



HIMACHAL PRADESH

January 2008



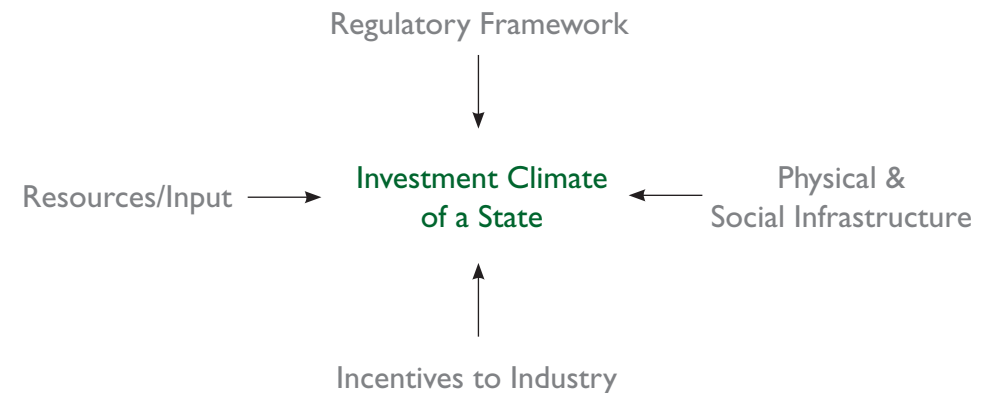
Investment climate of a state is determined by a mix of factors

Regulatory Framework

- Procedures for entry and exit of firms
- Industrial regulation, labour regulation, other government regulations
- Certainty about rules and regulations
- Security, law and order situation

Resources/Inputs

- Skilled and cost effective labour
- Labour market flexibility
- Labour relations
- Availability of natural resources



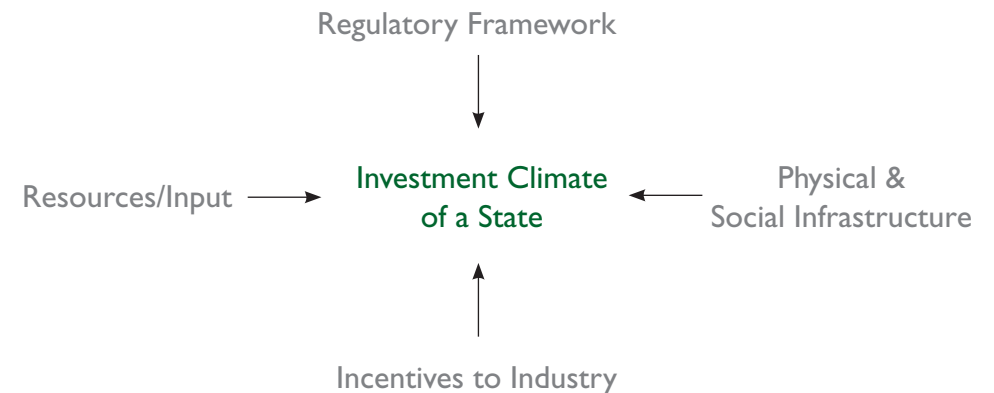
Investment climate of a state is determined by a mix of factors

Incentives to Industry

- Tax incentives and exemptions
- Investment subsidies and other incentives
- Availability of finance at cost effective terms
- Incentives for FDI
- Profitability and incentives to industry

Physical & Social Infrastructure

- Condition of physical infrastructure like power, Water, Roads etc
- Information infrastructure such as Telecom, IT, etc
- Social infrastructure like Educational and Medical facilities



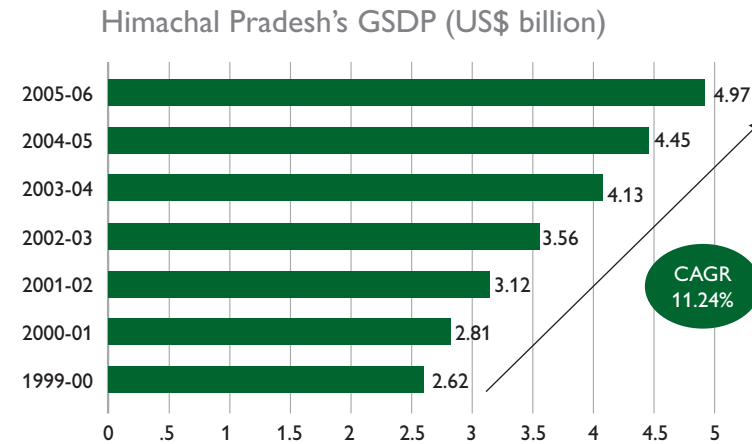
Focus of this presentation

- Himachal Pradesh'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
-

HIMACHAL PRADESH'S PERFORMANCE ON KEY SOCIO-ECONOMIC INDICATORS

Himachal Pradesh's Economic performance has been impressive, driven by all three sectors of the economy

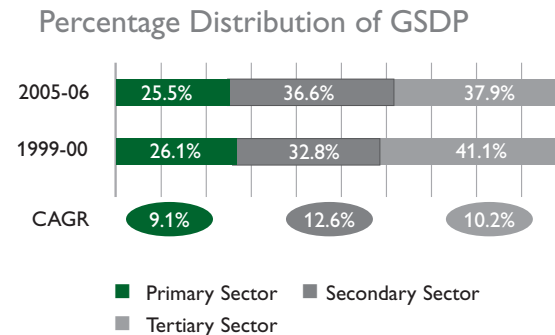
- The state's GDP grew an impressive 11.2% between 1999-00 and 2005-06 to reach US\$ 5 billion
- The Secondary sector, has been the fastest growing, driven by largely growth in Construction, followed by Manufacturing



