



PHARMACEUTICAL SECTOR

**Magnetic
Maharashtra**
Attractions Unlimited



MAHARASHTRA: The Enduring Leader

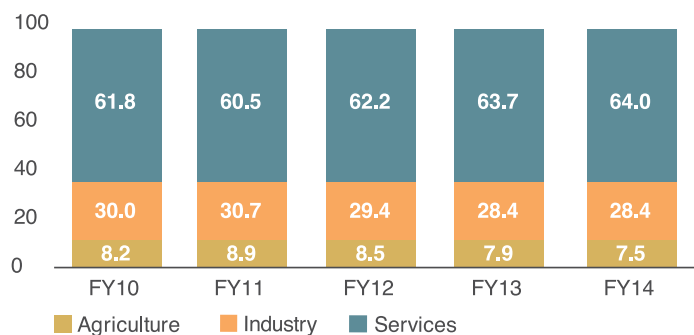
- Strategically located with a long coastline and borders with several states
- Progressive Government taking measures to facilitate industrial infrastructure
- Presence of a large number of diverse industries and a well-developed service sector
- 'Financial and Trade' capital of India
- Presence of specialized institutes that offer skilled resources for industries and services sector
- Accounts for 30 percent of the total FDI inflow in India



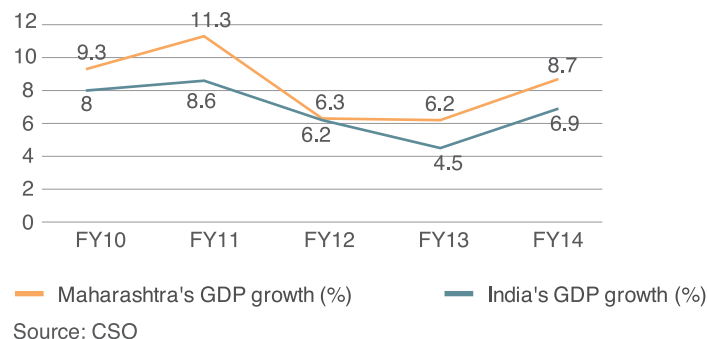
MAHARASHTRA: Economic Profile

One of the biggest contributors to Indian economy, the state has been growing at a faster pace than all-India average in most periods and is expected to continue the momentum

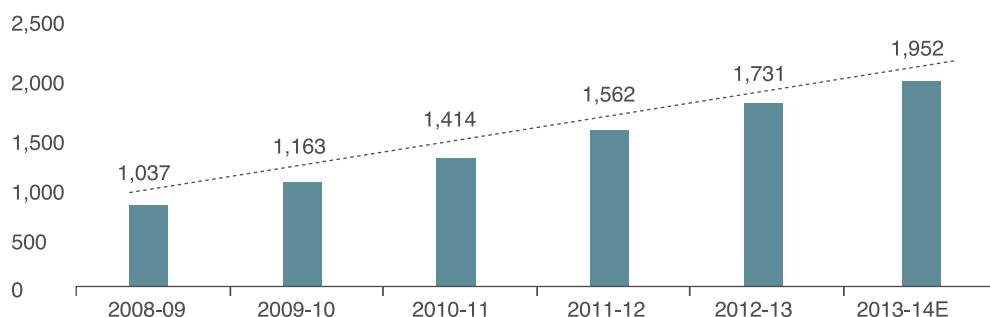
Maharashtra's GDP composition (%)



Economic growth (%)



Per Capita Income (in USD)



Manufacturing sector average contribution to Maharashtra's GSDP is **20.9%**

Per Capita Income of Maharashtra is estimated at **1,952 USD** at current prices for the year 2013-14

