



## **MOMENTUM JHARKHAND**

The investment destination  
GLOBAL INVESTORS' SUMMIT 2017  
16 - 17 February, Ranchi



# **AUTOMOBILE AND AUTO-COMPONENTS**

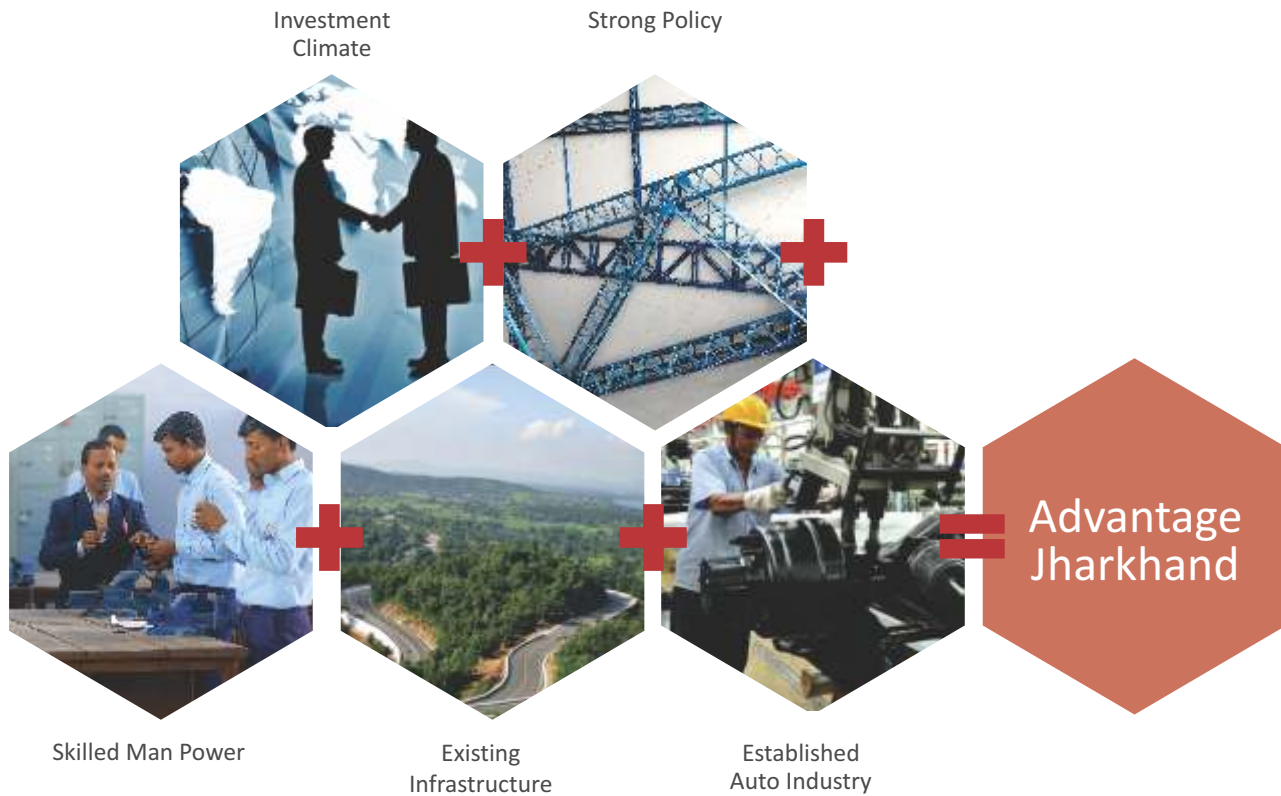


झारखण्ड सरकार

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- Automobile & Auto Component Sector in Jharkhand
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# Advantage Jharkhand



**1<sup>st</sup>**

- ✓ Ranked 1<sup>st</sup> in Labor reforms and inspection related compliances in India<sup>[1]</sup>
- ✓ Endowed with 40% of India's mineral wealth. Leading producer of steel, coal, mica and copper in India (1<sup>st</sup> rank in Iron ore, coal, Uranium, Mica)
- ✓ Man days lost due to industrial strife lowest in India & Long history of industrial harmony<sup>[2]</sup>
- ✓ 1<sup>st</sup> in country to have SWAN under NeGP and CSC in rural areas<sup>[3]</sup>

