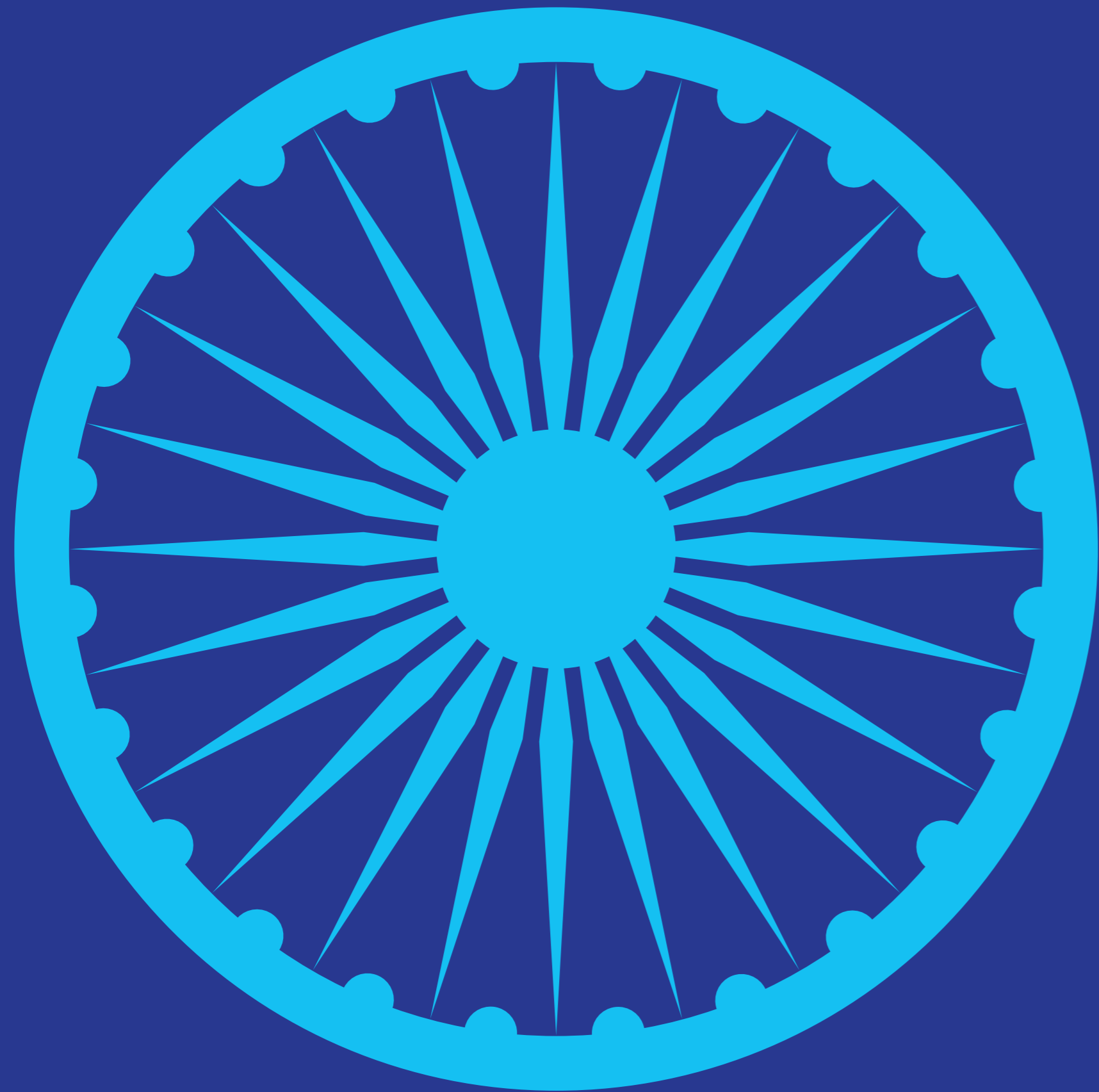


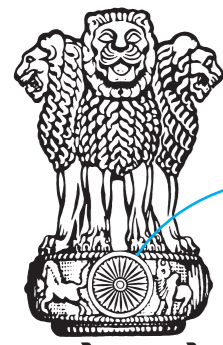


MAKEIN

INDIA **ELECTRICAL
MACHINERY**



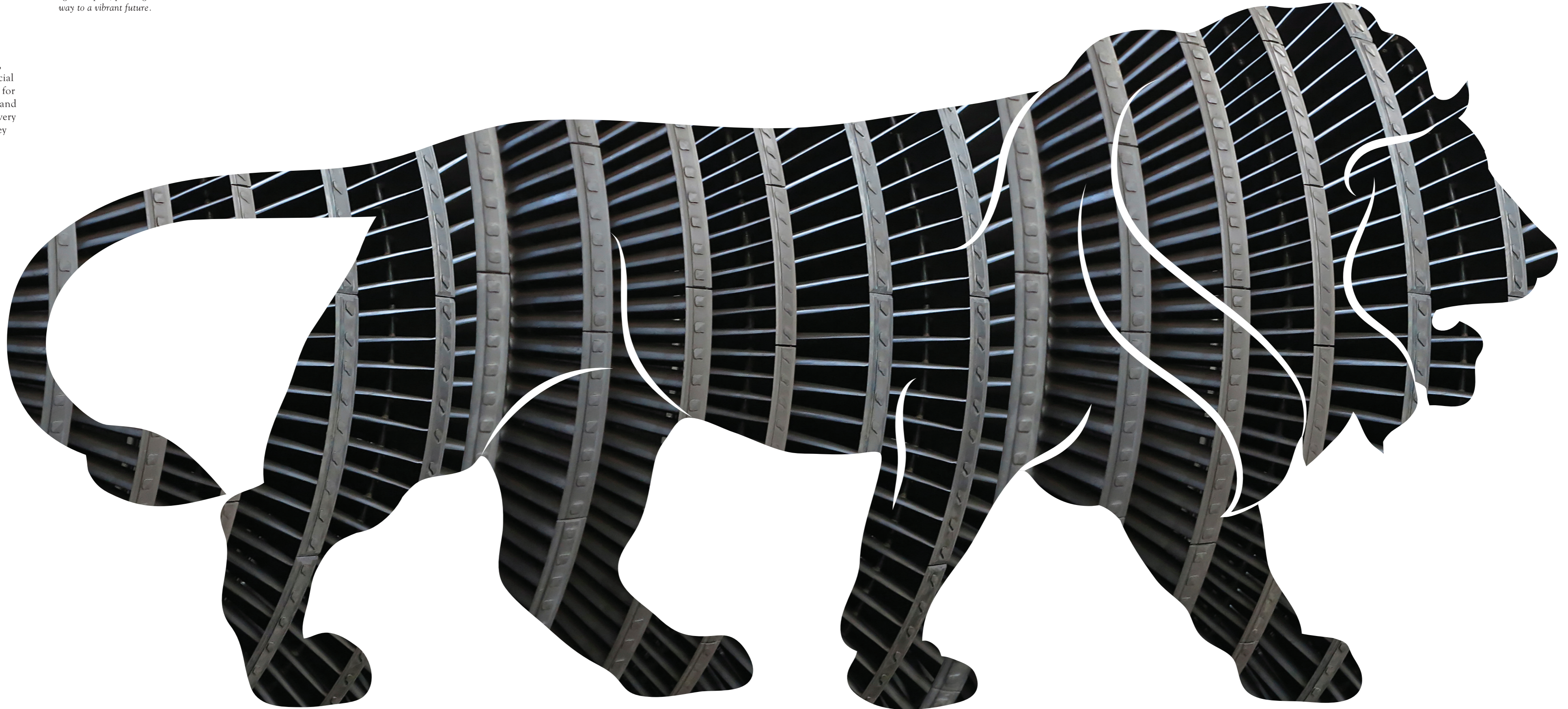
**FROM AGRICULTURE TO AUTOMOBILES
FROM HARDWARE TO SOFTWARE
FROM SATELLITES TO SUBMARINES
FROM TELEVISIONS TO MOVIES
FROM BRIDGES TO BIOTECHNOLOGY
FROM PAPER CLIPS TO POWER PLANTS
FROM ROADS TO CITIES
FROM FRIENDSHIP TO PARTNERSHIP
FROM PROFIT TO PROGRESS
WHATEVER YOU WANT TO MAKE:
MAKE IN INDIA**