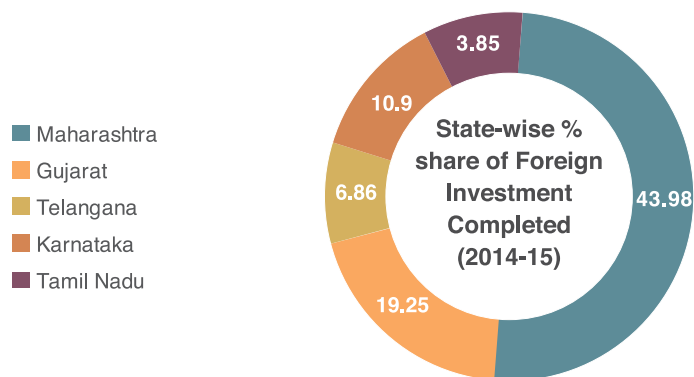
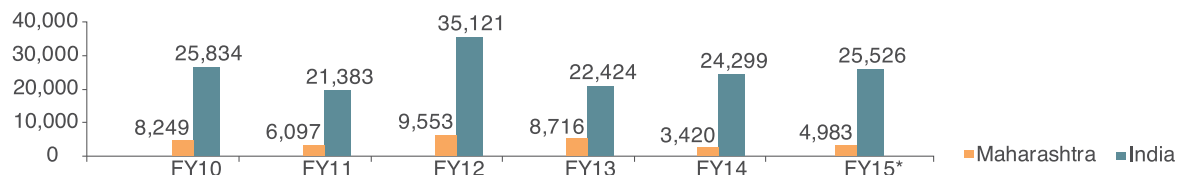
Source: "FDI Statistics" DIPP; CMIE; * Estimated

MAHARASHTRA: Investment Profile

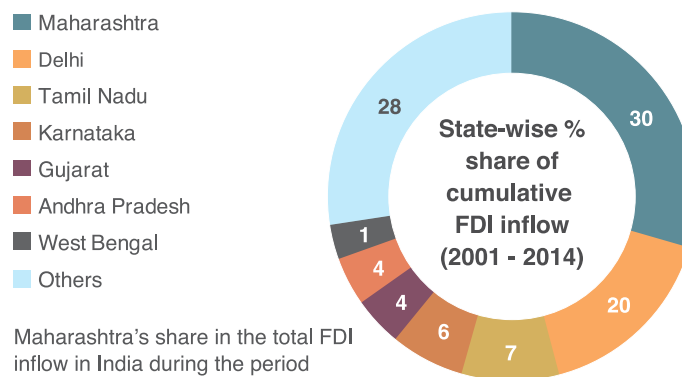
Attracts the highest FDI in the country; expected to maintain its lead in the future as well

FDI inflow

FDI inflow and state contribution (US\$ million; %)



Number Of Foreign Private Sector Investment Project completed in 2014-15 were worth: **US\$6.27 bn**



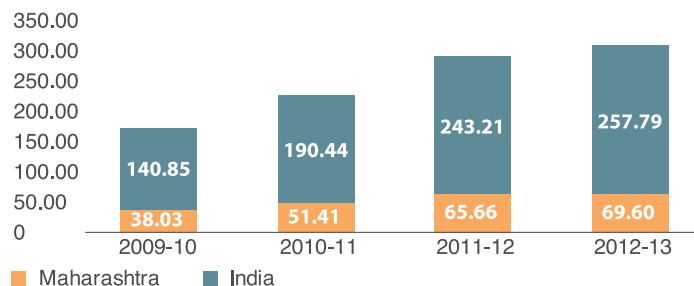
Maharashtra's share in the total FDI inflow in India during the period 2001-2014 was: **30%**

Maharashtra has attracted **US\$ 70.95 billion of FDI** over the 2000 – 2014, which is highest among all states in India

Source: Economic Survey of Maharashtra 2014-15

MAHARASHTRA: Exports Profile

Export Trends (in Billion USD)

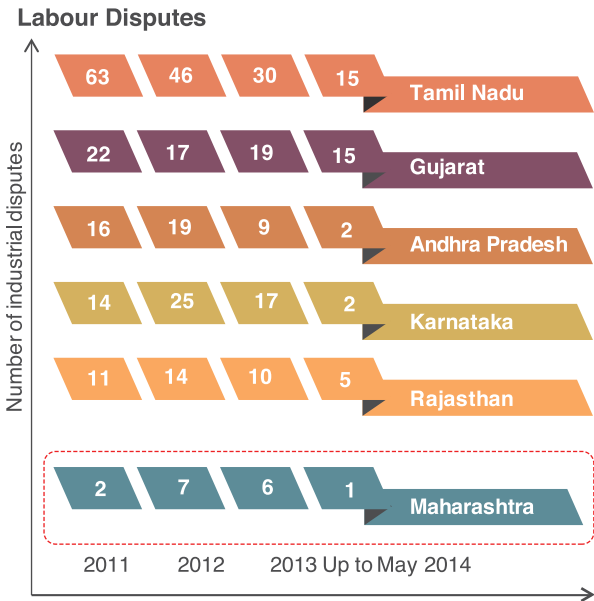


The main products exported from the State are:

- Gems & Jewellery • Software • Textiles • Readymade garments
- Cotton yarn • Metal & metal products • Agro-based products
- Engineering items • Drugs & pharmaceuticals
- Plastic & plastic items
- Contribution of 27% of total exports in India
- Maharashtra's export totalled US\$ 65.7 billion over 2012-13
- Initiatives like giving awards based on export performance

Source: Economic Survey of Maharashtra 2014-15

MAHARASHTRA: Skilled Manpower



The state is one of the most industry-friendly states with one of the lowest labour disputes

Institutes

Streams	No. of Institutes	Enrolments per year
General Education (Arts, Science, Commerce)	3300	15.20 lacs
Engineering	1,074	5.43 lacs
Architecture	75	10 thousand
MBA/MMS and PGDM	516	36 thousand
Hotel Management and Catering Technology	23	868
Pharmacy	462	38 thousand
Masters in Computer Application	148	15 thousand
Industrial Training Institutes	766	1.05 lacs
Medical Education	293	28.5 thousand

- State has more than 6,000 institutes that enroll over 2.5 million students per annum
- State has the well-renowned Indian Institute of Technology (IITs) at Powai in Mumbai
- Home to reputed R&D institutes, viz. BARC, C-DAC, Tata Institute of Fundamental Research

Source: Economic Survey of Maharashtra, 2014-15
Provisional Data; Ministry of Labour & Employment, GoI

MAHARASHTRA: Infrastructure Profile - Road

Road Type	Road Length (km) (As of March 2012)
National Highway	4,376
State Highway	34,157
Major District Highway	50,256
Other District Highway	47,529
Village Roads	1,06,601
Total Road Length	2,42,919

- Well Connected to other parts of India through 18 National Highways
- Total road length of 2,42 , 919 km
- Road density of 133.41 km per 100 sq km of area
- 93 km Mumbai-Pune Expressway is India's first six-lane concrete road

Planned Road Infrastructure Projects
<ul style="list-style-type: none">• Mumbai Trans Harbour Link (MTHL) is a proposed 22 km, freeway grade road bridge connecting Mumbai and Navi Mumbai. When completed, it would be the longest bridge in India.• Mumbai – Aurangabad – Nagpur expressway connecting two major cities of Maharashtra which will save more time

Mumbai-Nagpur Expressway to connect capital cities of Maharashtra, i.e. Mumbai and Nagpur, by a highway of 6 lanes via Ghoti, Aurangabad and Amravati at the cost of Rs. 30,000 crore. The Expressway would be equipped with optical fiber network, CCTV and Wi-Fi coverage and will shorten the Mumbai-Nagpur distance to an eight-hour drive. Technology parks, smart cities, and educational complexes would be built along the route of the Expressway.

Source: Economic Survey of Maharashtra, 2013-14

MAHARASHTRA: Infrastructure Profile - Rail

The unique and innovative RO-RO (roll on – roll off) service of Konkan Railway which carried piggy back trucks on railway flat wagons and 3.5 lakhs goods have been carried so far

- Well Connected to other parts of India through 5,984 km railway network
- Headquarters of Central and Western Railways in Mumbai
- Western Railways include country's western coast including the Mumbai Port
- Suburban railways carry around 6.94 million passengers every day

Planned Rail Infrastructure Projects

- Railway line of 33.7 km connecting Dighi Port with the nearest rail head Roha on Konkan Railway, which is part of one of the projects of connecting ports with rail
- Metro rail projects are planned for cities such as Mumbai, Nagpur and Pune