**2<sup>nd</sup>** ✓ 10.5% GSDP<sup>[4]</sup> growth rate - Second fastest in Eastern India<sup>[5]</sup>

**5<sup>th</sup>** ✓ Ranked 5<sup>th</sup> Foreign Direct Investment (FDI) destination in India<sup>[6]</sup>

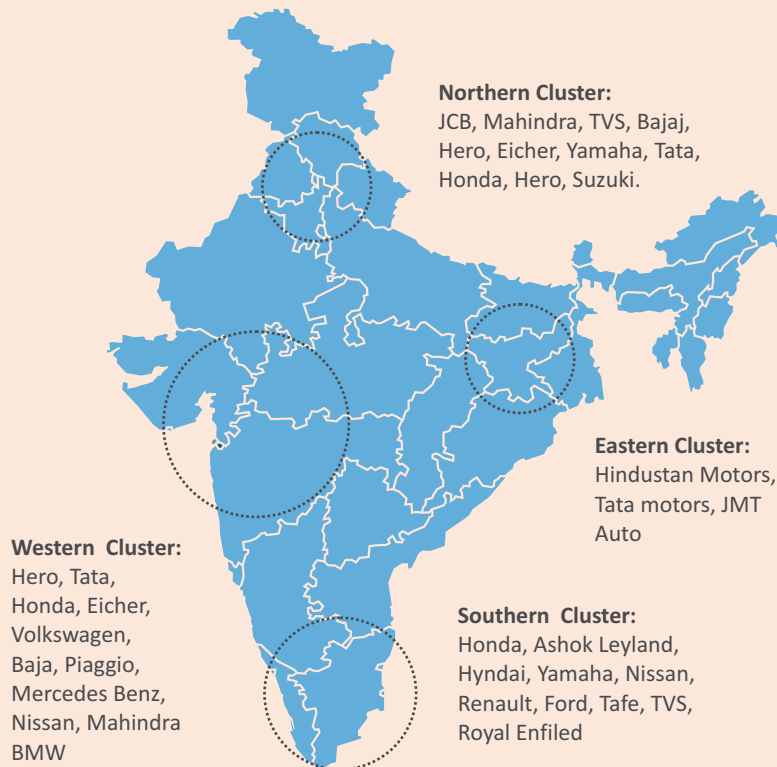
**7<sup>th</sup>** ✓ Ranked 7<sup>th</sup> in 'Ease of Doing Business' in India with an evaluation score of 96.57%<sup>[7]</sup>

[1] World Bank Report on Assessment of State Implementation of Business Reforms  
 [2] Indian Labour Journal -2015  
 [3] SWAN: State wide Area Network; CSC: Common Service Centers  
 [4] GSDP – Gross State Domestic Product

[5] CAGR during 2004-05 to 2014-15  
 [6] Source: FDI Intelligence Survey  
 [7] World Bank Report