Source: Economic Survey of Himachal Pradesh, 2006-07

Himachal Pradesh's Economic performance has been impressive, driven by all three sectors of the economy

- Growth in Tertiary sector has been driven by Transportation & Communication and Trade & hotels
- Agriculture continues to be a significant contributor to the economy, in terms of share and growth

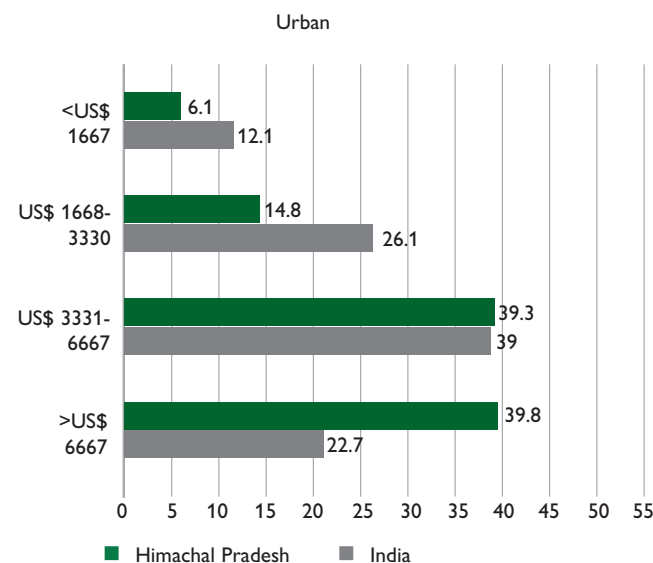


Source: Economic Survey of Himachal Pradesh

Households in the State have High disposable Incomes

- The per capita income of Himachal Pradesh is US\$ 751.2, while the All-India average is US\$ 573.1 in 2005-06
- Distribution of households by income shows that share of households in higher income categories in Himachal Pradesh greater than for All-India, a trend common for rural as well as urban households

Distribution of Households by Income (%)

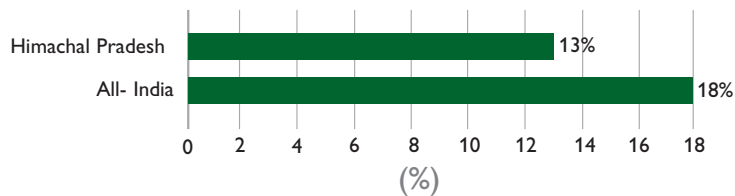


Source: *The Market Skyline of India 2006* by Indicus Analytics

Households in the State have High disposable Incomes

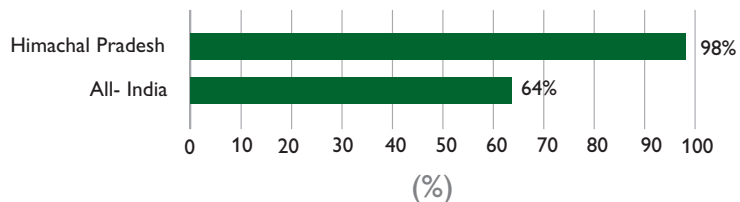
- In ownership of assets like two/four wheelers and consumer electronics, Himachal Pradesh is almost at par with the All-India average

Percentage of Households with Two-wheelers



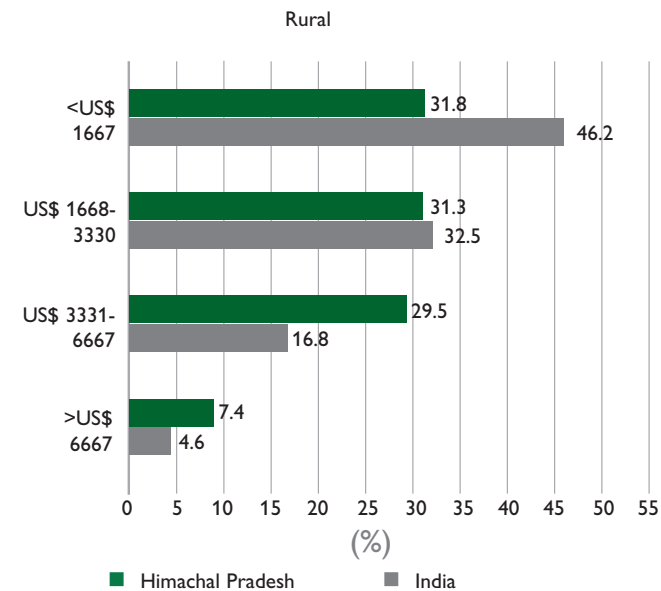
Source: The Market Skyline of India 2006 by Indicus Analytics

Percentage of Households with Electricity



Source: The Market Skyline of India 2006 by Indicus Analytics

Distribution of Households by Income (%)



Source: The Market Skyline of India 2006 by Indicus Analytics

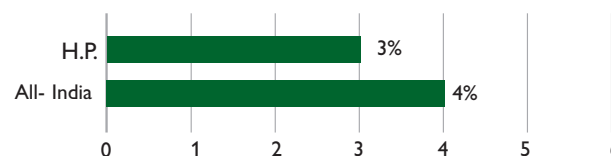
Industrial performance has been driven by large scale as well as small scale units

- State has approved investments worth US\$ 6 billion (as on 31st March 2007) since the announcement of the Special Package of Incentives by the Central Government
- Medium and large scale industries form 80% of Investments and 45% of the Employment in the state.

