

Punjab

NOVEMBER
2011

LAND OF FIVE RIVERS



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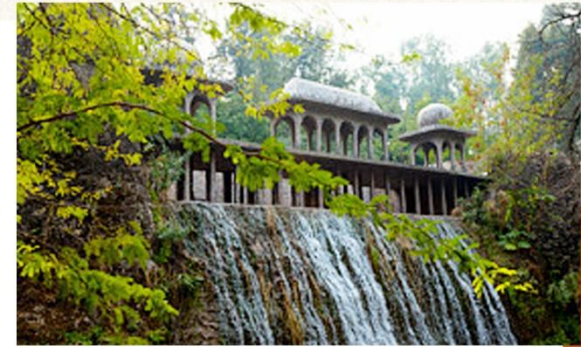
Punjab

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LAND OF FIVE RIVERS

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- ❖ Punjab – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
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Punjab Factfile



- As its borders, the state has the Pakistani province of Punjab to its West, Jammu and Kashmir in the North, Himachal Pradesh in the Northeast, Haryana in the South and Southeast and Rajasthan in the Southwest.
- The most commonly spoken language of the state is Punjabi. Hindi and English are the other widely-used languages.

- Amritsar, Ludhiana, Jalandhar, Bhatinda, Mohali, Pathankot and Patiala are some of the key cities in the state.
- The state has three major seasons, viz., hot weather (April-June), rainy season (July-September) and cold weather (October-March). Because of the presence of large rivers, most of the state is a fertile plain. The state has three major rivers; Ravi, Beas and Satluj, flowing through it.

Parameters	Punjab
Capital	Chandigarh
Geographical area (sq km)	50,362
Administrative districts (No)	20
Population density (persons per sq km)*	550
Total population (million)*	27.7
Male population (million)*	14.6
Female population (million)*	13.1
Sex ratio (females per 1,000 males)*	893
Literacy rate (%)*	76.7

Sources: Government of Punjab Website, www.punjabgovt.nic.in,
*Provisional Data – Census 2011

Punjab in Figures ... (1/2)

Parameter	Punjab	All-States	Source
Economy			
GSDP as a percentage of all states' GSDP	3.4	100	CMIE, as of 2009-10, current prices
Average GSDP growth rate(%)*	15.5	15.5	CMIE, 2004-05 to 2009-10, current prices
Per capita GSDP (US\$)	1,475.8	1,302.4	CMIE, as of 2009-10, current prices
Physical Infrastructure			
Installed power capacity (MW)	7019.2	173,626.4	Central Electricity Authority, as of March 2011
GSM cellular subscribers (No)	21,452,916	618,284,322	Cellular Operators Association of India, as of September 2011
Broadband subscribers (No)	523,508	10,737,850	Ministry of Communications & Information Technology, as of November 2010
National Highway length (km)	1,557	70,934	Ministry of Road Transport & Highways, Annual Report 2010-11
Airports (No)	4	133	Airport Authority of India

* Calculated in Indian Rupee Terms

Punjab in Figures ... (2/2)

Parameter	Punjab	All-States	Source
Social Indicators			
Literacy rate (%)	76.7	74.0	Provisional Data – Census 2011
Birth rate (per 1,000 population)	17.0	22.5	SRS Bulletin, 2009
Ease of doing business			
FDI equity inflows (US\$ billion)	1.0*	132.9	Department of Industrial Policy & Promotion, April 2000 to April 2011
Outstanding investments (US\$ billion)	116.7	7,449.3	CMIE (2009-10)
Industrial Infrastructure			
PPP projects (No)	35	808	www.pppindiadatabase.com
SEZs (No)	2	380	Notified as of October 2011, www.sezindia.nic.in

PPP: Public Private Partnership, SEZ: Special Economic Zone, SRS: Sample Registration System
*Includes Chandigarh, Punjab, Himachal Pradesh and Haryana

Advantage Punjab ... (1/2)

Hub for Textile-based Industries

Punjab has emerged as a key hub for textile-based industries including yarn, readymade garments and hosiery. The industry accounts for more than 35 per cent share of the total exports of the state. Punjab is also a leading exporter of rice, including the well-known variety - Basmati.

Policy and Fiscal Incentives

The state offers a wide range of subsidies, fiscal and policy incentives as well as assistance for businesses under the Industrial Policy, 2009. Additionally, the state has sector-specific policies for textile, IT, agro-based and biotechnology industries.

Fertile and Productive Land

Because of the major rivers, Punjab state has rich and productive agricultural land. After the introduction of “Green Revolution” in the late 1960s, it has become a leading food-grain supplier in the country. This makes it suitable for agro-based industries, dairy farming and products, and other food processing industries.

Advantage Punjab ... (2/2)

Facilitating Infrastructure

The state has well-developed social and industrial infrastructure. It also has good road, rail and air connectivity. The telecommunications and utilities infrastructure is also well-developed.

High Infrastructural Growth

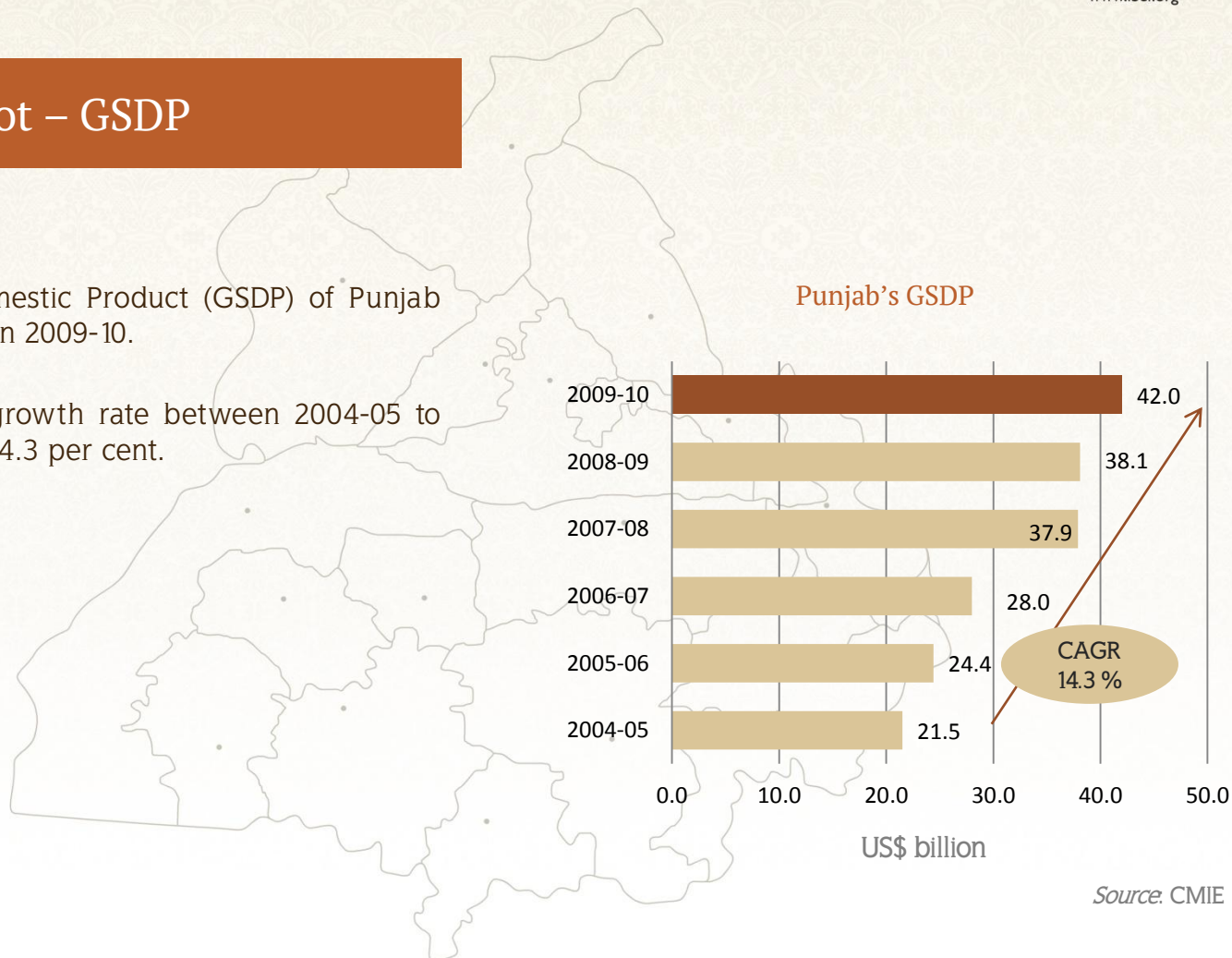
The state has witnessed high infrastructural growth in the past few years. The state has witnessed a considerable increase in the number of industrial clusters and hubs. Public private partnerships have been encouraged in the sector.