# Automobile and Auto component Sector in India

## Auto Clusters in India



## Sunshine Sector of India

Contribution 7% to Nation's GDP

1<sup>st</sup> in Tractor and 3 Wheeler Production

2<sup>nd</sup> in Two wheeler Production

8<sup>th</sup> in Commercial Vehicle Production

6<sup>th</sup> in Passenger Cars Production

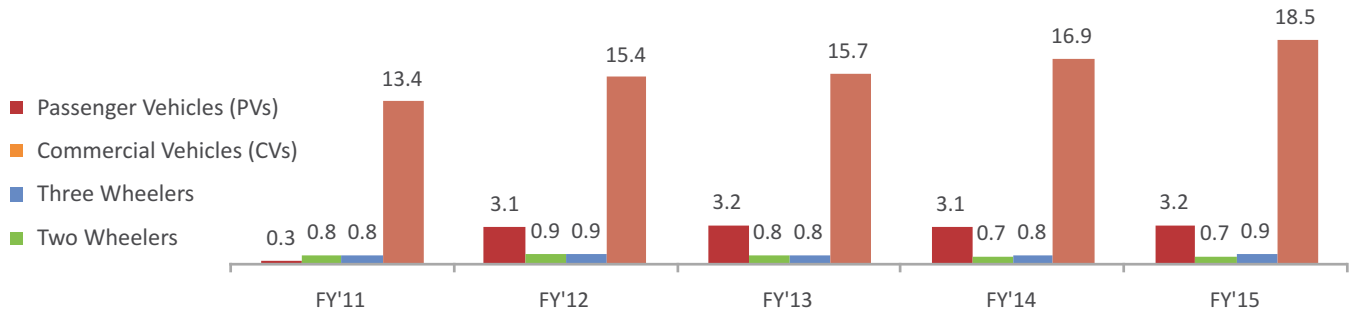
Direct and Indirect Employment to 19 Mn

Industry Output of \$ 63 Billion

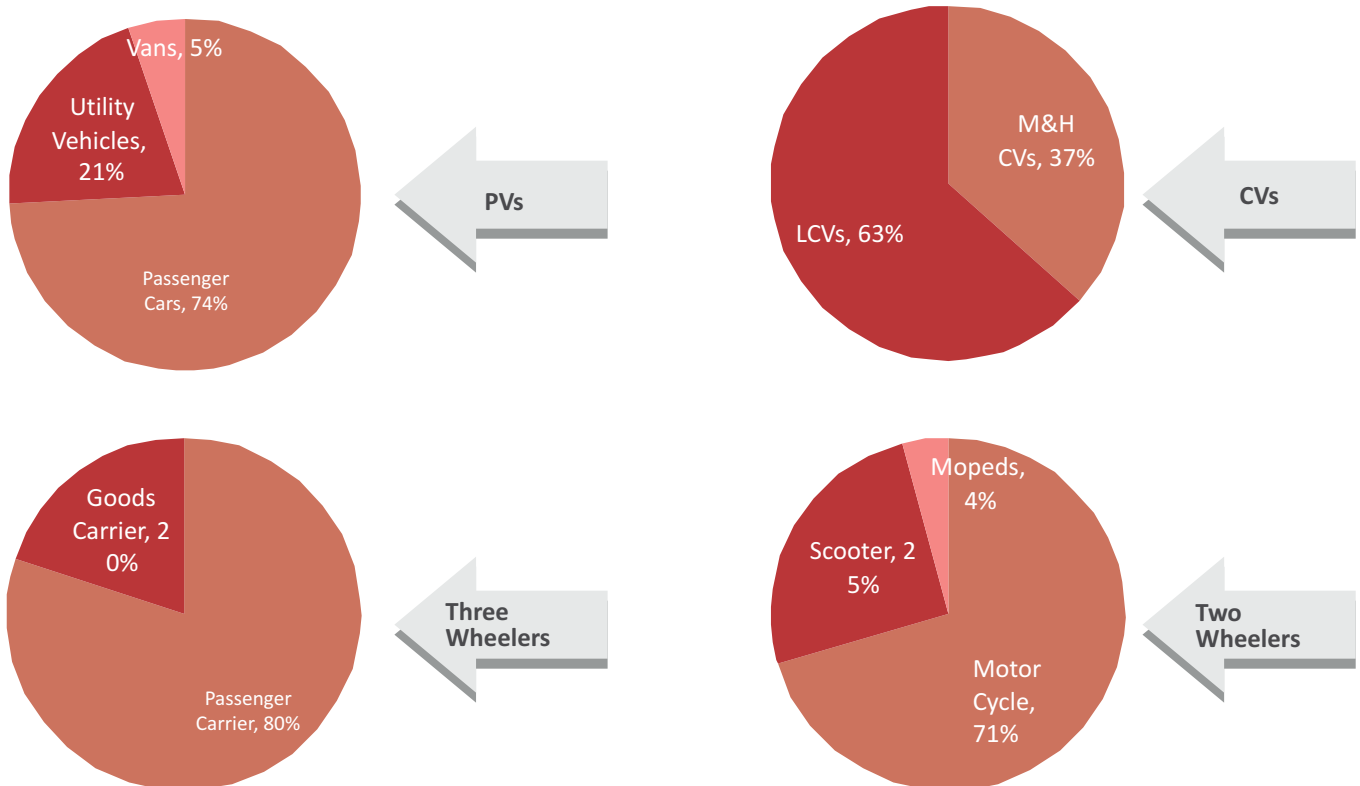
Rs. 20,000 Crs.of Investment is plant during 12<sup>th</sup>  
Five Year Plan