Source: Economic Survey of Maharashtra, 2013-14



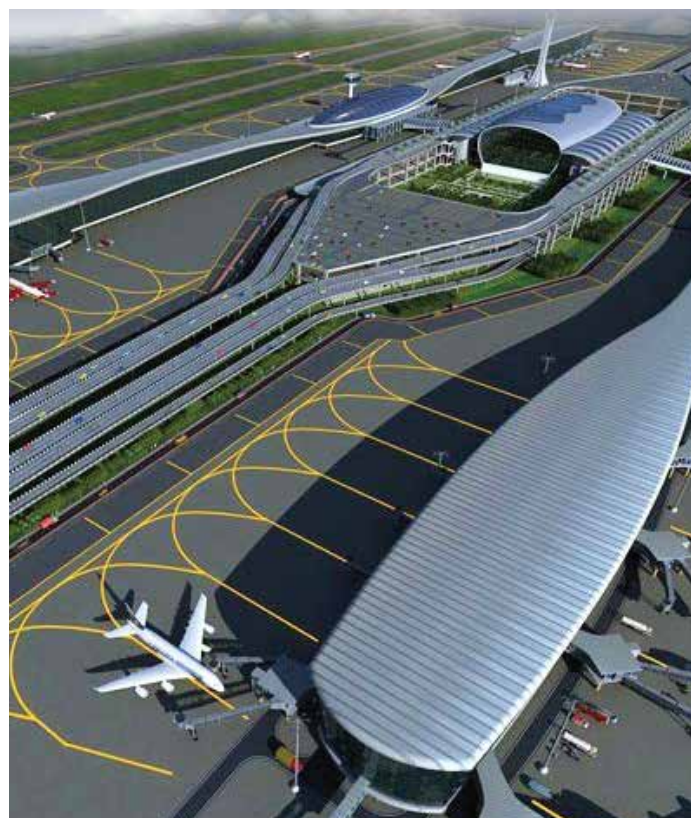
MAHARASHTRA: Infrastructure Profile - Airport

- Three International and Seven Domestic Airports
- Total Traffic in Mumbai airport and Pune airport was around 31 million and 4 million in 2014
- Total Cargo handled at Mumbai and Pune was 1.81 lakhs MT and 0.21 lakhs MT
- Terminal T2 is a state-of-the-art world-class terminal with capacity to handle 40 million passengers per annum

Navi Mumbai International Airport (Planned)

- In order to reduce congestion in Mumbai International Airport, an additional airport has been proposed at Navi Mumbai. It is expected to be commissioned by 2019 with an initial capacity of 10 million passengers per annum

Source: Economic Survey of Maharashtra 2014-15; IBEF, AAI: Airport Authority of India



MAHARASHTRA: Infrastructure Profile - Port

Port-Rail Connectivity

- For Jaitapur Port Project, a special purpose vehicle is being formed between Konkan Railway Corporation Maharashtra Maritime Board and JSW Jaigad Port to lay a 33.7 km rail line to connect the port to the railway network
- Two principal ports along 720 km coastline: Mumbai Port Trust (MBPT) and Jawaharlal Nehru Port Trust (JNPT)
- 53 Minor Ports
- MBPT and JNPT handled 416.55 lakh MT and 480.73 lakh MT of cargo traffic over 2014-15
- Special committee set up to fast track all ports projects greater than Rs 1000 cr

Planned Port Infrastructure Project at Karanja

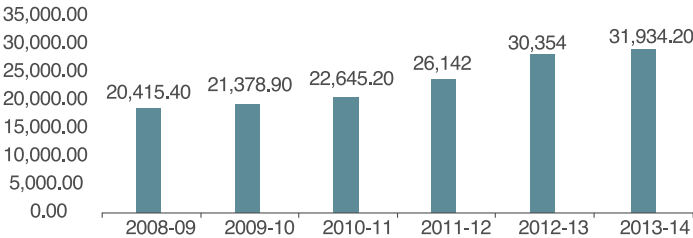
- Karanja Port Project, a multipurpose terminal facility is being set up along 1,000 meter waterfront over 200 acres of inter-tidal zone. This facility will serve as a complement to the existing MBPT and JNPT ports and will ease the cargo traffic congestion in the area