Stable Political Environment

The state has a stable political environment. The State Government is committed towards providing good business environment by adhering to the stated policies and incentives.

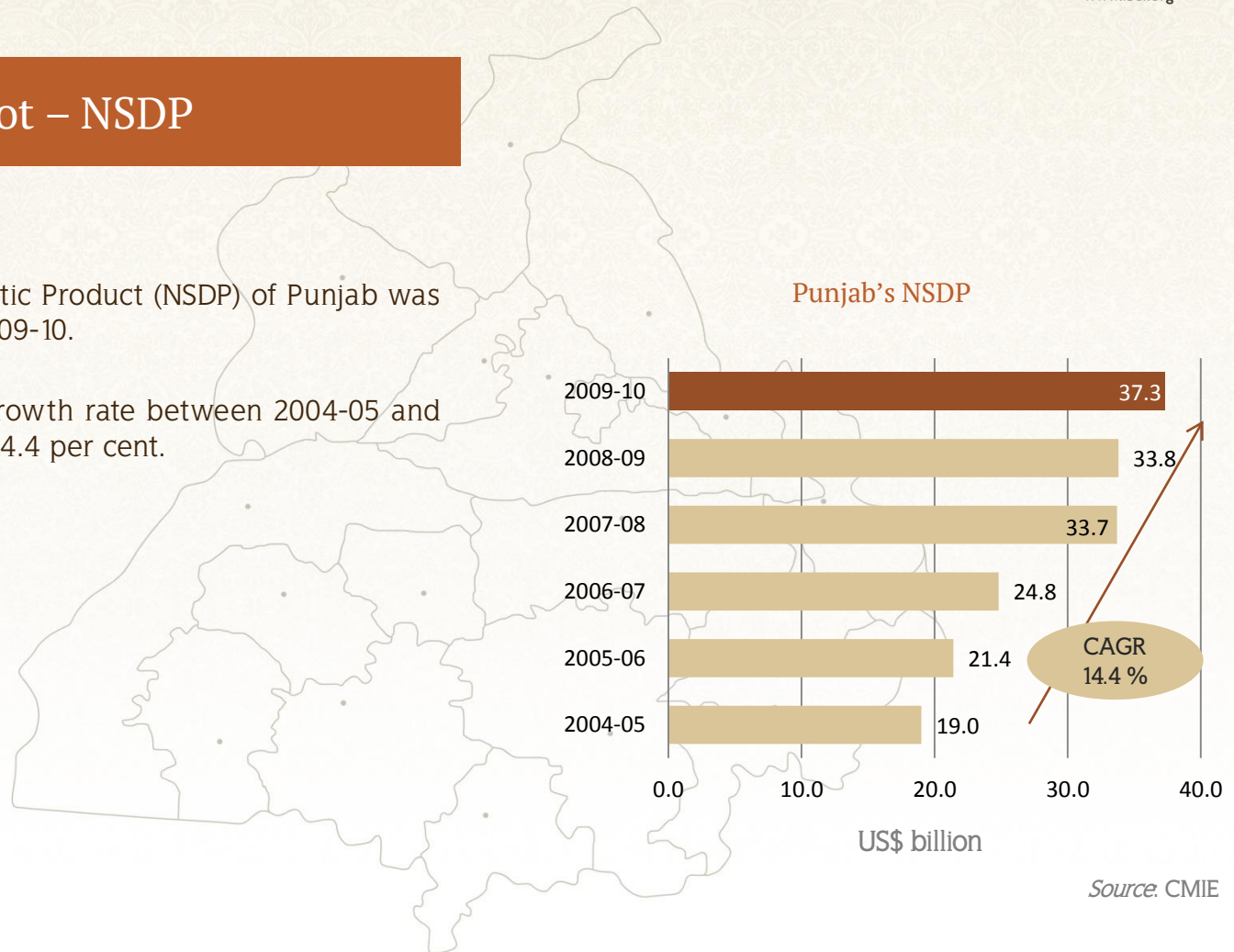
Economic Snapshot – GSDP

- The Gross State Domestic Product (GSDP) of Punjab was US\$ 42.0 billion in 2009-10.
- The average GSDP growth rate between 2004-05 to 2009-10, was about 14.3 per cent.