# Automobile and Auto component Sector in India

## Automobile Production in India (million units)



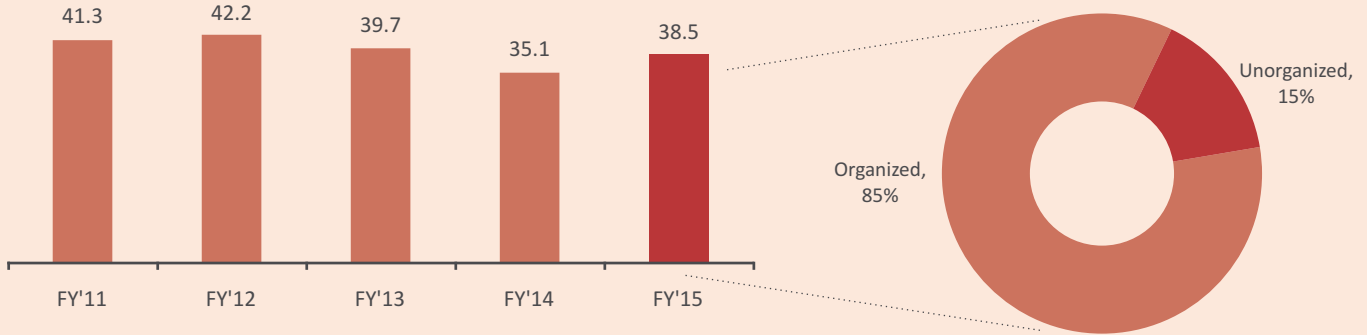
## Market Break-up – FY'15 (by Production Volume)



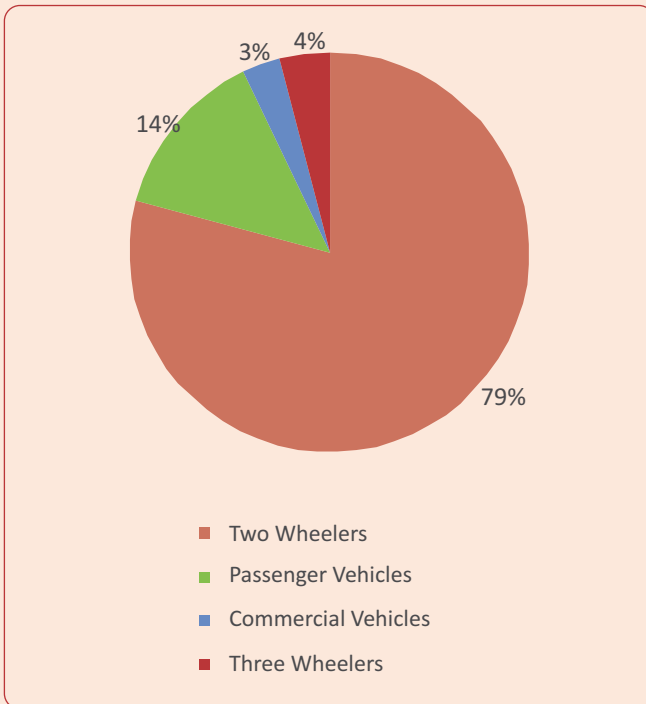
Sources: SIAM, TechSci Research, IBEF

# Automobile and Auto component Sector in India

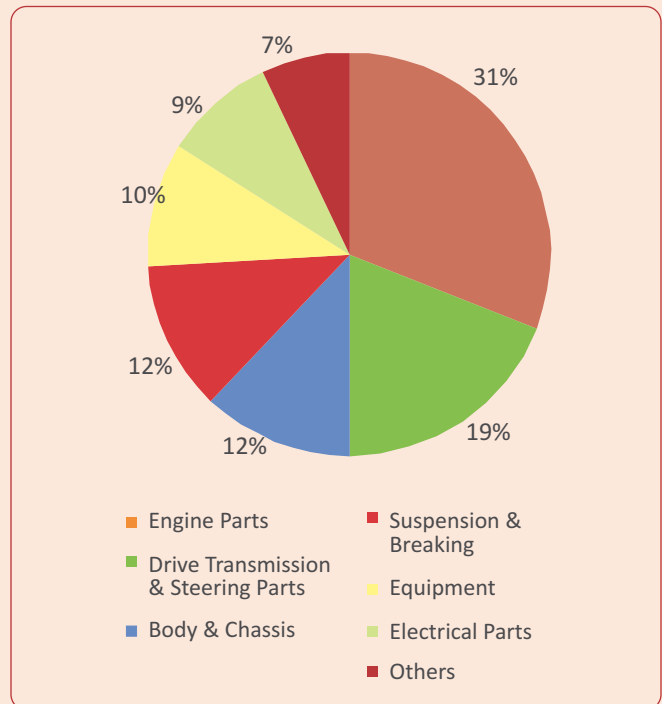
## Sector Market Size in India (USD billion)



