban Development Authority, and the Assistant Director of Factories

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies (1/6)

Industrial Policy 2003

Aims at infrastructure development, lesser number of regulations and speedy clearance of new projects

Key initiatives under this policy include the following:

- State-level monitoring committees
- Easy and quick clearance for projects through one-time settlement schemes and Udyog Sahayak
- Constitution of the Empowered Committee to grant special privileges for projects of significance
- Value-added tax (VAT) and single point local development tax (LADT)
- Enhancement of the competitiveness of industrial units through capital subsidy and freight subsidy
- Infrastructure development through private sector participation
- Incentives to agro-based industries

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies (2/6)

Notification Textile Policy 2006

Aims at facilitating and promoting growth of textile industry, achieve global standards in product quality, contribute more to exports and to encourage textile clusters

Thrust areas include:

- Maximum utilisation of Central Government's Technology Upgradation Fund Scheme (TUFS)
- Creation of infrastructure through clusters, educational and training institutions
- Reduction of electricity duty for projects
- Assistance in land acquisition

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies (3/6)

IT Policy 2001

An action plan to harness the potential benefits offered by IT

- Key initiatives under this policy include:
- Improving rural and urban connectivity by setting up a “Punjab Wide Area Network”
- Promotion of IT education among students, both at the school and college level
- Implementation of e-governance projects
- Regular monitoring of the implementation of the provisions of IT Policy by an IT vision group
- Monitoring of IT projects in government departments by Empowered Committee on Computerisation (ECC), which also acts as a single window clearance agency for expeditious implementation of IT projects
- Fiscal sops
- Setting up of a venture capital fund dedicated to the IT Industry

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies (4/6)

Biotech Policy 2006

To facilitate the growth of biotech industries and development of clean biotech technologies

Key initiatives include:

- Creation of public awareness about bio-technology
- Provision for setting up a new biotechnology institute, which will act as a biotechnology development centre to meet R&D, pilot scale testing and validation requirements of the biotechnology industry
- Creation of the Punjab Biotech Promotion Board (PBPB) to attract investment in the biotech sector
- Promotion of public-private partnerships (PPP) in agriculture extension, crop diversification and organic farming in the state

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies (5/6)

Tourism Policy 2003

Focuses on promoting tourism and on developing hospitality infrastructure in collaboration with private sector participation (tourism declared an industry in Punjab in 1996)

Key initiatives under this policy include:

- Single window clearance facility for approving tourism-related projects in the state
- Land allotment to entrepreneurs on easy terms for developing hotels on selective basis
- Setting up of the Punjab Tourism and Heritage Promotion Board under the chairmanship of the chief minister
- Constitution of a co-ordination and advisory committee on tourism
- Incentives to tourism related projects
- Provision of soft loans for new tourism projects and expansion of existing ones by the PFC and PSIDC

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies (6/6)

New & Renewable Source of Energy Policy 2006 (NRSE)

Focuses on new technologies based on renewable sources of energy and energy conservation

Key thrust areas:

- Power generation through small/micro hydro projects, co-generation of power in industries like sugar, paper, chemicals and fertilisers, and power generation from bio mass, agricultural waste and solar energy
- Clearances for all projects related to NRSE through single window mechanism
- Exemption of octroi, purchase of electricity by state as well as provision of land for projects
- Maintenance of a Renewable Energy Corpus Fund by the Punjab Energy Development Agency to assist and undertake activities towards commercialisation of NRSE projects and programmes

Three-tier single window clearance mechanism exists to facilitate speedy implementation of industrial projects

Single window clearance mechanism established under the Punjab Industrial Facilitation Act 2005, with a three-tier structure to grant exemption/relaxation from any of the provisions/rules of the Act

- **District Single Window Clearance Committee** for each district in the state and chaired by the Deputy Commissioner, with senior-most officers from district departments as members
- **Empowered Committee** chaired by Chief Secretary to Government of Punjab and with Principal Secretaries of state departments as members
- **State Board** with the Chief Minister of Punjab as its chairman and ministers of state departments as its members

SWM structure in Punjab



Body	Under Chairmanship of
State Board	Chief Minister of Punjab
Empowered Committee	Chief Secretary
District Single Window Clearance Committee	Deputy Commissioner

Nodal Agencies

- **State Level – Udyog Sahayak**
- **District Level – District Industry Centre**