The Ashoka Chakra is a central element in India's national emblem and also forms the centrepiece of India's national flag. The wheel denotes peaceful progress and dynamism – a sign from India's enlightened past, pointing the way to a vibrant future.

सत्यमेव जयते

Since time immemorial, the Lion has been the official emblem of India. It stands for strength, courage, tenacity and wisdom – values that are every bit as Indian today as they have ever been.



POWER THE PLANET.

INDIA IS LOOKING AT A 100 BILLION USD INDUSTRY BY 2022 AND A FEW SWITCHED-ON PARTNERS.

10.5% RATE OF MARKET EXPANSION BETWEEN 2007-12

USD 4.9 BILLION OF EXPORTS IN 2013-14

14.8% YEARLY INCREASE IN EXPORTS IN THE LAST 8 YEARS

USD 24 BILLION-SIZED INDUSTRY IN 2012-13

NEW INITIATIVES

THE MAKE IN INDIA PROGRAM INCLUDES MAJOR NEW INITIATIVES DESIGNED TO FACILITATE INVESTMENT, FOSTER INNOVATION, PROTECT INTELLECTUAL PROPERTY AND BUILD BEST-IN-CLASS MANUFACTURING INFRASTRUCTURE.

1 NEW PROCESSES

- SPECIAL FOCUS ON EASE OF DOING BUSINESS
- DE-LICENSING & DEREGULATION

2 NEW INFRASTRUCTURE

- INDUSTRIAL CORRIDORS
- INDUSTRIAL CLUSTERS
- SMART CITIES
- NURTURING INNOVATION
- SKILL DEVELOPMENT

3 NEW SECTORS

- OPENING OF CRITICAL SECTORS LIKE DEFENSE, CONSTRUCTION AND RAILWAYS FOR FDI

4 NEW MINDSET

- DEDICATED TEAMS THAT WILL GUIDE AND ASSIST FIRST-TIME INVESTORS FROM TIME OF ARRIVAL
- FOCUSED TARGETTING OF COMPANIES ACROSS SECTORS

FACTS + FIGURES

REASONS TO INVEST

- Market-oriented reforms, such as the target of 'Power for All' and plans to add 88.5 GW of capacity by 2017 and 93 GW by 2022.
- Incentives for capacity addition in power generation will increase the demand for electrical machinery.
- Indian manufacturers are becoming more competitive with respect to their product designs, manufacturing and testing facilities.
- A large pool of human resources and advancements in technologies.
- Increasing scope for direct exports to neighbouring countries.
- Investments in research and development in the electrical machinery industry are amongst the largest in India's corporate sector.

GROWTH DRIVERS

- Capacity creation in sectors such as infrastructure, power, mining, oil and gas, refinery, steel, automotive and consumer durables are driving demand in the engineering sector.
- Nuclear capacity expansion will provide significant business opportunities to the electrical machinery industry.
- Rapid increases in infrastructure investment and industrial production will fuel further growth.
- A comparative advantage in terms of manufacturing costs, market knowledge, technology and creativity.

INVESTMENT OPPORTUNITIES

GENERATION MACHINERY: BOILERS, TURBINES, GENERATORS

→ By 2022, the generation equipment industry in India is projected to grow to USD 25-30 Billion. The industry is sized at USD 6.7 Billion in 2012-13.