## Market Break-up (by User Segment)



## Market Break-up (by Sub-Segment)



Sources: ACMA, TechSci Research, IBEF

# Automobile and Auto component Sector in Jharkhand

- ✓ Presence of India's leading Automobile Industry giants like TATA motors since 1950's
- ✓ More than 800 auto ancillary and auto component units setup at Jamshedpur and Adityapur
- ✓ Employs 20,000+ employees directly and 50,000+ employees indirectly
- ✓ Steel being a major raw material for production of automobiles and auto-components, expansion of steel plants in Jamshedpur & Bokaro giving an impetus to Auto & Auto-components industry in the state
- ✓ An excellent base for automobile ancillaries, precision, electronically & computer operated machine tools and farm equipment industries etc.
- ✓ Strong local demand for industrial vehicles and mobile equipment like dumpers, excavators, cranes, etc. by metal & mining industry giants like Hindustan Copper, Central Coalfields and Bharat Coking Coal

## Key Players



**International Auto Ltd.**



**APEX AUTO LIMITED**



**TATA HITACHI**

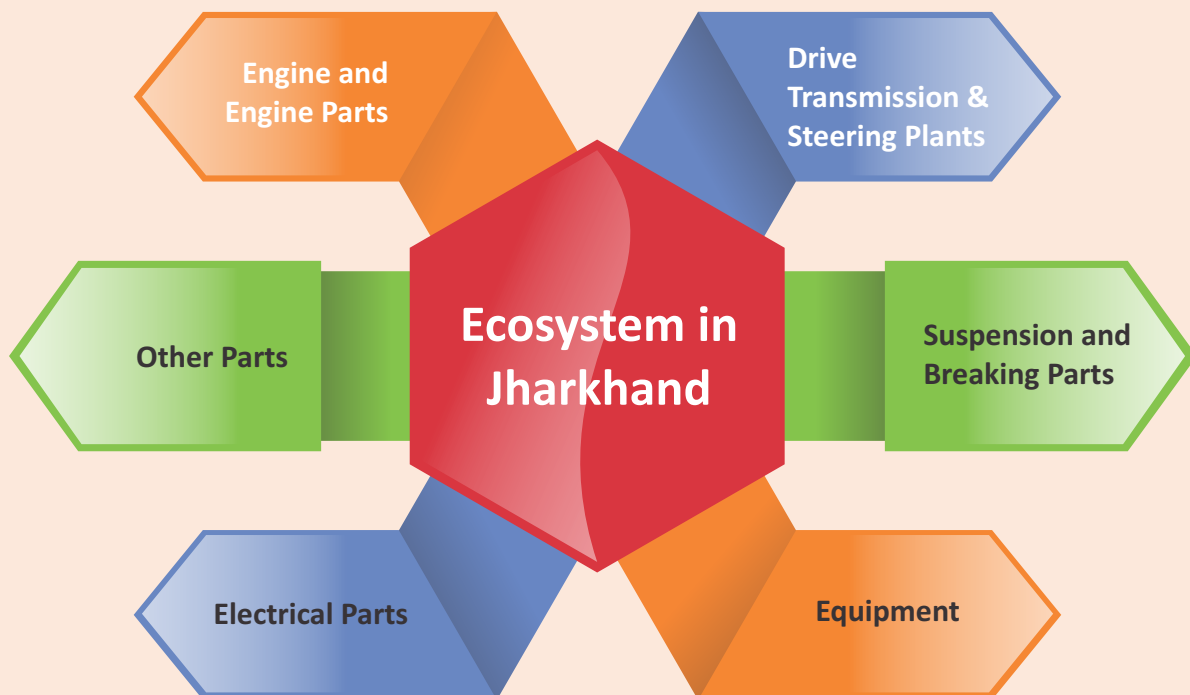
Reliable solutions



**Upcoming Investment Opportunity - Proposed Automobile Park at Ranchi and Automotive Vendor Park at Adityapur**

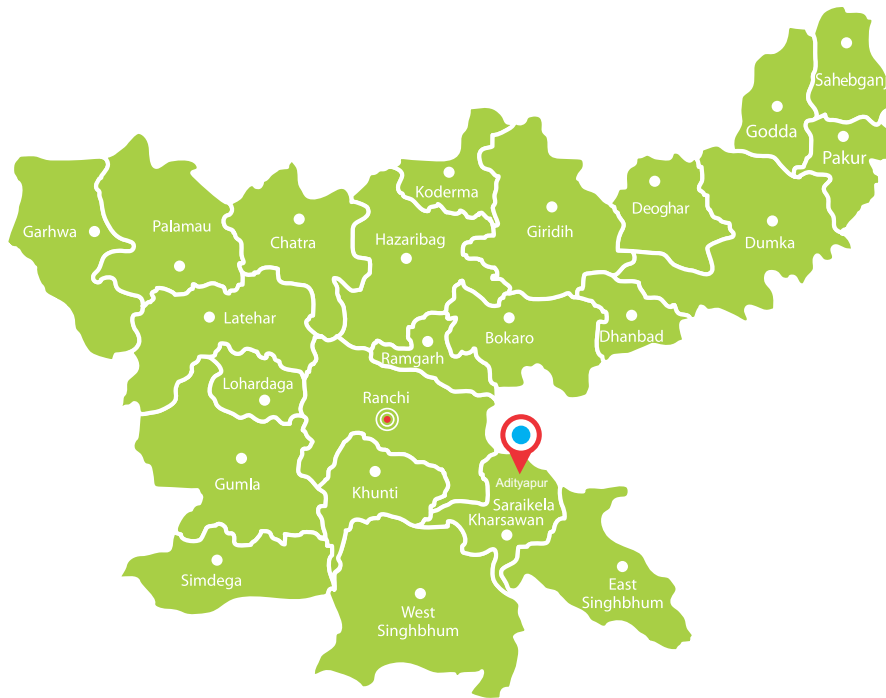
# Automobile and Auto component Ecosystem in Jharkhand

Segment	Key Components	Segment	Key Components
Engine & Engine Parts	Piston & Piston Rings, Engine Valves & Parts, Fuel Injection System, Cooling Systems, Power train Components	Equipment	Headlights, Halogen Bulbs, Wiper Motors, Dashboard Instruments, Other Panel Instruments
Drive Transmission & Steering Parts	Gears, Wheels, Steering Systems, Axles, Clutches	Electrical Parts	Starter Motors, Spark Plugs, Electric Ignition Systems (EIS), Flywheel Magnetos and Other Equipment
Suspension & Breaking Parts	Brake & Break Assemblies, Brake linings, Shock Absorbers, Leaf Springs	Other Parts	Sheet Metal Parts, Body & Chassis, Fan Belts, Pressure Die Castings, Hydraulic Pneumatic Instruments





# Opportunity Landscape



## Proposed Automobile and Auto Vendor Park at Adityapur



Passenger Vehicles, Passenger Cars, Utility Vehicles, Multi-Purpose Vehicles



Two-Wheelers: Scooters, Mopeds, Motorcycles



Three wheelers: Passenger and Good Carriers