Parameter	Large & Medium Industries	Small scale units
Working units (No.)	356	33,226
Fixed investment (US\$ million)	US\$ 912	US\$ 335
Employment ('000 number)	43.2	157.3

Source: Department of Industries, Government of Himachal Pradesh

Percentage of Households with Four-wheelers



Source: The Market Skyline of India 2006 by Indicus Analytics

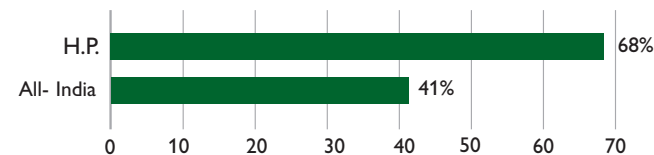
Industrial performance has been driven by large scale as well as small scale units

- The rich natural resources of the state are ideally suited for investments in a few major sectors like procurement of agriculture produce, Hydroelectric Power, cement and Tourism
- Districts of Solan, Sirmour, Kangra and Una lead in terms of investments attracted

Key Industries in Himachal Pradesh
Textiles
Pharmaceuticals
Automotive components
Food products
Light engineering goods – precision tools, machine tools, electronic items
Paper and paper products

Source: Department of Industries, Government of Himachal Pradesh

Percentage of Households with Television

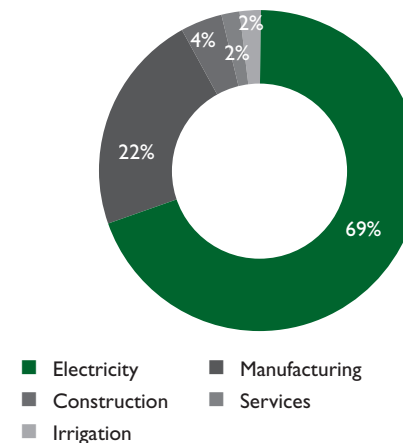


Source: The Market Skyline of India 2006 by Indicus Analytics

Himachal Pradesh has witnessed a strong inflow of investments in the Manufacturing sector

- Himachal has outstanding investments of US\$ 12.69 billion as of March 2007 out of which approximately 56% is under implementation
- Manufacturing sector has witnessed investments coming to sectors like Textiles, Pharmaceuticals, Precision engineering and Automobile and Automotive components
- In the area of construction, housing projects and commercial complexes have seen a tremendous rise

Breakup of Investments by sector



Source: Monthly Review of states of India, CMIE
March Report 2007

AVAILABILITY OF SOCIAL PHYSICAL INFRASTRUCTURE IN THE STATE

Skilled as well as Unskilled labour is available in the state

- 32.31% of the workforce is classified as main workers, 16.92 % marginal workers and 50.77% as non-workers
 - Ample workforce availability (both skilled and unskilled) makes Himachal Pradesh an attractive investment destination
 - Agriculture still remains the biggest employer with 65% of the workforce
 - Unemployment rate is higher with 8.2 lakh registered on the employment exchange
-

Skilled as well as Unskilled labour is available in the state

- Cordial labour relations compared to other leading states - Himachal Pradesh has had much fewer strikes and lockouts and lost man days due to industrial disputes as compared to other industrialised states
- With introduction of new ITIs, annual seats in the state stand at over 7,000 for vocational training
- The state also has 8 Engineering colleges and 10 Polytechnic colleges with intake of 1,500 and 1,400 seats respectively

Source : Directorate of Technical Education

Social infrastructure in the form of Educational Institutes and Medical Institutions is strong

Education Infrastructure

- Roughly 6,86,706 students join Primary schools every year
 - Leading Technical, Medical, Management, Law institutions present in the state
 - Private participation in technical and vocational education is being encouraged
-

Social infrastructure in the form of Educational Institutes and Medical Institutions is strong

Medical infrastructure

- Himachal Pradesh has 90 Civil hospitals, 439 Primary Health Centres, 66 Community Health, 439 Primary Health Centres, 22 Civil/ESI dispensaries and 2,069 Sub-centres
- State government has mapped the Health Mission 2008 for itself to provide effective and efficient health services to the people of Himachal Pradesh. Himachal Pradesh has better health indicators than the All-India average

Health Indicators

	Himachal Pradesh	All-India
Population served per		
Hospital Bed	607.8	1124.3
Medical Institution	23,287	26,536
Birth Rate*	20.7	24.8
Death Rate*	7.5	8.1
Infant Mortality Rate**	52	63
*Per thousand persons		
**Per thousand live births		
Life expectancy at birth (years)		
Male	65.7	64.1
Female	65.0	66.0

Source: Statistical Abstract of India

Himachal Pradesh has a well developed Infrastructure for collection of savings and disbursal of credit