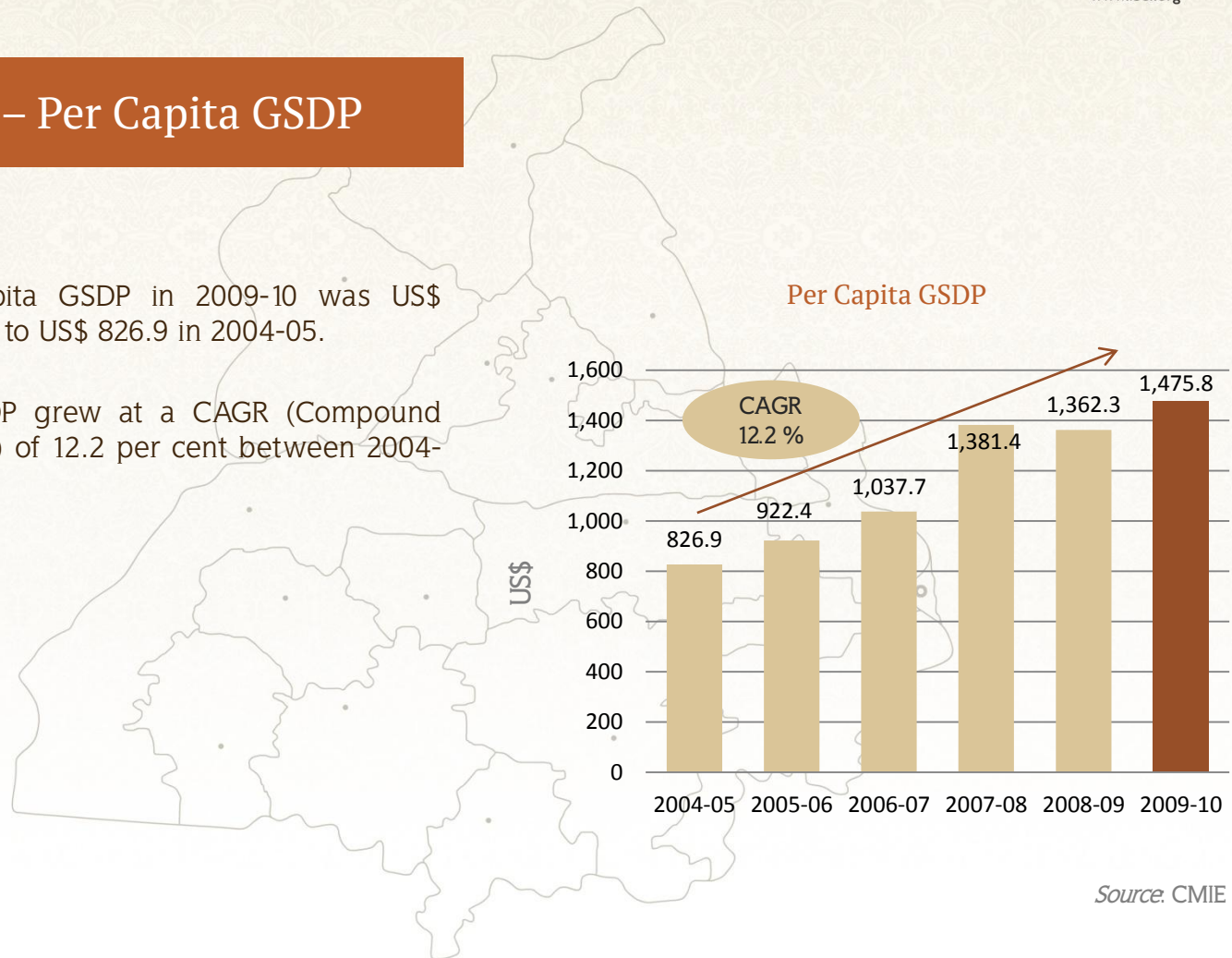
Economic Snapshot – NSDP

- The Net State Domestic Product (NSDP) of Punjab was US\$ 37.3 billion in 2009-10.
- The average NSDP growth rate between 2004-05 and 2009-10, was about 14.4 per cent.



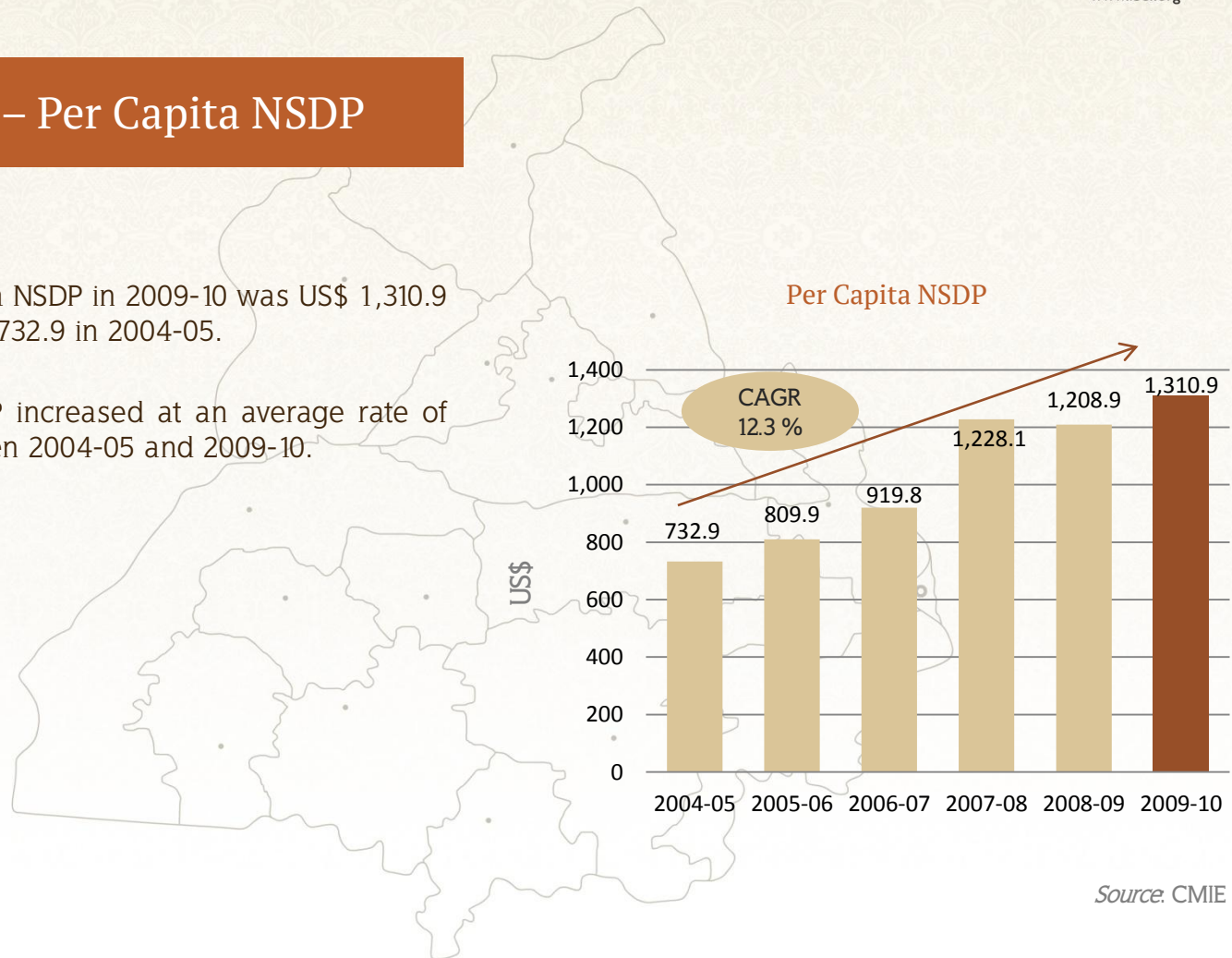
Economic Snapshot – Per Capita GSDP

- The state's per capita GSDP in 2009-10 was US\$ 1,475.8 as compared to US\$ 826.9 in 2004-05.
- The per capita GSDP grew at a CAGR (Compound Annual Growth Rate) of 12.2 per cent between 2004-05 and 2009-10.



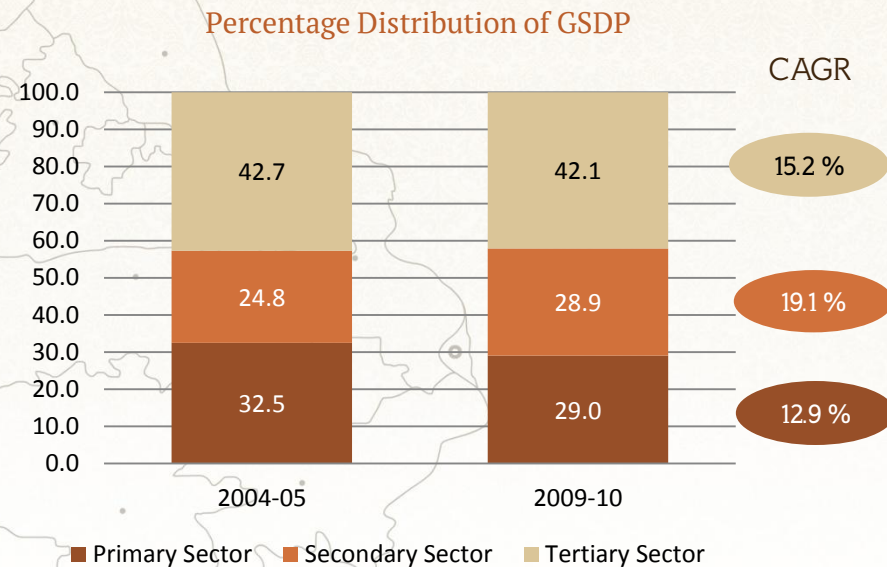
Economic Snapshot – Per Capita NSDP

- The state's per capita NSDP in 2009-10 was US\$ 1,310.9 as compared to US\$ 732.9 in 2004-05.
- The per capita NSDP increased at an average rate of 12.3 per cent between 2004-05 and 2009-10.