TRANSMISSION MACHINERY:

→ By 2022, the T&D equipment market in India is expected to grow to USD 70-75 Billion from USD 17.3 Billion in 2012-13.

STATISTICS

- Estimated output by 2022 is USD 100 Billion.
- The electrical equipment industry was worth USD 24 Billion in 2012-13.
- The market expanded at a CAGR of 10.5% over 2007-12.
- During the last 8 years, exports have increased at a CAGR of 14.8% to touch USD 4.9 Billion in 2013-14.

FDI POLICY

100% FDI is allowed under the automatic route in the electrical machinery sector, subject to all applicable regulations and laws.



FINANCIAL SUPPORT

KEY PROVISIONS OF THE 2014-2015 UNION BUDGET:

Any of the following two deductions can be availed:

→ Investment allowances (additional depreciation) at the rate of 15% to manufacturing companies that invest more than INR 1 Billion in plant and machinery acquired and installed between 01.04.2013 and 31.03.2015 provided the aggregate amount of investment in the new plant and machinery during the said period exceeds INR 1 Billion.

→ In order to provide a further fillip to companies engaged in the manufacture of an article or thing, the said benefit of additional deduction of 15% of the cost of new plant and machinery, exceeding INR 250 Million which is acquired and installed during any previous year ending on 31.3.2017.

TAX INCENTIVES:

R&D Incentives: industry/private sponsored research programmes

→ A weighted tax deduction is given under Section 35 (2AA) of the Income Tax Act. A weighted deduction of 200% is granted to assesses for any sum paid to a national laboratory, university or institute of technology, or specified persons with a specific direction, provided the said sum is used for scientific research within a program approved by the prescribed authority.

COMPANIES ENGAGED IN MANUFACTURE HAVING AN IN-HOUSE R&D CENTRE:

→ A weighted tax deduction of 200% under Section 35 (2AB) of the Income Tax Act for both capital and revenue expenditure incurred on scientific research and development. (Expenditure on land and buildings are not eligible for deduction).

STATE INCENTIVES:

→ Apart from the above, each state in India offers additional incentives for industrial projects. Incentives are in areas like subsidised land cost, relaxation in stamp duty, exemption on the sale/lease of land, power tariff incentives, a concessional rate of interest on loans, investment subsidies/tax incentives, backward areas subsidies, special incentive packages for mega projects, etc.

EXPORT INCENTIVES:

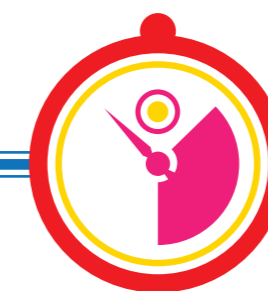
→ Export promotion capital goods scheme.

→ Duty remission scheme.

→ Focus product scheme, special focus product scheme, focus market scheme.

AREA-BASED INCENTIVES:

→ Incentives for units in SEZ/NIMZ as specified in respective Acts or the setting up of projects in special areas such as the North-east, Jammu & Kashmir, Himachal Pradesh & Uttarakhand.



SECTOR POLICY

DE-LICENSING:

→ The electrical machinery industry has been de-licensed.

→ This has facilitated the entry of global majors into the electrical machinery industry in India.

TARIFFS & CUSTOM DUTIES:

→ The customs duty on power generation equipment is 5% at present whereas transmission and distribution equipment attracts 7.5% customs duty.

INITIATIVES TO INCREASE POWER GENERATION:

→ With planned capacity addition of 88.5 GW projected at the end of 2017 through the Accelerated Power Development Reform Program, the government plans to provide reliable, affordable and quality power to all.