- 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 the All-India average of 16,152 persons
- Credit disbursement of District Central Co-op banks registered a CAGR of 19.7% between 2003-04 and 2005-06 while State Co-op banks registered 18.22% CAGR during this period
- The coverage of financial infrastructure in rural areas is fairly vast

Health indicators

Branches of Financial institutions in Himachal Pradesh	
Commercial Bank Branches	692
Regional Rural Bank Branches	138
State Cooperative Bank Branches	159
Central Cooperative Bank Branches	180
Cooperative Societies	4382

Source: Economic Survey 2007

Transport Infrastructure is adequate and is also being upgraded

Roads

- Roads are the prime medium of transport in the state due to hilly terrain
 - Total available motorable road length is 29,329 Kms
 - 8 major outstanding road projects out of which 2 are under implementation.
 - Road sector has been assigned high priority and US\$ 45.1 million has been provisioned for the year 2006-07
-

Transport Infrastructure is adequate and is also being upgraded

Civil Aviation

- 3 Airports at Kullu (Bhuntar), Kangra (Gaggal) and Shimla (Jubbar Hatti)
 - 35 Helipads available for operation
 - New Helipads proposed at Banjararoo, Satrundi and Chamba.
-

Transport Infrastructure is adequate and is also being upgraded

Railways

- 2 Narrow gauge lines connect Kalka with Shimla and Jogindernagar with Pathankot
 - 1 Broad gauge line connecting Nangal Dam to Charuru
-

The situation in the Power sector and Telecommunications is encouraging

Power

- Himachal Pradesh is endowed with rich natural resources for generation of Hydel power - about 20,386 MW of hydel power can be generated in the state; of which hydel potential of 6,353.12 MW has been harnessed
 - State witnessed a zero level power deficit for the year ending March 2007
 - 17,155 out of 17,495 villages have been electrified by the end of November 2006
 - Currently, power projects with investments of around US\$ 8.2 billion are proposed/being implemented
-

The situation in the Power sector and Telecommunications is encouraging

Telecommunications

- Outstanding subscriber base increased by 94% to a total base of 12.46 lakh subscriber as of March 2007
 - State has a high tele-density with presence of a telephone in every 6th household compared to all-India figures of one phone in every 11th household
 - Tele-density is 8.4 phones per 100 persons compared to All-India average of 5
 - Himachal Pradesh has the highest density of Optical Fibre Cable(OFC) penetration per unit area with a 6000 km network
-

Industrial Infrastructure is being built up

Telecommunications

- Industrial areas have been set up at Baddi, Barotiwala, Parwanoo, Kala Amb, Paonta Sahib, Mehatpur, Tahliwal, Amb, Sansarpur Terrace and Golthai
 - Over 90% of investments in medium and large sector projects in the above areas
 - Total 41 Industrial areas and 15 Industrial estates have been developed
 - Further, also focusing on sector-specific infrastructure for Biotechnology, IT and Tourism
-

Industrial Infrastructure is being built up

Infrastructure	Details
Industrial areas	Have been set up at Baddi, Barotiwala, Parwanoo, Kala Amb, Paonta Sahib, Mehatpur, Tahliwal, Amb, Sansarpur Terrace and Golthai
Baddi Barotiwala Nalagarh Industrial Area	<ul style="list-style-type: none"> • Emerged as a favorite hub for industries, especially Textile, Pharmaceutical and Packaging • The area has been promoted by Ministry of Commerce and Industry, Government of India
Bio Technology Park	The government has proposed setting up a Bio Technology park at Solan.
Special Economic Zones	<ul style="list-style-type: none"> • Approved SEZs in Kangra, Una and Solan districts with an estimated cost of US\$ 1.8 billion • Kangra and Solan to have multi-product SEZs whereas Una will have an airport based SEZ
Inland Container Depot	Development of an ICD at Baddi for the benefit of exporting industries through Container Corporation of India

Source : Dept of Industries, Govt. of Himachal Pradesh

POLICY FRAMEWORK AND INVESTMENT APPROVAL MECHANISM

Key Nodal Agencies in Himachal Pradesh

Single Window Clearance Agency

- Agency for speedy clearance and in-principle approval to large and medium scale projects
 - Envisaged time frame for approval is 30 days
 - Since inception in January 2004, 28 meetings have been held and investments of US\$ 4.05 billion approved
-

Key Nodal Agencies in Himachal Pradesh

Directorate of Industries

- Registration of SSIs and recommendation of medium and large-scale industries to the appropriate authority
 - Technical consultancy/general consultancy
 - Recommendation of cases for financial assistance to financial Institutions/banks, for margin money and loans
 - Industrial infrastructure development
 - Collection and maintenance of data relating to industrial units
-

Key Nodal Agencies in Himachal Pradesh

Directorate of Industries

- Allotment of industrial plots/sheds/shops in the district
 - Liaison and feedback with the central and state governments
 - Administration of all incentives to industries given by both Central and State governments
-

Key Nodal Agencies in Himachal Pradesh

Himachal Pradesh State Small Industries and Export Corporation

Primary Objectives are:

- To supply raw materials through Raw Material Depots
 - To supply machinery on Hire-purchase
 - To provide assistance in Export and Marketing
-