Economic Snapshot – Percentage Distribution of GSDP

- At a CAGR of 19.1 per cent, the secondary sector has been the fastest growing among the three sectors from 2004-05 to 2009-10. The growth has been driven by manufacturing, construction, electricity, gas and water supply.
- The tertiary sector, the largest contributor to Punjab's economy, grew at a CAGR of 15.2 per cent between 2004-05 and 2009-10. It was driven by trade, hotels, real estate, finance, insurance, communications, transport and other services.
- The primary sector grew at a CAGR of 12.9 per cent between 2004-05 and 2009-10.

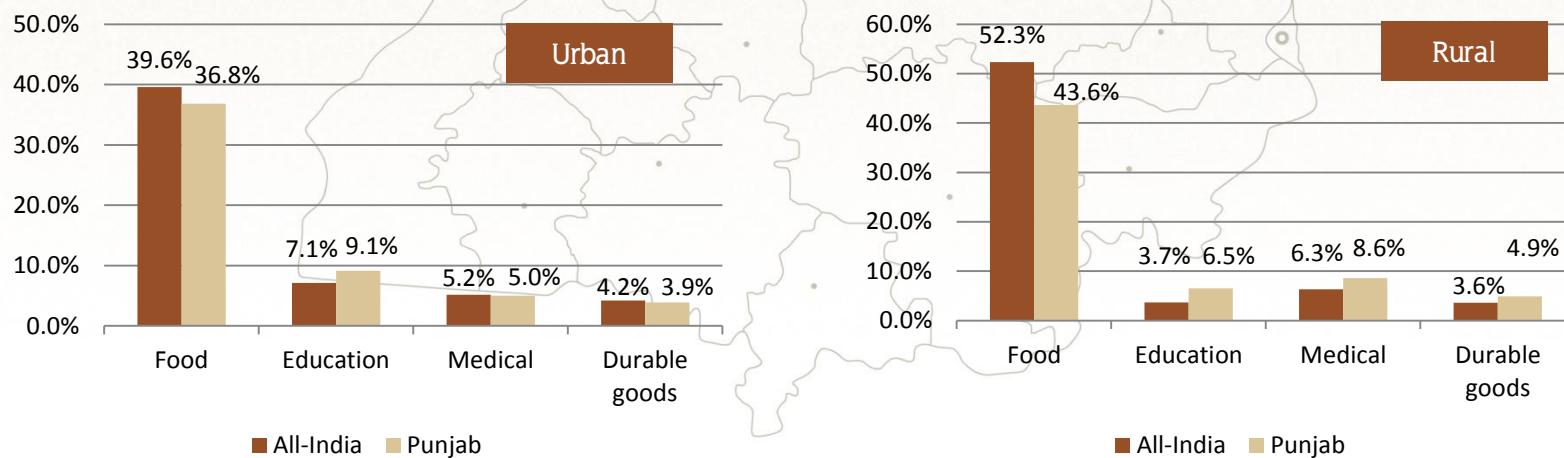


Source: CMIE

Economic Snapshot – Consumer Expenditure on Household Goods and Services

- Punjab is ahead as compared to all-India in share of per capita expenditure on education.
- With regards to share of expenditure on medical services and durable goods, the state is comparable to the all-India level.

Share of Average Monthly Per Capita Expenditure on Household Goods and Other Services



Source: Household Consumer Expenditure in India, 2007-08 NSS 64th Round

Economic Snapshot – Agricultural Production

- In 2009-10, the total production of food grains in the state was around 26.9 million metric tonnes.
- In 2009-10, the total fruit production was 1.3 million metric tonnes.
- Of the food grains, wheat was the major crop. It was followed by rice and maize.
- Punjab is the second-largest producer of wheat in the country, with a share of around 20 per cent of the total wheat production.
- Potato production in the state was around 2.1 million metric tonnes in 2009-10.

Crop	Annual Production as of 2009-10 ('000 metric tonnes)
Wheat	15,169
Rice	11,236
Cotton	2,006*
Maize	475
Sugarcane	370
Oilseeds	84
Barley	47
Gram	3

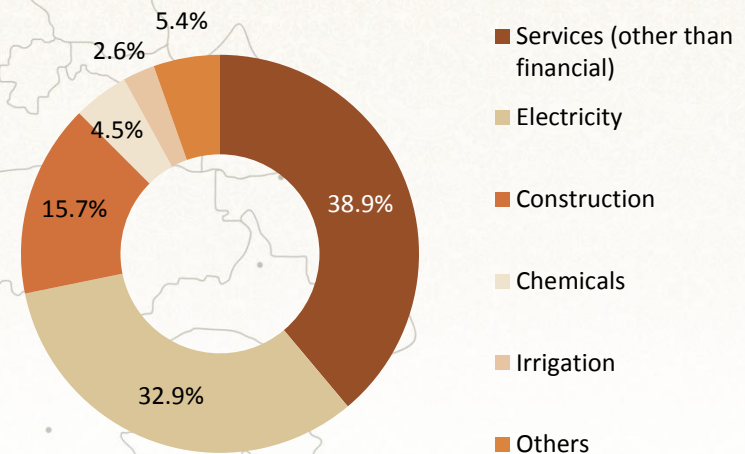
Source: Statistical Abstract Punjab 2010
*'000 Bales (170 kgs each)

Economic Snapshot – FDI Inflows & Investments

- According to the Department of Industrial Policy & Promotion, the cumulative FDI inflows from April 2000 to April 2011 amounted to US\$ 1,030* million.
- In 2009-10, outstanding investments in the state were US\$ 116.7 billion.
- In 2009-10, the services (other than financial) sector had the highest share of outstanding investments, accounting for about 38.9 per cent. It was followed by the electricity sector with a share of about 32.9 per cent and construction with about 15.7 per cent.

*Includes Chandigarh, Punjab, Himachal Pradesh and Haryana

Break up of Outstanding Investments by Sector (2009-10)



Others includes food & beverages, textiles, non-metallic mineral products and machinery

Source: CMIE

Economic Snapshot – Export Trends

- Punjab's total exports were US\$ 3.3 billion in 2009-10 as compared to US\$ 3.0 billion in 2008-09.
- In 2009-10, the principal export items were yarns and textiles, hosiery and readymade garments, rice and machine tools/hand tools.
- Ludhiana, Jalandhar and Amritsar account for around 92 per cent of the total exports of Punjab.



Source: Statistical Abstract Punjab 2010

Principal Items	Exports – 2009-10 (US\$ million)
Yarn and Textile	747.7
Hosiery and Readymade Garments	545.1
Rice	381.4
Machine Tools/Hand Tools	272.5
Engineering Goods	259.0
Sports Goods	252.2
Bicycle and Parts	200.5
Auto Parts	73.3
Tanned, Chrome Leather, & Leather Goods	49.4
Food Products	38.4

Source: Statistical Abstract Punjab 2010

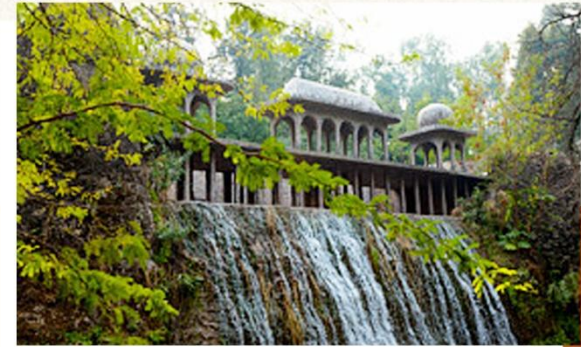
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Physical Infrastructure – Roads



Source: Maps of India

- The state is well connected to its four neighbouring states and the rest of India through 12 National Highways (NH).
- The state's highways account for about 2.2 per cent of the total national highway network in India.
- Punjab Roadways, established in 1948, with a fleet of 13 buses, provides an economical, reliable and comfortable transport service in the state, with connecting services to adjoining states.
- Punjab and East Punjab States Union (PEPSU) Road Transport Corporation, set up in October 1956, controls the road transport services in the state.