Source: Economic Survey of Maharashtra 2014-15; IBEF, AAI: Airport Authority of India



MAHARASHTRA: Infrastructure Profile - Power

Installed Power Capacity (MW)



- Total electricity generated during 2013-14: 91 billion kW
- Industrial sector is the largest consumer of the electricity
- Private sector contribution to total installed capacity is the highest with 54.5%
- Special committee set up to fast track all ports projects greater than Rs 1000 cr

Planned Power Infrastructure Projects across the State

- Solar power projects of 130 MW capacity have been commissioned by MAHAGENCO
- GoM has adopted the policy of achieving the target of renewable purchase obligation up to 10 percent

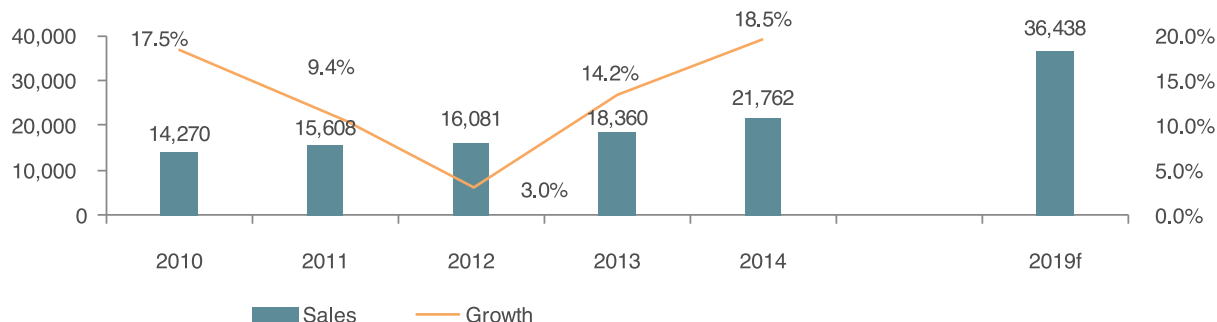
Source: Economic Survey of Maharashtra, 2013-14



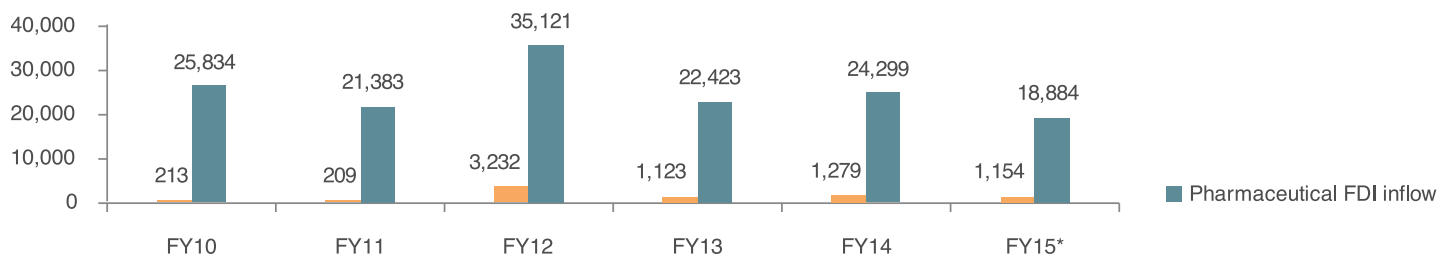
MAHARASHTRA: Pharmaceutical Sector

The state accounts for one-fifth of the country's pharmaceutical output

Indian pharmaceutical sales (US\$ million)



FDI in pharmaceutical sector (US\$ million)