Key Nodal Agencies for Single Window Clearance

State-level Nodal Agency for Single Window Clearance	
Purpose	<ul style="list-style-type: none"> • Provide prima-facie approval to medium and large scale investment proposals within 30 days of submission • Projects above US\$ 1.2 million, power requirements above 5 MW, forest based and industries indicated in the negative list by Central and State governments
Composition	Chief Minister of HP, as the Chairman Heads of departments of Town and Country Planning, Labour, Electricity, Water, Director of Industries, Industrial Adviser

District Industry Centre	
Purpose	Provides sanctions/clearances for setting up small scale industrial units in the state
Composition	Convened by the General Manager, District Industries Centre or Member Secretary, Single Window Clearance Agency

Attractive Investment Climate in the state being created through investment friendly policies, including sector specific policies

Industrial Policy 2004

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

Key initiatives under this Policy include the following

- Making efforts to get installed capacity addition in power of 6,100 MW by 2010
 - Special priority to 100% Export Oriented Units/Information Technology/Bio-Technology industries/Foreign Direct Investment projects and sectors like tourism for grant of connection
-

Attractive Investment Climate in the state being created through investment friendly policies, including sector specific policies

Industrial Policy 2004

- No electricity duty will be charged on power generated from captive diesel power stations and permission requirements for captive/generating sets will be made time bound and simplified and third party sale of surplus captive power available in industrial areas/estates with such power producers can also be allowed on a case to case basis
 - Supplementing the special package of incentives given to the state by the Central Government with certain concessions and facilities so as to ensure sustainable industrial development
-

Attractive Investment Climate in the state being created through investment friendly policies, including sector specific policies

Industrial Policy 2004

- Setting up of Single Window Clearance Agency and Monitoring Authority under chairmanship of Chief Minister, alongwith Single Window Agencies at major industrial towns like Parwanoo, Baddi, Paonta Sahib, Goalthai and Sansarpur Terrace
 - Evolving a standard of “best practices” in government departments involved at delivery end such as the State Electricity Board, Labour department, Department of Excise etc
 - Setting up of activity specific industrial areas such as Food parks, Electronics city, Export processing zones, Bio-technology parks etc
 - Reforms in the labour department regarding annual inspections, maintenance of registers
-

Attractive Investment Climate in the state being created through investment friendly policies, including sector specific policies

IT Policy 2001

An action plan to harness the potential benefits offered by IT

Key initiatives under this Policy include

- Department of Information Technology (DoIT) acts as a single point of interface for setting up of an IT unit in the state
 - IT Software and IT Services are deemed to be manufacturing activity for the purpose of incentives for the industry in line with approved policy of Government of India
-

Attractive Investment Climate in the state being created through investment friendly policies, including sector specific policies

IT Policy 2001

- All IT units with a connected load exceeding 100 KW shall be charged a concessional rate of electricity duty at the rate of US\$ 2.63 per 1000 unit for a period of 5 years from the date of commencement of commercial production
 - Provision of tax related incentives
 - Accredited training institutions to be eligible to claim industry status, subject to norms
 - Special packages for investment proposals above US\$ 2.5 million or if the company is a Fortune 500 company
-

Attractive Investment Climate in the state being created through investment friendly policies, including sector specific policies

IT Policy 2001

- Ensure continuous power supply treating IT as a continuous process industry
 - Registered IT units within the declared Software Technology Park, IT habitats and Hi-tech city to be eligible for relaxation of FAR to the extent of 50%
 - Exemption from land and building tax within the declared STP, IT habitats and Hi-tech cities
 - Creation of venture capital fund of US\$ 5 million in association with SIDBI
-

Attractive Investment Climate in the state being created through investment friendly policies, including sector specific policies

Power Policy 2007

Focuses on addressing all aspects like capacity addition energy security, access and availability, affordability, efficiency, environment and assured employment to people of Himachal

Key initiatives under this Policy include

- Projects upto 2 MW capacities have been earmarked for the investors of Himachal Pradesh and for projects upto 5 MW, first preference shall be given to the Himachalies

Attractive Investment Climate in the state being created through investment friendly policies, including sector specific policies

Power Policy 2007

- Projects above 5 MW and up to 100 MW shall be allotted to IPPs (Independent Power Producers) through MoU route and above 100 MW through the International Competitive bidding. The state government will have the right to equity participation in private sector projects above 100 MW upto a maximum limit of 49%
 - Release of 15% of minimum discharge down stream of the dam/diversion structure during the lean season shall be ensured;
 - In order to ensure employment to the people of Himachal a minimum 70% of total employees/officers/executives are to be engaged by the companies
-

Attractive Investment Climate in the state being created through investment friendly policies, including sector specific policies

Power Policy 2007

- The concept of involving local people in the development of the “Project Affected Area” has been specially evolved wherein Local Area Development Committee (LADC) have already been formed and 1.5% of the project cost will be earmarked by the developers for development of local area through such LADs
 - Efforts are afoot to on increasing activities like construction of hydel projects, strengthening of transmission and distribution network facilitating transmit of power from these projects and its distribution for utilisation within the state
-

Attractive Investment Climate in the state being created through investment friendly policies, including sector specific policies

Biotechnology Policy 2001

Focuses on new technologies based on Renewable sources of Energy and Energy conservation