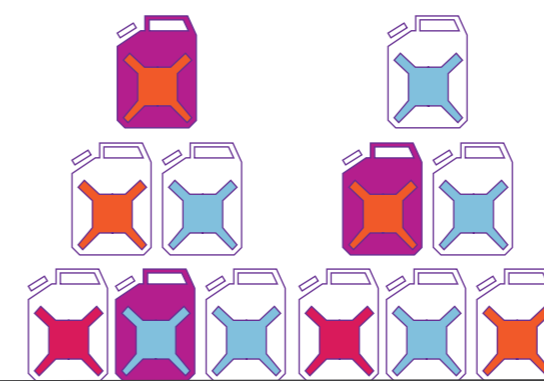
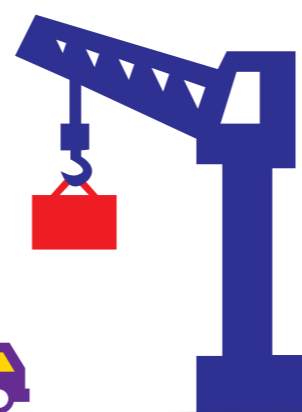
NATIONAL ELECTRICITY POLICY (NEP):

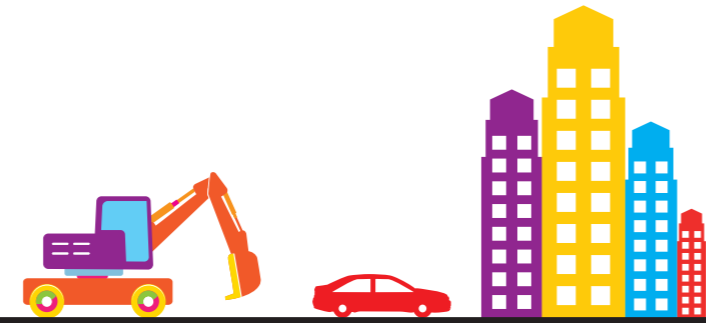
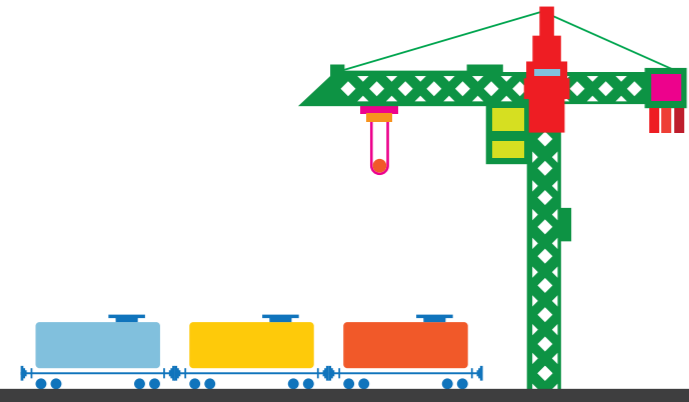
→ The government aims to achieve per capita electricity consumption of 1,000 kWh through its mission under NEP.

VISION 2022 FOR THE INDIAN ELECTRIC MACHINERY EQUIPMENT INDUSTRY:

→ To make India the country of choice for the production of electrical equipment and reach an output of USD 100 Billion by balancing exports and imports.

→ Areas of focus include technology and R&D, the lowering of customs duties on a range of equipment, the setting up of the Electrical Equipment Skill Development Council (EESDC), the establishment of electrical equipment industry clusters; the enhancement of product-testing infrastructure in the country; an increase of shares in the export market and financial support.





AGENCIES

- The Department of Heavy Industries, The Ministry of Heavy Industries & Public Enterprises (<http://dhi.nic.in/>)
- Industry associations, Indian Electrical and Electronics Manufacturers Association (<http://ieema.org>)
- Engineering Export Promotion Council (<http://eepcindia.org>)