Road Type	Road Length (km)
National Highways	1,557
State Highways	2,166
District Roads	5,139

Sources: Ministry of Road Transport & Highways, Annual Report 2010-11, Government of Punjab Website

Physical Infrastructure – Railways



Source: Maps of India

- The railways have a major role in the state. It connects major industrial units in the oil refining, cement, fertiliser, thermal power and manufacturing sectors to suppliers and markets.
- Punjab's railway network spans about 2,134 km. It falls in the jurisdiction of the Northern Railways that spreads across Punjab, Jammu and Kashmir, Haryana, Himachal Pradesh, Uttar Pradesh, Delhi and Chandigarh.
- The main inter-state railway routes are Amritsar-Ambala-Delhi, Sri Ganganagar-Ambala-Delhi, Ferozpur-Ludhiana-Ambala, Pathankot-Roopnagar-Fatehgarh Sahib and Sri Ganganagar-Bhatinda-Narwana.
- The state also has intra-state rail network connecting various towns and district headquarters.

Physical Infrastructure – Airports



International airport



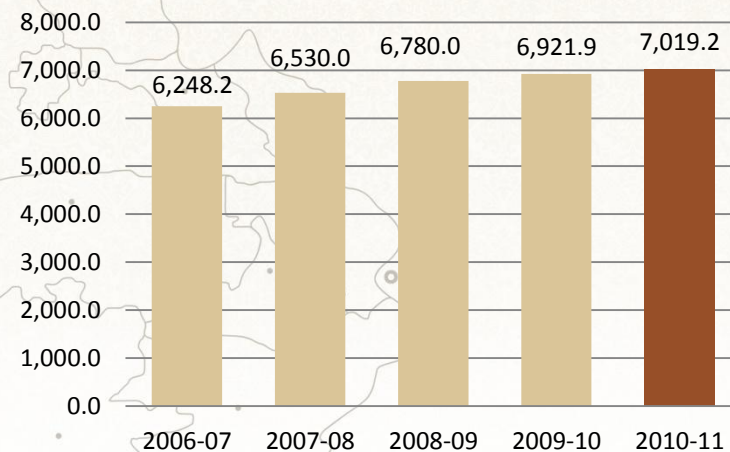
Domestic airport

- The state has three domestic airports. They are located in Chandigarh, Ludhiana and Pathankot.
- International flights operate from the Raja Sansi International Airport at Amritsar.
- New airports have been proposed at Mohali, Bathinda and Ludhiana. They are at various stages of approvals and completion.
- Approval from the Indian Air Force (IAF) is awaited, so as to kick-start construction of the new International Airport in Mohali.
- The new greenfield Ludhiana Airport is proposed to be developed as an aerotropolis (a modern-age concept of a township-oriented airport similar to the Singapore and Frankfurt models) with a total outlay of US\$ 3.8 billion.

Physical Infrastructure – Power ... (1/2)

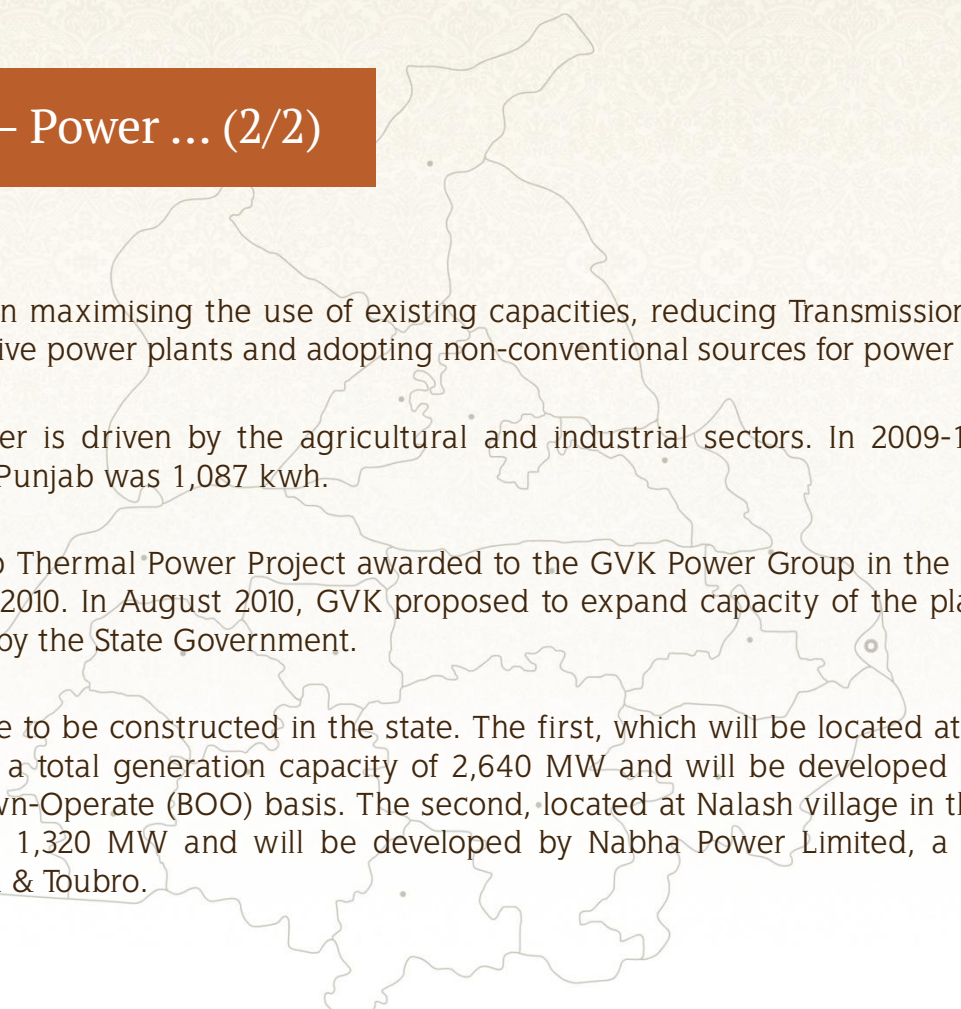
- As of March 2011, Punjab had a total installed power generation capacity of 7,019.2 MW. It consisted of 5,128.4 MW under state utilities, 1,804.8 MW under central utilities and 86 MW under private sector.
- Of the total installed power generation capacity, 3,497.1 MW was contributed by thermal power, 2,984.8 MW was contributed by hydro power, 329.2 MW was contributed by renewable power and nuclear power contributed 208 MW of capacity.
- The Punjab Energy Development Agency (PEDA) is the nodal organisation for renewable energy development in the state.
- In April 2010, Government of Punjab unbundled Punjab State Electricity Board (PSEB) into two companies; Punjab State Power Corporation Limited (PSPCL) and Punjab State Transmission Corporation Limited (PSTCL).

Installed Power Capacity (MW)



Source: Central Electricity Authority

Physical Infrastructure – Power ... (2/2)

- 
- Punjab has been focussing on maximising the use of existing capacities, reducing Transmission and Distribution (T&D) losses, developing captive power plants and adopting non-conventional sources for power generation.
 - The state's demand for power is driven by the agricultural and industrial sectors. In 2009-10, the per capita consumption of electricity in Punjab was 1,087 kwh.
 - The 540 MW Goindwal Sahib Thermal Power Project awarded to the GVK Power Group in the private sector has achieved financial closure in 2010. In August 2010, GVK proposed to expand capacity of the plant by 1,320 MW, which is under consideration by the State Government.
 - Two thermal power plants are to be constructed in the state. The first, which will be located at Talwandi Sabo in the Mansa district, will have a total generation capacity of 2,640 MW and will be developed by Sterlite Energy Limited (SEL), under Build-Own-Operate (BOO) basis. The second, located at Nalash village in the Patiala district, will have a total capacity of 1,320 MW and will be developed by Nabha Power Limited, a subsidiary of the engineering company, Larsen & Toubro.