Concerned agencies and time estimates for starting business in Punjab

Service/Facility	Relevant Agency	Timelines
Industrial license Sponsorship for raw materials and inputs Land allotment	Department of Industries	2 weeks 4 weeks 4 weeks
Incentives	Udyog Sahayak	Sales tax exemption: 1 week Investment incentive: 4 weeks Other incentives: 2 weeks
Sanction of loans	PFC/PSIDC	8 weeks
Release of power connection	PSEB	Load up to 20KW: 8 weeks Load from 20-100KW: 12 weeks Load 101-500KW: 12 weeks Load above 500KW: 90 days
Site approval/environmental clearance Adequacy Certificate No Objection Certificate	Department of Environment Pollution Control Board	60 days 30 days Green Category: 15 days Red Category: 30 days

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Cost of doing business in Punjab

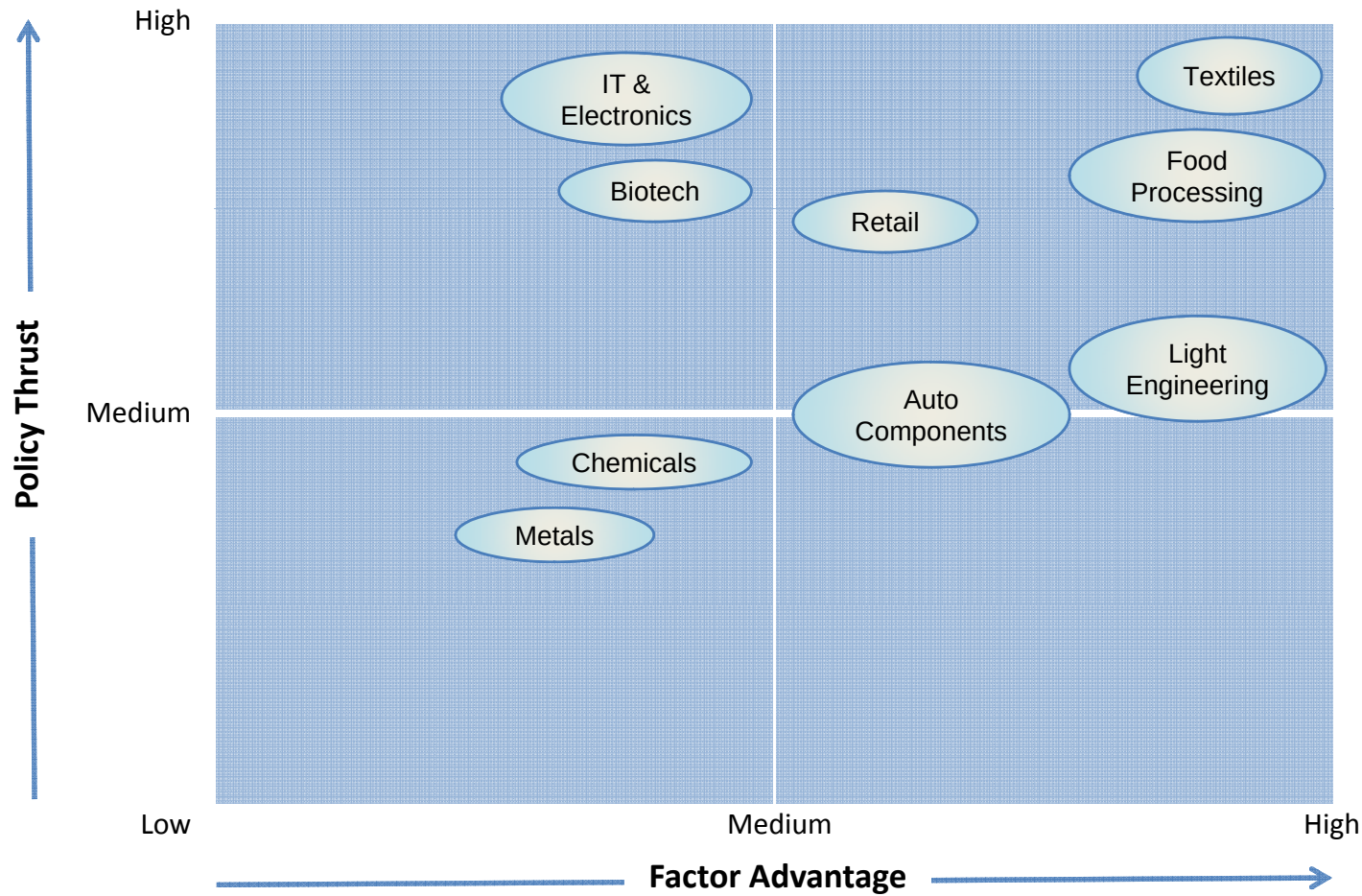
Cost Parameter	Cost Estimate	Source
Cost of land	Government land: US\$ 28 per sq. m. (upcoming industrial areas) to US\$ 77 per sq. m. (key industrial areas of Ludhiana, Mohali, Amritsar, Jalandhar) Agricultural land: US\$ 6 per sq. m. to US\$ 30 per sq. m. (available for use for industrial purposes)	Chief Coordinator Udyog Sahayak, Punjab
Hotel costs	US\$ 105 to US\$ 120 per room night	Leading hotels in the state
Cost of office space	35-50 cents per sq. ft. per month	Discussions with property dealers
Cost of residential space	US\$ 150 to US\$ 475 per month for a 2,000 sq. ft. house (Rates depend on the type of structure and location)	Discussions with property dealers
Power cost	Commercial and industrial use: 8.85 cents per kWh	Punjab State Electricity Regulatory Commission
Cost of water	Commercial and industrial: 18 cents per 1,000 litres	Punjab Water Supply and Sewerage Board