FOREIGN INVESTORS

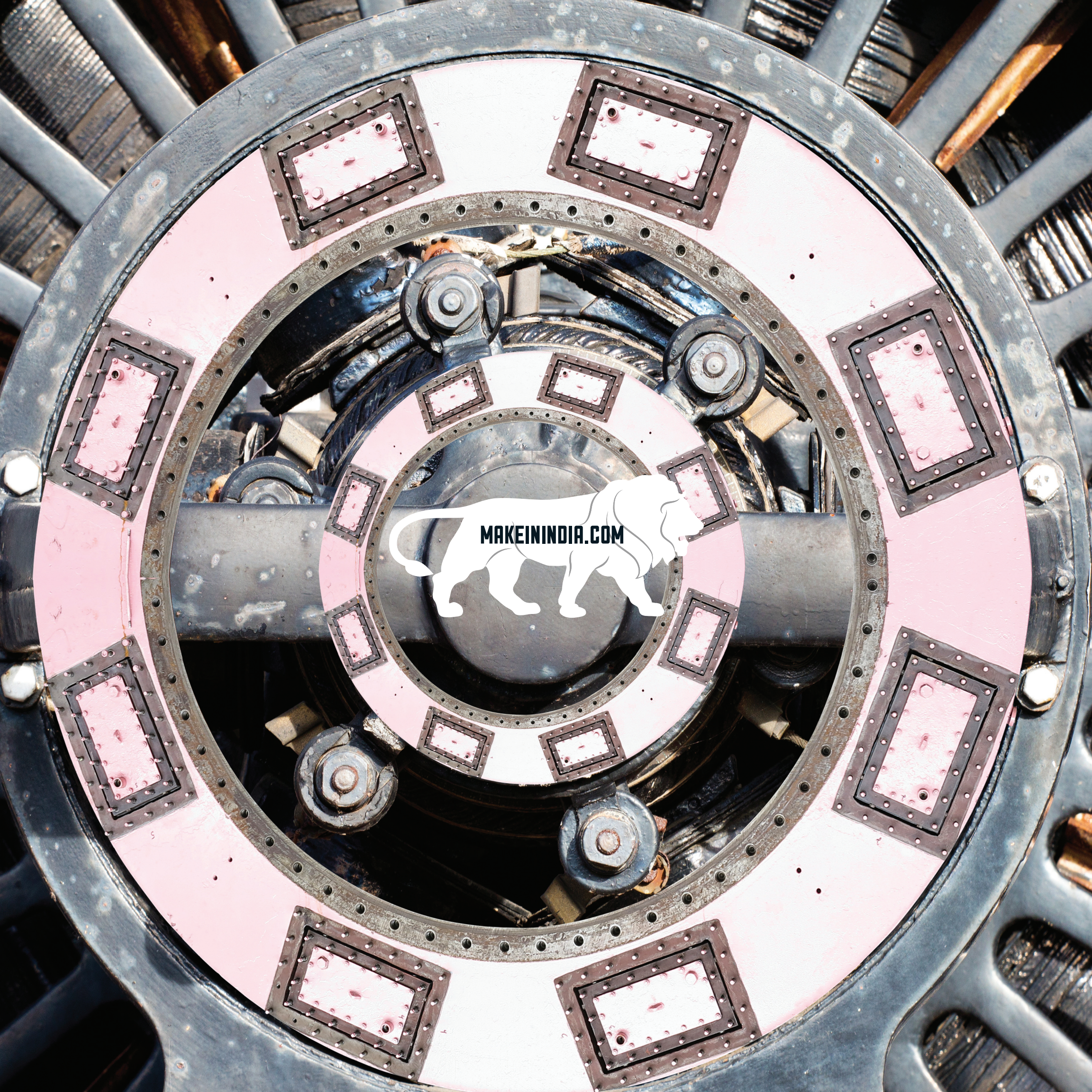
- MHI (Japan)
- Hitachi (Japan)
- Babcock (UK)
- Alstom (France)
- Toshiba (Japan)
- Ansaldo (Italy)
- Colfax Corporation (USA)
- Schneider Electric (France)
- Legrand (France)
- GE (USA)



सत्यमेव जयते

GOVERNMENT OF INDIA

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Ministry of Commerce & Industry
Investor Facilitation Cell
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