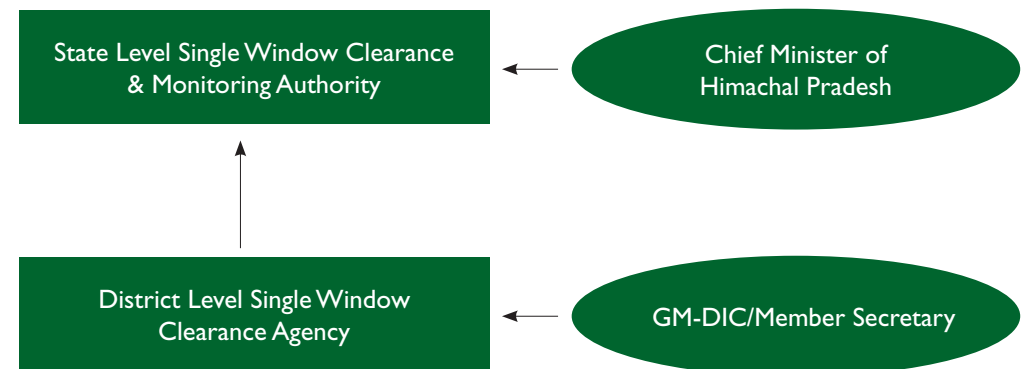
- Upgrade infrastructural support to R&D Institutions to generate highly skilled human resource in Biotechnology
 - Intensify R&D work in potential areas of biotechnology, including Agriculture, Animal husbandry and Human health
 - Conserve and commercially exploit bio-resources of the state for sustainable development
 - Attract entrepreneurs for setting up of biotechnology-based industries
 - Provide suitable institutional framework to achieve the objectives
-

Single Window Clearance mechanism exists to facilitate speedy implementation of industrial projects

Single Window Clearance mechanism established under the Himachal Pradesh Industrial Facilitation Act 2005, with a two-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 General Manager/Member Secretary, with senior-most officers of concerned departments in the district as members
- State Board has the Chief Minister of Himachal Pradesh as its Chairman and various heads of Departments as its members

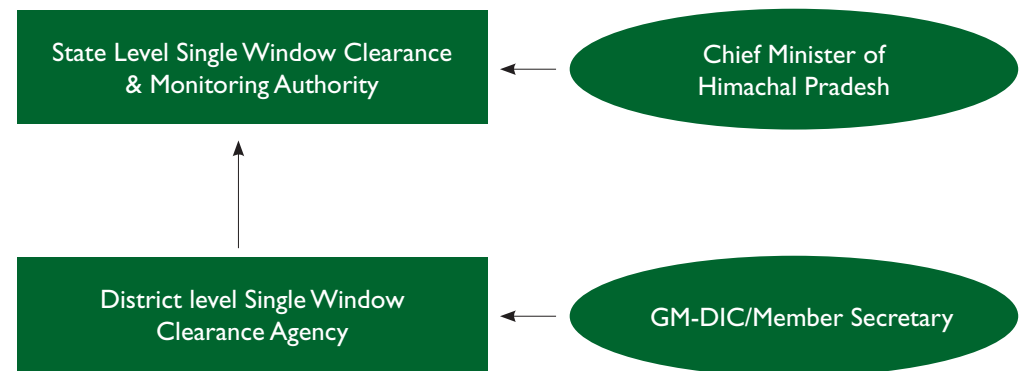
SWM Structure in Himachal Pradesh



Single Window Clearance mechanism exists to facilitate speedy implementation of industrial projects

- Approvals for proposals with investments of over US\$ 1.2 million, Power requirement of above 5 MW and industries in the negative list such as Forest based, Mining etc as defined by Central and State government are decided by the State Level Single Window Clearance Agency

SWM Structure in Himachal Pradesh



COST OF DOING BUSINESS

Cost of Doing Business in Himachal Pradesh

Cost of land*(per sq. m)	<ul style="list-style-type: none"> • Baddi Industrial Area : US\$ 35-60 (Cost of land is largely dependent upon the location and land adjoining the main road is substantially more expensive) • Other industrial areas : US\$ 12-35
Hotel costs**(per room per night)	US\$ 95-130
Cost of Office space***(per sq. m per month)	US\$ 8-10
Cost of Residential space****	US\$ 95 per month for a 1600 sq. ft house (At Baddi). Rates are generally lower at other residential areas
Power cost****	<ul style="list-style-type: none"> • Small and Medium Industries : 6.8 cents/kWh • Large Industries : 5.3 cents/kWh
Cost of Water*	<ul style="list-style-type: none"> • Non-industrialised area : 12 cents per KL • Industrialised area : 19 cents per KL