Commercial Vehicles: Light, Medium, and Heavy Cvs



Auto Parks/ Industrial Infrastructure Development



Auto Ancillaries/ Auto Parts Manufacturing

# Policy Initiatives

## Automobile & Auto Component Policy -2016

<b>Vision</b>	To ensure balanced economic development of the state by favoring automobile and autocomponent manufacturing sector and to provide maximum benefits to all stakeholders by establishing Jharkhand as a automobile hub in India.
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<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Attract mega automobile projects in the state and promote new auto-cluster and strengthening existing clusters</li> <li>• Encourage establishment of Tier I, II &amp; III auto-component manufacturers to create direct &amp; indirect employment opportunities and to promote local entrepreneurship</li> <li>• Identify and address the existing infrastructure gaps affecting the automobile and auto-components industry</li> <li>• Augment the talent pool to meet skill requirements of this industry and to encourage PPP in skill development</li> </ul>
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### Automobile and Auto Component Policy Incentives

Capital Subsidy for Common Infrastructure	Capital Subsidy	VAT Reimbursement	Others
<ul style="list-style-type: none"> <li>• Financial Assistance of 50% for fixed capital investments in building &amp; common infrastructure to developers of auto clusters, vendor parks etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive Project Investment Subsidy for investments in Machinery, Plant &amp; Equipment etc.</li> <li>• Incentive to industries implementing state reservation policy &amp; located in extremist infested blocks</li> </ul>	<ul style="list-style-type: none"> <li>• Net VAT concession on sale of finished goods for 10 years or 150% of capex spent in first seven years, whichever is earlier.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality Certification</li> <li>• Marketing incentives</li> <li>• Entry Tax Exemption</li> <li>• CST Rebate</li> <li>• Patent Registration</li> <li>• Stamp Duty &amp; Registration fee Exemption</li> </ul>





[www.advantage.jharkhand.gov.in](http://www.advantage.jharkhand.gov.in)  
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