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Key industries developing in the state are a result of the policy thrust of the government and several factor advantages

Industry Attractiveness Matrix



Overview of agro-based industry in Punjab

Overview:

- Industrial output of agro-based industries in the state is roughly US\$ 2.44 billion, contributing nearly 20 per cent to the manufacturing output and about 14 per cent to employment
- Contract farming scheme promoted, notable contract farming agreements include those with the Tata Group for basmati rice, the UB Group for malting barley and Advanta India for hyola (high-breed rapeseeds mustard). Other crops being promoted include maize, hybrid basmati and sunflower
- Organic farming also a thrust area with initiatives from the Punjab Agriculture Export Corporation (PAGREXCO)
- Various incentives offered for promoting organic farming in the state, including free-of-cost consultancy and a 100 per cent subsidy on certification of produce by internationally accredited agencies

Key Players

- Nestle
- Pepsi Foods
- MILKFED
- Godrej Agrovat
- Cremica Foods

Key players in the food processing segment (1/2)

<p>Nestle India</p> 	<ul style="list-style-type: none"> • Subsidiary of Nestle SA, Switzerland, the company started milk collection in Moga in 1961 and has expanded operations to a network of more than 85,000 farmers today • Currently, Nestle is making available milking machines to farmers who keep more than 20 cows and supply over 200 litres of milk per day through a special scheme
<p>Pepsi Foods</p> 	<ul style="list-style-type: none"> • Has been involved with the development and promotion of contract farming in Punjab to produce chillies, potato, basmati rice and groundnuts • Pepsi has deployed the agri-research team of Tropicana, its 100 per cent fruit juice brand, to source oranges from the state for making Tropicana orange juice
<p>MILKFED</p> 	<ul style="list-style-type: none"> • Formed in 1973 with the objectives of providing remunerative prices to milk producers in the state, marketing their produce and providing technical inputs for enhancement of milk production • Turnover of US\$ 14.5 million, including exports of roughly US\$ 250 million, a strong network of about 6,000 milk producers cooperative societies at the village level, 10 milk plants each with a capacity of 1,525 TLPD, two cattle feed factories • Famous Verka brand of dairy products includes milk, butter, buttermilk, cheese, curd, milk powder, ice creams and ghee

Key players in the food processing segment (2/2)

Godrej Agrovet Limited



- Signed MoU with the Punjab government to set up a manufacturing plant for its Real Good brand of fresh, chilled chicken
- Investment of around US\$ 22 million planned for this processing unit as well as for the further expansion of its rural retail initiative Aadhaar
- Aadhaar aims at setting up retail stores in rural areas wherein they would provide an array of services for rural households, from the basic food, grocery, apparel, footwear to furniture, kitchenware and home appliances to value-added services including banking, postal services and pharmacy

Cremica Foods



- Established in 1978 as a small backyard enterprise for ice cream-making, it is today a widely diversified food products and services company with annual sales of US\$ 25 million
- Has established itself as a leading supplier to global and Indian food giants like McDonalds, Cafe Coffee Day as well as other institutional customers like Jet Airways
- Its products include sauces, mayonnaise, toppings, syrups, biscuits, Indian snack foods, bread, buns, stabiliser blends, toffees, candies and gourmet ice creams