Physical Infrastructure – Telecom

- According to Department of Telecommunications, Government of India, Punjab telecom circle had 26.8 million wireless subscribers and 1.5 million wire-line subscribers as of December 2010.
- The tele-density in the state was 97.9 per cent, significantly higher than the national average of 66.1 per cent, as of December 2010.
- The state has about 3,877 post offices, 24 telegraph offices and 1,507 telephone exchanges, as of 2009-10.

Telecom Infrastructure (2009-10)

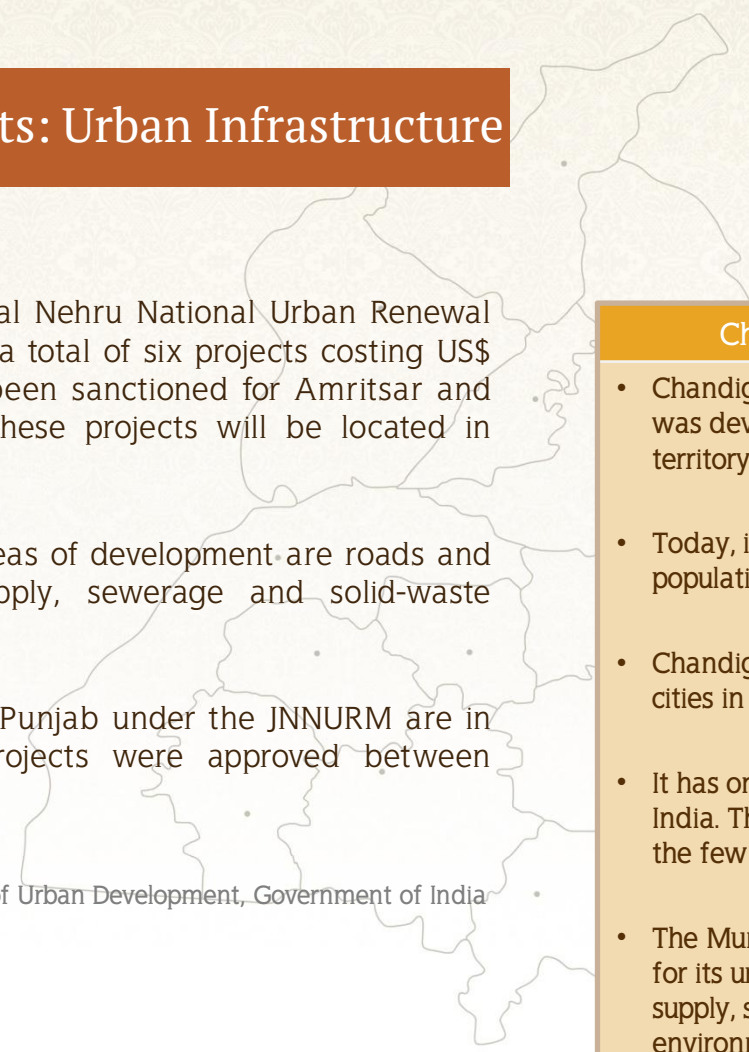
GSM Subscribers [^]	21,452,916
Broadband Subscribers*	523,508
Post Offices	3,877
Telegraph Offices	24
Telephone Exchanges	1,507

Sources: Cellular Operators Association of India,
Statistical Abstract Punjab 2010,
[^]As of September 2011
^{*}As of November 2010

Some of the Major Telecom Operators in Punjab

Bharat Sanchar Nigam Limited (BSNL)
Bharti Airtel
Idea Cellular
Vodafone Essar
Reliance Communications
Tata Teleservices
Videocon

Development Projects: Urban Infrastructure

- 
- Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), a total of six projects costing US\$ 171.3 million have been sanctioned for Amritsar and Ludhiana. Five of these projects will be located in Amritsar.
 - Some of the key areas of development are roads and flyovers, water supply, sewerage and solid-waste management.
 - All the projects for Punjab under the JNNURM are in progress. These projects were approved between 2006 and 2009.

Source: JNNURM; Ministry of Urban Development, Government of India

Chandigarh – The Original Planned City

- Chandigarh, the joint capital city of Haryana and Punjab, was developed as a planned city. It is also a union territory.
- Today, it has expanded both in terms of industry and population.
- Chandigarh still remains a model for many other Indian cities in terms of civic amenities.
- It has one of the best electricity distribution systems in India. The Union Ministry of Power selected it as one of the few model distribution centres in the country.
- The Municipal Corporation of Chandigarh is responsible for its urban infrastructure facilities including water supply, sewerage, roads, slum development, fire service, environment, city beautification and house tax.

Development Projects: Key Public Private Partnership Projects

Project Name	Sector	PPP Type	Project Cost (US\$ million)	Stage
Panipat-Jalandhar	Road	BOT-Toll	497	Construction
Zirakpur-Parwanoo	Road	BOT-Toll	104	Construction
Kurali-Kiratpur NH-21	Road	BOT-Toll	67	Construction
Ambala-Zirakpur	Road	BOT-Toll	65	Construction
Jalandhar-Amritsar	Road	BOT-Toll	57	Construction
Amritsar-Wagha Border	Road	BOT-Annuity	45	Construction
Greenfield Super Specialty Hospital at Mohali	Healthcare	DBFOT	26	Construction
Up-gradation, Operation and Maintenance of Ferozpur-Fazilka Road	Road	BOT-Toll	23	Construction
Super Specialty Hospital at Bathinda	Healthcare	DBFOT	22	Construction
Development of Bhawanigarh-Nabha-Gobindgarh Road Project	Road	BOT-Toll	15	Construction
Modern Bus Terminal at Amritsar	Urban Development	BOT-Annuity	4	In Operation

Source: pppindiadatabase.com

BOT: Build-Operate-Transfer, DBFOT: Design-Build-Finance-Operate-Transfer

Development Projects: SEZs

SEZs with Formal Approvals

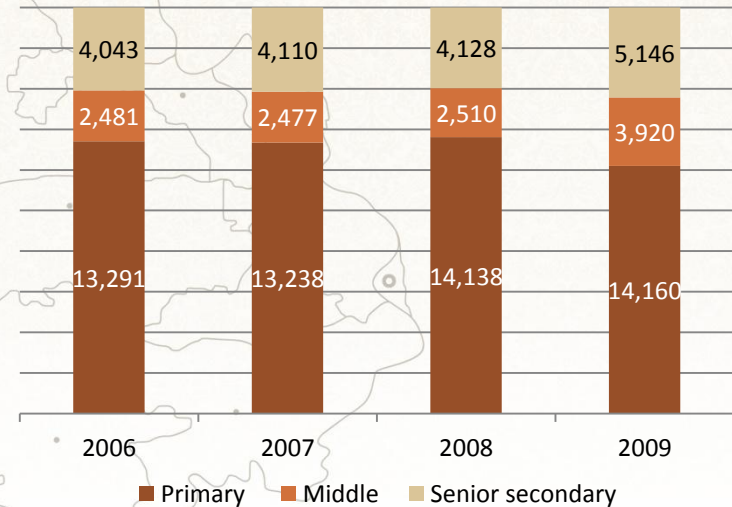
Name/Developer	Area	Primary Industry
QuarkCity India Private Limited (Notified)	Mohali	IT
Ranbaxy Laboratories Limited (Notified)	Mohali	Pharmaceuticals
Lark Projects Private Limited	Mohali	Electronic Hardware
Sukhmani Towers Private Limited	Nenetpur and Jawaharpur	IT/ITeS
Sukhm Infrastructure Private Limited	Mohali	IT
ATS Estates (P) Limited	Patiala	IT/ITeS
Shipra Estate Limited	Mohali	IT/ITeS
Ishan Developers & Infrastructure Private Limited	Amritsar	Textiles

Source: www.sezindia.nic.in

Social Infrastructure – Education ... (1/2)

- Punjab has a literacy rate of 76.7 per cent according to the provisional data of Census 2011; the male literacy rate is 81.5 per cent and the female literacy rate is 71.3 per cent.
- The state had 93 Engineering colleges and 136 Polytechnic colleges in 2009-10.
- As of September 2010, the state had 7 universities, 234 graduate colleges and 23,226 schools. The Punjab University is more than 100 years old and is well regarded, globally.
- The Punjab Agricultural University at Ludhiana is well known for its outstanding contributions to education, research and extension services in the field of agriculture.
- Private participation in technical and vocational education is being encouraged.