India

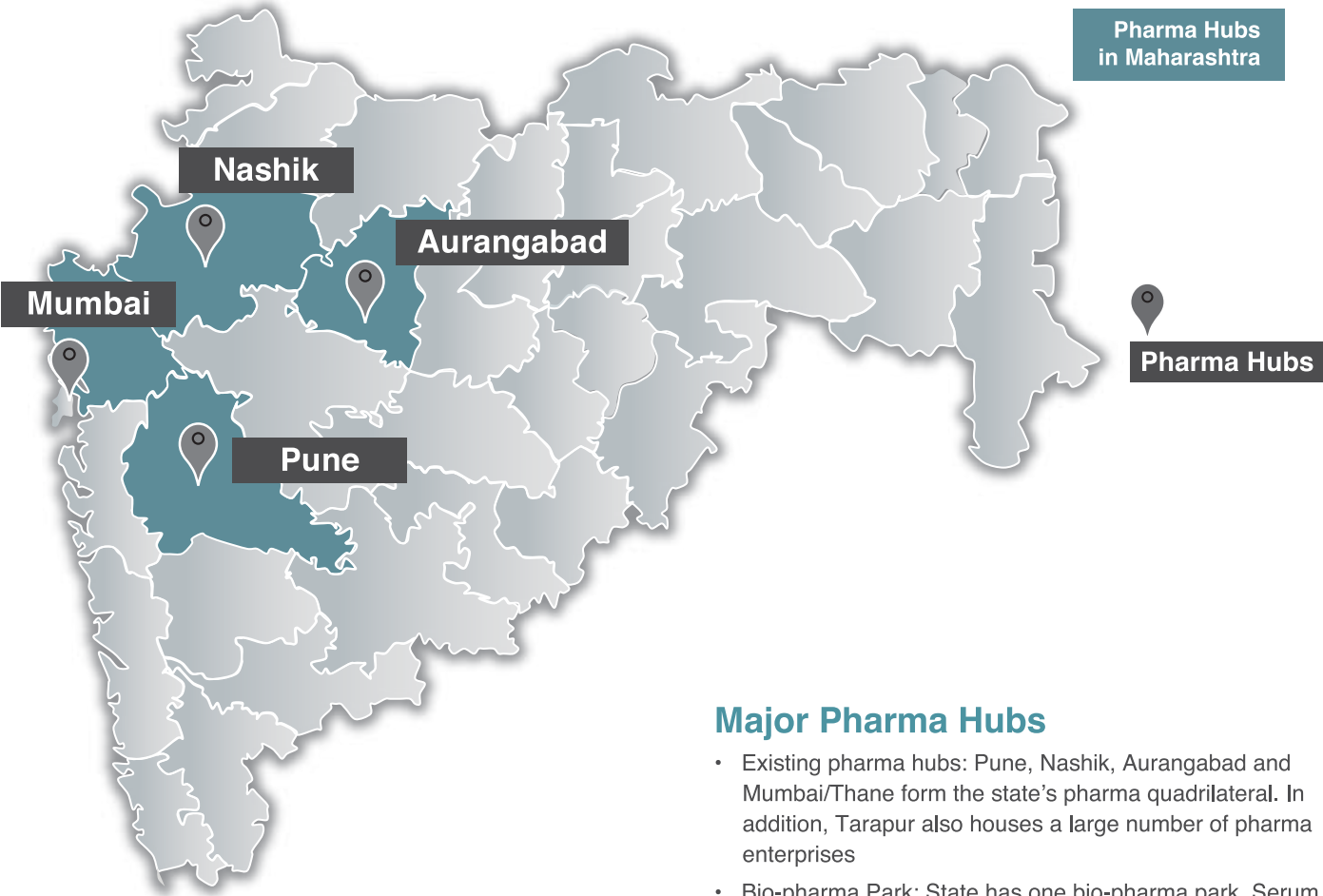
- Pharma sales have been more than US\$14 billion in the past five years
- Going forward, this sale is expected to grow ~1.5 times to US\$36.4 billion by 2019
- The sector has attracted more than US\$ 1 billion of investment from foreign investors since FY12

Maharashtra

- Maharashtra contributed 20 percent to India's pharmaceutical output of 2.66 Billion USD in FY13
- The sector received a cumulative FDI inflow of 168 Million USD through 121 projects during August 1991 to March 2012 period
- According to Government of Maharashtra, the pharmaceutical sector is one of the key exporters from the state
- The state has the highest number of US FDA approved plants in India and highest number of pharma units despite tax holidays granted by other states and houses the country's leading pharma companies

MAHARASHTRA: Pharmaceutical Ecosystem

Well-developed ecosystem translated into a successful pharmaceutical sector in the state