*Source: Directorate of Industries, Himachal Pradesh

**Source: Leading hotels in the state

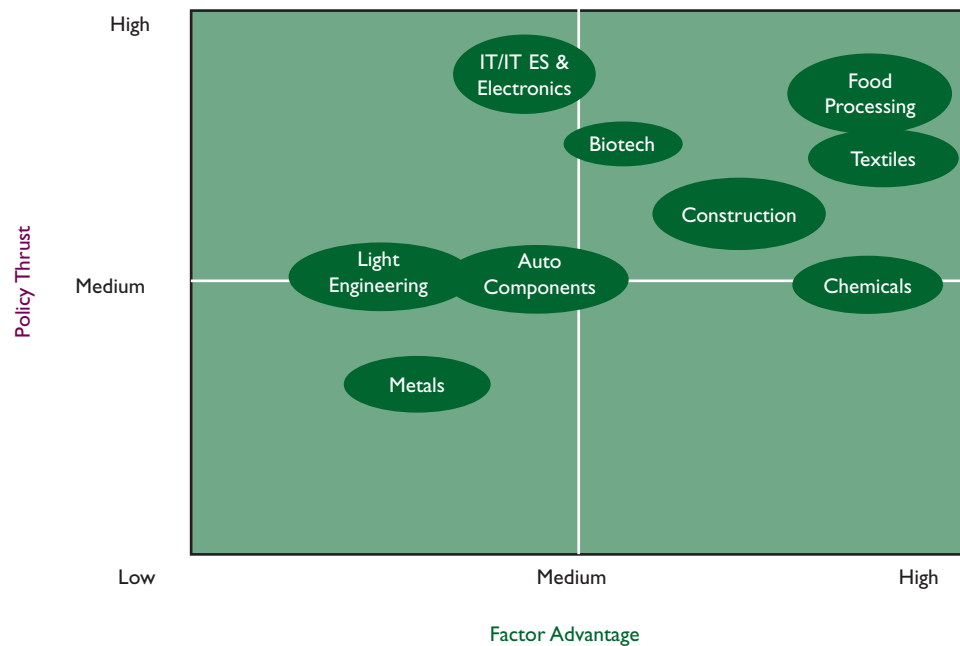
***Source: Discussions with property dealers

****Source: Himachal Pradesh State Electricity Regulatory Commission

KEY INDUSTRIES AND PLAYERS

Key industries that have developed 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 Himachal Pradesh

Overview

- Agriculture is the main occupation of the state and a major source of employment though its share in GSDP has been declining
- Food processing industry mainly limited to traditional processing of agricultural and horticulture raw materials
- Agri procurement has lately been an investment area for corporates such as Adani, Reliance
- Area under fruits increased from 792 hectares in 1950-51 to 191668 hectares in 2005-06
- Apple is the most important crop in the state constituting about 76% of the total fruit production

Key Players
Adani Agri fresh
Reliance
Dharampal Satyapal Group
HPMC

Key Players in the Food Processing segment

Cremica Foods

- Cremica foods has a facility at Tahliwal Industrial Area, Una for manufacturing of biscuits and Indian snack foods
- The plant is being commissioned and will be 100% automated with a monthly capacity of 5000 tonnes for manufacturing biscuits

Adani Agri Fresh

- Has set up 3 controlled atmosphere storage units with an investment of US\$ 33 million and capacity of 6000 metric tonnes each
 - Presently involved in procurement, storage and transportation of Apples, Apricots and Vegetables
 - Firm proposes to procure 24,000 metric tonnes of Apples in 2007-08 for storage as well as spot sales
-

Key Players in the Food Processing segment

Dharampal Satyapal Group

- Diversified conglomerate with presence in Chewing tobacco, Spices, Beverages and Hospitality
- Group has two plants at in Himachal Pradesh, Dharampal Satyapal Ltd and Dharampal Satyapal SRF
- Produces Catch brand of mineral water at Kullu facility and Pass Pass mouth freshener

Reliance

- Reliance Retail is in advanced stages of creating a supply chain for procurement of Apples, Peaches, Apricots, Vegetables in the state
-

Overview of Pharmaceutical industry in Himachal Pradesh

Overview

- Fastest growing region for the pharmaceutical industry in India driven by the incentives announced by the State in its Industrial Policy, 2004
- Around 300 pharmaceutical companies have setup operations including Ranbaxy, Dr. Reddy's, Morepen, Torrent

Key Players
Ranbaxy Laboratories
Cipla
Torrent Pharmaceuticals

Key Players in the Pharmaceutical segment

Ranbaxy Laboratories Limited

- India's leading pharmaceutical company with business operations in 40 Countries and manufacturing facilities in 6 Countries
 - Company has a manufacturing facility at Paonta Sahib, district Sirmour, which manufactures fermentation based products such as Penicillin and Cephalosporin-C, with a production capacity of 8 tonnes per annum and its capacity further with an additional investment of nearly US\$ 22.1 million
-

Key Players in the Pharmaceutical segment

Cipla

- One of the largest product portfolio with over 1,000 products
 - Cipla has established one manufacturing facility at Baddi with an investment of roughly US\$ 11 million in 2005, which manufactures bulk drugs (including malts), tablets and capsules, creams, aerosols/inhalation devices and injections/sterile solutions
-

Key Players in the Pharmaceutical segment

Torrent Pharma Limited

- One of the largest pharmaceutical players in the domestic market
 - Commissioned a new formulations manufacturing facility at Baddi, Himachal Pradesh, in November 2005, with an investment of US\$ 30.6 million. The facility has a capacity to manufacture 3600 million tablets, 400 million capsules and 18 million Oral Liquid bottles, per annum
-

Overview of Textiles industry in Himachal Pradesh

Overview

- Industry in Himachal Pradesh is mainly focussed on spinning yarns. A few companies such as Vardhman are also engaged in weaving and dyeing
- Textile industry has grown at 12.78% CAGR (2002-2005)
- Handloom and Carpet weaving have mainly developed as Small Scale Industries