Category-wise Number of Schools in Punjab



Source: Economic Survey of Punjab 2010-11

Social Infrastructure – Education ... (2/2)

- Major educational institutes in Punjab are:
 - Post Graduate Institute of Medical Education and Research (PGIMER), Chandigarh
 - Indian Institute of Technology, Ropar
 - Christian Medical College, Ludhiana
 - University Business School, Chandigarh
 - Punjab Agriculture University, Ludhiana
 - Baba Farid University of Health Sciences
 - Chitkara Institute of Engineering and Technology, Patiala
 - National Institute of Technology, Jalandhar

Category	Literacy Rate (%)
Overall	76.7
Male	81.5
Female	71.3

Source: Census 2011 (provisional data)

Educational Infrastructure (2009-10)	
Universities*	7
Graduate Colleges*	234
Engineering Colleges	93
Polytechnic Colleges	136
MBA	134
MCA	55

*Sources: Government of Punjab Website,
Statistical Abstract Punjab 2010
MBA: Master of Business Administration
MCA: Master of Computer Applications
As of September 2010

Social Infrastructure – Health

- The public healthcare infrastructure of the state has a three-tier structure comprising Primary Health Centres and Sub-centres, Health Units and Community Health Centres.
- The average radius served per healthcare institution is 2.680 km.
- Around 90 per cent of non-hospital healthcare and 67 per cent of hospital care cases are handled by private healthcare services.

Health Infrastructure (March 2010)	
Hospitals	138
Primary Health Centres	446
Ayurvedic and Unani Institutions	529
Homoeopathic Institutions	107
Medical Institutions	2,081

Sources: Statistical Abstract Punjab 2010,
Economic Survey of Punjab 2010-11

Health Indicators of Punjab (2009)	
Population Served Per Doctor	1,248 [^]
Population Served Per Bed	1,280 [^]
Birth Rate*	17.0
Death Rate*	7.0
Infant Mortality Rate**	38.0
Life Expectancy at Birth (Years)	
Male (2002-06)	68.4
Female (2002-06)	70.4

Sources: Economic Survey of Punjab 2010-11,
Sample Registration System 2009,
*Per thousand persons
**Per thousand live births
[^]As of March 2010 (Provisional)

Cultural Infrastructure

- Hockey and wrestling are the prominent sports in Punjab.
- The state has a number of sports stadiums and clubs in Chandigarh, Mohali, Amritsar, Jalandhar and other parts of the state.
- The state has a scheme for having a stadium at the block-level, with indoor facilities for wrestling, boxing, judo, weight lifting, etc. Construction of such facilities have been completed in 19 blocks.
- The state also has a proposal to construct a national-level stadium in each district with a multipurpose hall, a swimming pool and eight-lane cinder track.
- Golden Temple, Jalianwala Bagh and the Wagah Border (with Pakistan) at Amritsar are the main tourist destinations in the state.

Major Hotels in Punjab

Hotel	City
Hotel Regency	Chandigarh
Hotel Piccadily	Chandigarh
Hotel Radisson Windsor	Jalandhar
President Hotel	Jalandhar, Chandigarh
Hotel City Heart	Ludhiana
Hotel Chevron International	Ludhiana
Mohan International	Amritsar

Sources: Department of Sports, Department of Tourism,
Government of Punjab

Industrial Infrastructure

Name and Location	Primary Industry	Description
Electronics Township (ELTOP), Mohali	Electronics	Set up by Punjab Information and Communication Technology Corporation Limited (Punjab Infotech) for promotion and growth of the electronics industry in the state.
Industry Clusters	Industry Specific	Clusters identified for bicycles and bicycle parts (Ludhiana), steel re-rolling (Mandi Gobindgarh), textiles (Ludhiana), sports and leather goods (Jalandhar), and woollens (Amritsar).
Food Park Project, Sirhind, Fatehgarh Sahib District	Agro-Processing	Joint initiative of a Non-Resident Indian (NRI) group and Punjab Agro Industries Corporation; spread over 25 acres and 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 Million Tonnes (MT).
Apparel Park, Doraha, Ludhiana	Textiles	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	Biotech	It has all the basic facilities of water, electricity, R&D lab and sewage treatment facility etc.
SEZ, Mohali	IT and Electronics; Pharmaceuticals	SEZ status has been granted to QuarkCity in Mohali to promote the IT and electronics sectors and to Ranbaxy's SEZ at SAS Nagar, Mohali.

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Key Industries

- The resources, policy incentives, infrastructure and climate in the state support investments in sectors such as automotives, chemicals, agro-based industries, food products, light engineering goods, metal and alloy products, sports goods, textiles, pharmaceuticals, paper and paper products.
- Punjab State Industrial Development Corporation Ltd (PSIDC) and Punjab Small Industry and Export Corporation (PSIEC) are responsible for the development of industrial infrastructure in the state. Punjab Agro Industries Corporation (PAIC) is responsible for development of agro-based units.
- The State Government has set up the “Udyog Sahayak” as state-level nodal agency and District Industry Centres (DIC) as the district-level committee for single-window clearance of industrial projects.
- The Government of Punjab is promoting the development of several Special Economic Zones (SEZ) across Punjab for pharmaceuticals, textiles, electronic hardware and IT/ITeS.

Key Industries in Punjab

- Tractors and Auto Components
- Agro-based Industries
- Bicycles and Bicycle Parts
- Chemical Products
- Food Products
- Light Engineering Goods
- Metal and Alloy Products
- Pharmaceuticals
- Paper and Paper Products
- Sports Goods
- Textiles

Key Players



Key Industries – IT and Electronics ... (1/2)

- 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.
- In 2009-10, software exports from the state were around US\$ 153.7 million.
- In the past few years, more than 1,200 Small Scale Industrial (SSI) units have been set up in the electronics hardware sector. These units produce personal computers, industrial electronic equipment, televisions, radios, electronic instruments, tools and components.
- The state has launched a venture capital fund, with a corpus of nearly US\$ 4.3 million, for the IT industry; it is funded jointly by Punjab State Industrial Development Corporation (PSIDC), Punjab Infotech, Punjab Financial Corporation (PFC) and the Small Industries Development Bank of India (SIDBI).

→ The Electronic Test and Development Centre at Mohali provides testing facilities to electronics industries.

Some of the Key Players

- Infosys Ltd
- JCT Electronics Ltd
- Punjab Communications Ltd
- APLAB Ltd

Key Industries – IT and Electronics ... (2/2)

Infosys Ltd



→ Infosys, which recorded revenues of US\$ 6.04 billion in 2011, has nine development centres across the country, with the one at Mohali set up in 2001. The Mohali centre is equipped with latest technologies and solutions for enterprise networking, office productivity, collaborative software engineering and distributed project management.

JCT Electronics Ltd (JCTEL)



→ JCT Electronics is a flagship company of the Thapar Group, one of India's large industrial conglomerates. JCTEL manufactures colour picture tubes for television sets and has a production capacity of over 5.2 million, annually. The company's plants are located at Vadodara in Gujarat and Mohali in Punjab. It recorded revenues of US\$ 101.1 million in 2010-11.