Streams	No. of Institutes	Enrolments per year
General Education (Arts, Science, Commerce)	3300	15,20,000
Pharmacy	462	38,000
Medical Education	293	28,500
MBA/MMS and PGDM	516	36,000
Industrial Training Institutes	766	1,05,000

Major Pharma Hubs

- Existing pharma hubs: Pune, Nashik, Aurangabad and Mumbai/Thane form the state’s pharma quadrilateral. In addition, Tarapur also houses a large number of pharma enterprises
- Bio-pharma Park: State has one bio-pharma park, Serum Bio Pharma Park at Pune
- SEZs: It has pharma SEZs at Aurangabad and Nanded



Dedicated Institutes

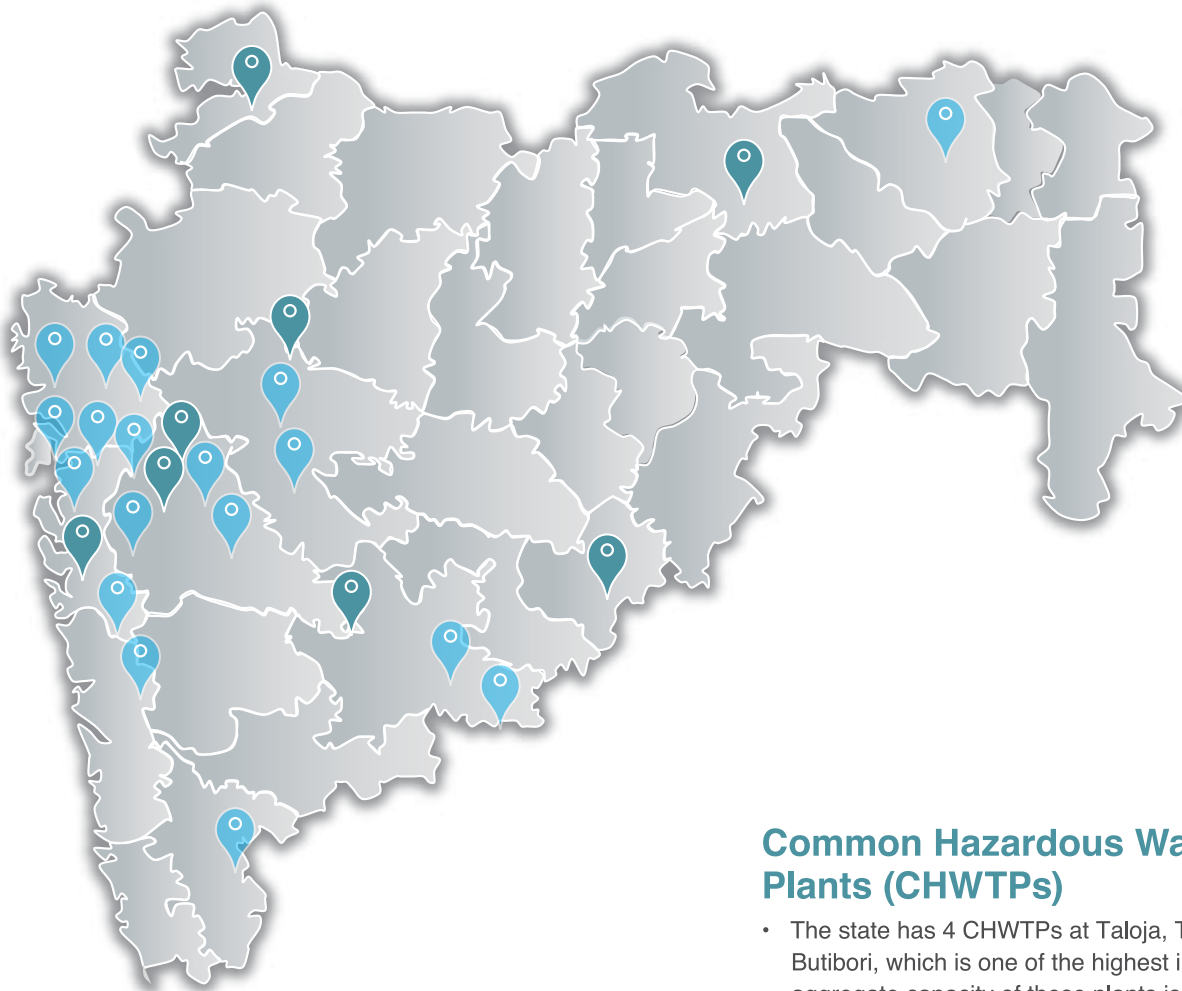
Presence of medical and pharma colleges such as:

- Bombay College of Pharmacy
- K. M. K. College of Pharmacy
- Bharatia Vidhyapeeth College of Pharmacy and several others

MAHARASHTRA: Pharmaceutical Ecosystem

Well-developed ecosystem translated into a successful pharmaceutical sector in the state

-  CETP's Commissioned
-  CETP's Planned



CETP locations
in Maharashtra

Common Effluent Treatment Plants (CETPs)

- Maharashtra has 20 operational CETPs in the state and another 4 are under construction. Together the capacity of these treatment plants is ~208 mld. Units at Tarapur and Thane-Belapur have higher capacity and these are areas where there is high concentration of pharma units

Common Hazardous Waste Treatment Plants (CHWTPs)

- The state has 4 CHWTPs at Taloja, TTC, Ranjangaon and Butibori, which is one of the highest in the country. The aggregate capacity of these plants is 250,000 MT per annum

Others

- The state has a well-developed infrastructure, which it is continually expanding, including electricity availability, development of ports, airports, road and rail
- It also offers a conducive labour environment that can be gauged from one of the lowest number of labour strikes in the country, compared to its peers

Policy & Regulatory Support for the Pharmaceutical Sector

Progressive policies aimed at increasing the 'competitive advantage' of businesses

Fiscal Support	VAT + CST Abatement	Non-Fiscal Support	Skill Development
	Stamp Duty Exemption		Single Window Clearance (SWC)
	Electricity Duty Exemption		Investor Facilitation
	Plus, a host of other benefits...		Investor After Care Cell

Special Incentives

Mega and Ultra Mega projects can qualify for fiscal incentives up to **100% of the fixed capital investment**

10% additional incentive is provided by the state if the project creates double the employment required for the eligibility

Pharmaceutical Policy Incentives

- For new units, exemption allowed from stamp duty and electricity duty (for 15 years), refund of octroi, and special capital incentives to all SSIs. Several incentives available for MSMEs and their expansion
- Package scheme of incentives for new industrial units/expansion units in state's developing regions awarded to pharmaceuticals and biotechnology units, medical and surgical appliances, cold storages (pharma products can be stored). For mega/ultra mega projects, incentives will be decided by high power committee
- Mega and Ultra Mega projects can qualify for fiscal incentives up to 100% of the fixed capital investment
- 10% additional incentive is provided by the state if the project creates double the employment required for the eligibility

Other Government Initiatives

The state government has announced several incentives to support the sector

Government of India Initiatives

- A strategy is being drawn to increase bulk drug manufacturing in the country and to reduce import dependence on China that meets 70-80% of India's bulk drug requirement. In addition, a new policy for the sector may also be announced
- The Government of India (GOI) is looking at reviving sick pharma units, especially those located in Pune and Nagpur
- To enable availability of qualified and skilled doctors and other personnel, the government announced setting up of various institutes in the country including a National Institute of Pharmaceuticals Education and Research in Maharashtra

- GoI is also considering setting up a cell to monitor the availability of drugs and movement in drug prices
- A high Powered Committee was also set up to look into areas for domestic manufacturing of APIs. The Committee has recommended developing pharma parks equipped with adequate testing and common facilities and the government is looking at establishing the same

State-level initiatives

- State government is promoting medical tourism
- It is also setting up ayush clusters (Maharashtra Ayurved Centre Pvt Ltd at Kolewadi, Pune - has raw material processing centre, standardisation, grading, certification and processing of raw materials)
- The Food and Drug Administration recently announced setting up 300 generic medicine stores in the state

Key Players in the Pharmaceutical Sector

Several national and international players are operating in the state





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