Source : CII Industry Monitor, April '07

Key Players
Birla Textile Mills
Winsome
Vardhman
Malwa Cotton

Key Players in Textiles industry

Malwa Cotton Spinning Mills

- Subsidiary of VSO group, one of the top 10 textile mills in the country
 - Its facility at Paonta Sahib manufactures Cotton, Acrylic, Polyester and Viscose
 - The company has achieved ISO 9002 for quality assurance
-

Key Players in Textiles industry

Vardhman Group

- The group has a state of the art spinning facility at Baddi with an installed capacity of 80000 spindles
 - Portfolio includes manufacturing and marketing of yarns, fabrics, sewing threads and fibre
 - Amongst the largest producers and exporters of yarns and grey woven fabrics, also largest producer of tyre cord yarns and the 2nd largest producer of sewing threads
-

Key Players in Textiles industry

Winsome Group

- The group has a spinning facility at Baddi
- Portfolio includes developing variety of shades in Melange/package dyed/fibre dyed yarns
- The firm plans to expand its spinning capacity by addition of 13000 spindles and to add dyeing capacity of 10 tonnes per day

Birla Textile Mills

- Division of Chambal Fertilizers and Chemicals limited, a flagship company of K.K Birla group of companies
 - The company has an installed capacity of 37,248 spindles at Baddi
-

Overview of Light Engineering Goods Industry in Himachal Pradesh

Overview

- Light engineering goods industry in Himachal Pradesh includes precision Engineering components, Automotive components, Steel and Steel fabrication units, Cylinder manufacturing.
- Kala Amb in Paonta Sahib has a substantial presence of steel fabrication mills
- Automotive components are mainly based in Parwanoo, Solan district
- International Cars and Motors Limited has a factory at Una

Key Players
Gabriel
Purolator
International Cars and Motors Limited
International Cylinders Ltd

Key Players in Light Engineering Industry

Gabriel India

- Flagship company of the US\$ 400 million Anand Automotive Group
 - The company manufactures ride control systems and engine bearings
 - The company supplies to all three segments of the market – Original Equipment, Aftermarket and Exports
 - 20 million units per annum plant has achieved QS 9000 plant
-

Key Players in Light Engineering Industry

Purolator

- Joint venture between Anand Group and Arvin Meritor, USA
 - Company is the largest producer and exporter of air, oil and hydraulic filters in the country with QS9000 certification.
 - Clients are present in Automotive, Railways and Aviation industries
 - Company is working towards achieving a TS16949 certification
-

Key Players in Light Engineering Industry

International Tractors

- Group company of the US\$ 285 million Sonalika Group, which is amongst the top five tractor manufacturers in India
 - Sells Multi Utility Vehicles under the brand name Rhino with an installed capacity of 2,000 vehicles per month
 - Company has a state-of-the-art facility at Una
 - Technical collaboration agreement with MG Rover of UK
-

Overview of Cement Industry and Key Players

Overview

- Himachal Pradesh has ample supply of quality limestone
 - State exports approximately half of the cement production to other states
 - Three new cement plants have been approved. The companies are Larsen and Toubro, Grasim Industries and Harish Chandra Limited
-

Overview of Cement Industry and Key Players

ACC

- India's foremost manufacturer of cement and concrete with 14 Factories
 - Setup a 3.52 combined MTPA capacity plants at Gagal, Bilaspur
 - Clinker and cement grinding augmentation completed and capacity has further increased to 4.4 MTPA
-

Overview of Cement Industry and Key Players

Ambuja Cement

- 3rd largest cement company in India
 - Annual capacity of 16 million tonnes
 - Installed capacity of 2 MTPA in Darlaghat, Solan district
 - Company plans to enhance capacity by another 2 MTPA by investing US\$ 184 million in a phased manner
 - Also plans to setup a clinket grinding unit at Nalagarh with capacity of 1 MTPA
-

Overview of IT and Electronics Industry

Overview

- Himachal Pradesh's IT Policy and the incentives offered to the IT industry are aimed at promoting Himachal Pradesh as an attractive destination for the industry
- The state has proposed to set up Software Technology Parks
- Various incentives being offered for IT firms, attractive packages to investment proposals above US\$ 2.5 million
- The state has launched a venture capital fund dedicated to the IT industry, with a corpus of roughly US\$ 4.8 million, funded jointly by SIDBI and other govt. agencies

Key Players
Himachal Futuristic Communication Ltd
Microtek International

Key Players in IT Industry

Himachal Futuristic Comm. Ltd

- HFCL is one of the leading Telecom equipment manufacturer
 - Company manufactures Transmission equipment, Optical fibre cable, Accessories and Terminal equipment
 - Two facilities at Solan are ISO 9002 certified with 1500 professionals
 - First indian telecommunication company to have successfully subscribed GDR issue
 - The company is working on product development in areas such as IPDSLAM, WiMax, GPON, High Speed IP Infrastructure, Mobility and System Integration
-

Key Players in IT Industry

Microtek International

- IT peripherals and power products company
 - Company has setup a motherboard manufacturing facility at Parwanoo with a capacity of 50,000 motherboards per month
-

DISCLAIMER

This presentation has been prepared jointly by the India Brand Equity Foundation (“IBEF”) and ICRA Management Consulting Services Limited, IMaCS (“Authors”).

All rights reserved. All copyright in this presentation and related works is owned by IBEF and the Authors. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of the

Author’s and IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

The Author and IBEF neither recommend or endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed in this presentation.

Neither the Author nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.