Overview of textiles industry in Punjab

Overview:

- Industrial sector in the state is strong on all aspects of the value chain, i.e., from raw material stage to finished products (garments/made-ups) stage
- Industrial output from the sector is more than US\$ 2.75 billion per annum, having a contribution of over 21 per cent to the manufacturing output of the state and 24 per cent contribution to industrial employment
- Punjab is the second-largest producer of cotton and blended yarn and the third-largest producer of mill-made fabrics in India
- The district of Ludhiana is often dubbed as the Manchester of India

Key Players

- Abhishek Industries
- Vardhaman
- Nahar Group
- Malwa Group

Key players in textiles industry

<p>Abhishek Industries</p> 	<ul style="list-style-type: none"> • Part of the Ludhiana-based Trident Group, which has business interests in textiles (terry towels and yarn), writing and printing paper, and chemicals • Leading supplier of terry towels to Walmart and JC Penny apart from retail chains in Europe; exports to 37 countries across the world
<p>Nahar Group</p> 	<ul style="list-style-type: none"> • The group's portfolio comprises spinning, knitting, fabrics and hosiery garments; operates under four firms—Oswal Woollen Mills, Nahar Spinning Mills, Nahar Exports and Nahar Industrial Enterprises • Has a turnover of US\$ 450 million, inclusive of exports of US\$ 115 million • Also plans to enter the retail sector in the state
<p>Vardhman Group</p> 	<ul style="list-style-type: none"> • One of the largest textile conglomerates in India with interests in specialised yarns, fabrics, sewing threads, acrylic fibre • Amongst the largest producers and exporters of yarns and grey woven fabrics; also largest producer of tyre cord yarns and the second-largest producer of sewing threads
<p>Malwa Group</p> 	<ul style="list-style-type: none"> • Among the top 10 textile mills in India, produces cotton yarn, acrylic yarn and polyester viscose yarn, with significant exports • Has two milling units at Barnala in Punjab

Overview of light engineering goods industry in Punjab

Overview:

- Light engineering goods industry in Punjab includes bicycle and bicycle parts, hand tools, sewing machines and machine tools
- Industry accounts for 21 per cent share in manufacturing output and more than 25 per cent share in industrial development
- Industry dominated by the bicycle industry—the state accounts for 15 per cent of bicycle production and 80 per cent of the bicycle parts production in India; largely located in Ludhiana
- Hand tools like wrenches, hand drills, pullers, vices, hammers, screw drivers, pliers, spanners, etc., are

manufactured mainly in Ludhiana and Jalandhar

- Sewing machines and their parts are mostly manufactured in Jalandhar
- Machine tools industry comprising lathes, shapers, milling machines, drilling machines and special purpose machines for different industries is mainly concentrated in Batala and Ludhiana

Key Players

- Hero Cycles
- Avon Cycles

Key players in light engineering goods industry

Hero Cycles



- Part of the Hero Group and amongst the world's largest producers of bicycles—manufactures over 5.6 million cycles per annum
- The Engineering Exports Promotion Council has awarded Hero Cycles with the best exporter award for the last 28 years in succession
- Company started exports in 1963 to Africa and the Middle East. Today, more than 50 per cent of its bicycle exports are to Europe and America
- The World Bank has recognised the company as a role model in vendor development based on a worldwide study
- Has tied up with National Bicycle Industries, a part of the Matsushita Group, Japan, to manufacture high-end bicycles

Avon Cycles



- Another leading bicycle manufacturer in the country
- Has invested significantly on backward integration and has facilities for making almost all the parts, including steel balls needed for bicycles
- Produces about 1.5 million bicycles per annum and exports to more than 80 countries
- Recognised by the Government of India as a 'Golden Trading House'.
- Currently engaged in the development of a range of electrically powered bikes and scooters

Overview of automotive and auto components industries in Punjab

Overview:

- Industry in Punjab is predominantly an auto component industry, with most of the units small scale in nature
- Auto components produced range from simple items like nuts and bolts to complex items like shafts, radiators and axles
- Manufacturing units cater to both original equipment manufacturers and replacement markets; some also export to offshore destinations
- The state is also strong in tractor production, producing about 7 per cent of the country's tractors

Key Players

- International Tractors Limited (Sonalika Group)
- Punjab Tractors Limited
- GNA Group (auto components company)

Key players in automotive and auto components industries (1/2)

International Tractors



- Amongst the top five tractor manufacturers in India; facility located in Hoshiarpur
- Manufactures about 37,000 tractors per annum in the broad range from 30HP to 90HP
- Sells tractors under the brand names Sonalika and CLASS
- Exports to various countries including South Africa, Australia, Zimbabwe, Sri Lanka, Canada, Bangladesh, Algeria, Zambia, Senegal and Ghana
- Strategic alliance with YANMAR, Japan, for manufacturing tractors in India and marketing arrangement with Tata International for exports to select South American and African markets

Punjab Tractors



- Promoted by PSIDC as the country's first large scale, indigenous project to commercialise tractors
- Sells tractors under the brand name Swaraj; also manufactures harvester combines, rice transplanters, forklifts, light commercial trucks, mini buses, ambulances, diesel engines, automotive seatings and components
- In 2003, as part of the state government's disinvestment process, majority stake in PTL was sold to UK-based CDC Group Plc

Key players in automotive and auto components industries (2/2)

GNA Group



- Plants in Jalandhar and Hoshiarpur, manufactures rear axle shafts and U.J. crosses, propeller shaft assemblies, hydraulic lift shafts, steering components, wheel spanners, brake S-cam shafts and forgings for use in all types of light, medium and heavy vehicles
- Supplier to various automobile majors besides strong presence in replacement market

Overview of chemicals industry and key players

Overview:

- Industry includes petrochemicals, chemicals, fertilisers and other related sectors
- Has a contribution of more than 5 per cent to the country's industrial sector

Key Players:

Hindustan Petroleum Corporation Limited



- Has announced the setting up of a refinery project in the state in a joint venture with Mittal Investments, Luxembourg
- The project called Guru Gobind Singh Refinery project will be completed by September 2010

National Fertilizer Limited



- Second-largest producer of nitrogenous fertilisers in the country
- Its Nangal unit has a production capacity of 778,000 tonnes, while the Bathinda unit has a capacity of 511,000 tonnes
- Actively promoting the use of bio-fertilisers in the state and produces neem coated urea at its plant in Bathinda

Overview of IT and electronics industries

Overview:

- Punjab's IT policy and the incentives offered to the IT industry are aimed at promoting Punjab as an attractive destination for the industry
- Mohali has been developed as an IT and ITeS hub in the state
- Software exports from the state worth US\$ 100.25 million in 2007-08
- In the past few years, the state has witnessed the setting up of SSI units, more than 1,200 in number, in the electronics hardware domain. These produce PCs, industrial electronic equipment, televisions, radios, electronic instruments, tools and components
- The Electronic Test & Development Centre at Mohali provides testing facilities to the electronics industries
- The state has launched a venture capital fund dedicated to the IT industry, with a corpus of nearly US\$ 4.75 million and funded jointly by PSIDC, Punjab Infotech, PFC and SIDBI

Key Players

- Quark
- Dell
- Infosys

Key players in IT industry

Quark 	<ul style="list-style-type: none">• A global IT giant in the area of desktop publishing, Quark has set up its India Development Centre (IDC) at Mohali, one of its largest R&D centre worldwide, at an investment of US\$ 17.8 million• The Quark Business Park currently under development at Mohali is an IT park that will cater to the requirements of the IT industry and other knowledge driven companies
Dell 	<ul style="list-style-type: none">• Dell launched its third customer contact centre in India on an 180,000 sq. ft. centre, located at Quark City in Mohali• Starting with 300 people, the centre at Quark City in Mohali provides employment to 1,500 persons, which is likely to rise to 3,000 shortly
Infosys Technologies 	<ul style="list-style-type: none">• Has nine development centres across the country, with the one at Mohali set up in 2001• The centre at Mohali is equipped with latest technologies and solutions for enterprise networking, office productivity, collaborative software engineering and distributed project management

Overview of retail and entertainment industries

Overview:

- Cities of Ludhiana, Jalandhar, Patiala, Mohali, Amritsar are the next retail destinations in the country
- Drivers of growth are sound infrastructure and high disposable incomes
- From only two malls occupying 270,000 sq. ft. of space, over 33 malls will emerge by end 2008-2009, with gross leasable space of 15.2 million sq. ft.
- The entertainment industry in Punjab took off after the state government waived the entertainment tax on multiplexes for a period of five years in 2004

Key Players

- PVR
- Waves
- Shringar Cinemas
- Adlabs
- Fun Republic
- DT Cinemas
- DLF Group
- Ansals Group
- Emaar MGF
- Spirit Global Constructions

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