Punjab Communications Ltd



→ Puncom is India's premier telecom and IT equipment and solution provider. The company recorded revenues of US\$ 23.3 million in 2009-10. Broadly, the company's activities cover areas such as telecom equipment manufacturing, IT and software solutions, turnkey projects, and repair and maintenance. It has manufacturing facility in Mohali near Chandigarh.

APLAB Ltd



→ APLAB Ltd is a public enterprise incorporated in 1962 to provide solutions to business sectors such as telecommunication, IT, retail banking, retail fuel-dispensing, and power control and conditioning. Its electronic products have markets, globally. The company has four independent product divisions – test and measurement equipment, power conversion and Uninterrupted Power Systems (UPS), self-service terminals for banking and self-service terminals for petroleum sectors. In Punjab, the company has presence in Chandigarh, Ludhiana, Amritsar and Jalandhar. The company recorded revenues of US\$ 25.05 million in 2010-11.

Key Industries – Agro-based Industry

... (1/2)

- Agro-based industries contribute nearly 20 per cent to the manufacturing output and about 14 per cent to the employment in the state.
- The State Government has actively promoted contract farming. Some of the 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 and mustard). Crops being promoted include maize, hybrid basmati and sunflower.
- Organic farming is also a thrust area with initiatives from the Punjab Agriculture Export Corporation (PAGREXCO). Several incentives are 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.

- Since the 1980s, Punjab Agro Industries Corporation (PAIC) has been encouraging private investment in the agro-processing sector by identifying technically feasible and economically viable projects and inviting financial collaborations for implementation in the joint sector.

Some of the Key Players

- Nestle India
- MILKFED
- Jagjit Industries Ltd
- Markfed

Key Industries – Agro-based Industry

... (2/2)

Nestle India



- 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. The company has its processing unit in Moga, Punjab.
- Nestle's famous brands include Nescafé, Maggi, Milkbar, Milo, Kit-Kat, Bar One, Milkmaid and Nestea. The company recorded revenues of US\$ 1.3 billion in 2010.

MilkFed



- MILKFED (The Punjab State Cooperative Milk Producers' Federation Ltd) was formed in 1973 with the objectives of providing remunerative prices to milk producers in the state, marketing their produce and providing technical inputs for the enhancement of milk production. It reported a turnover of US\$ 264.7 million in 2009-10, including exports of roughly US\$ 2.4 million. The company has a strong network of about 6,474 milk producers' cooperative societies at the village-level, 12 milk plants and two cattle feed factories.
- It is well known for the Verka brand of dairy products, including milk, butter, buttermilk, cheese, curd, milk powder, ice cream and ghee.

Jagatjit Industries Ltd (JIL)



- JIL was founded in 1944 in the erstwhile state of Kapurthala under the patronage of its Maharaja Jagatjit Singh. The company manufactures and markets alcoholic beverages, malt, malt-extract, malted milk foods, milk powder, ghee, glass and pet containers. The company recorded revenues of US\$ 297.2 million in 2010-11.

Markfed



- Markfed began operations in 1954 with 13 members and a share capital of US\$ 6,000. Today, it has grown to become among the largest marketing cooperatives in Asia with an annual business turnover of over US\$ 2.3 billion with nearly 2,710 employees and 20 industrial units.
- Punjab Markfed is a marketing federation of over 3,069 societies. The cooperative has won recognition and many awards from the Government of India in several areas of excellence; Markfed represents the interests of over a million farmers in the state.

Key Industries – Textiles ... (1/2)

- The textile sector in the state is strong on all aspects of the value chain, i.e., from the raw material stage to the finished products (garments) stage.
- Textile industries contribute around 22 per cent to the manufacturing output and around 24 per cent to the industrial employment in the state.
- Punjab is among the largest producers of cotton and blended yarn as well as mill-made fabrics in India.
- The district of Ludhiana is often referred to as the 'Manchester of India'.

Some of the Key Players

- Nahar Group
- Vardhman Group
- JCT Limited
- Prince Textile Mills

Key Industries – Textiles ... (2/2)

Nahar Group



- The group's portfolio comprises spinning, knitting, fabrics and hosiery garments. It operates under four firms: Oswal Woollen Mills, Nahar Spinning Mills, Nahar Industrial Enterprises and Nahar Investments and Holding Ltd. Its manufacturing facilities are located at Ludhiana and Patiala.

Vardhman Group



- Vardhman Textiles Limited, formerly Mahavir Spinning Mills Limited, is a large textile producer in India. The company operates in five segments: yarn, sewing thread, steel, fibre and fabric. The yarn segment comprises production of various types of yarns (cotton, manmade fibres and blends thereof) and yarn processing activities. The company's subsidiaries include VMT Spinning Company Limited, VTL Investments Limited, Vardhman Acrylics Limited and Vardhman Yarn and Threads Limited. The company has its corporate office at Ludhiana, yarn manufacturing units at Ludhiana, Hoshiarpur and Malerkotla, and dyeing units at Ludhiana and Hoshiarpur. The company recorded revenues of US\$ 985.7 million in 2010-11.

JCT Ltd



- JCT Limited, one of the leading manufacturers of textiles and filament yarn, is the flagship company of Thapar Group. It has operations in two distinct businesses: cotton, synthetic and blended textiles, and nylon filament yarn. The company witnessed revenues of US\$ 166.5 million in 2010-11.
- JCT Limited has a product range of materials including 100 per cent cotton, 100 per cent polyester, 100 per cent nylon as well as various blends like cotton-polyester, cotton-nylon and polyester-viscose, single and plied yarns (both with counts ranging from 6s to 100s) as well as cotton-lycra and Dupont USA approved (polyester-cotton) lycra stretch material. The company has an integrated textile facility at Phagwara, Punjab.

Prince Textile Mills



- Prince Textile Mills, based in Ludhiana, was established in 1990 for high quality "Pashmina" products. The company offers wide variety of hand woven shawls, scarves running lengths.
- The company has its manufacturing facility at Ludhiana, Punjab.

Key Industries – Light Engineering Goods ... (1/2)

- The light engineering goods industry in Punjab includes bicycle and bicycle parts, hand tools, sewing machines and machine tools.
- The industry accounts for around 21 per cent share of the manufacturing output and more than 25 per cent share of the industrial employment.
- The state accounts for 15 per cent of bicycle production and 80 per cent of bicycle parts production in India. The industry is primarily located in Ludhiana.
- Hand tools such as 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.
- The 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
- Accurate (India)

Key Industries – Light Engineering Goods ... (2/2)

Hero Cycles



- A part of the Hero Group and amongst the world's largest producers of bicycles, the company manufactures over 5.6 million cycles per annum. The 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 the US. It has tied-up with National Bicycle Industries, a part of the Matsushita Group, Japan, to manufacture high-end bicycles. It has a manufacturing unit in Ludhiana.

Avon Cycles



- Avon Cycles is another leading bicycle manufacturer in the country. It has invested significantly in backward integration and has facilities for making almost all parts, including steel balls, that are needed for bicycles. It produces about 1.5 million bicycles per annum and exports to more than 80 countries. It has manufacturing units in Ludhiana. The company is recognised by the Government of India as a 'Golden Trading House'. It is engaged in the development of a range of electrically-powered bikes and scooters.

Accurate (India)



- Accurate (India) is a manufacturer and exporter of oil mill machinery, spares and scaffolding fittings. The company has its office at Simlapuri in Ludhiana.

Key Industries – Automotive and Auto Components Industry ... (1/2)

- The automotive industry in Punjab is dominated by farm and light commercial vehicle manufacturers, such as International Tractors, Punjab Tractors and Swaraj Mazda.
- The auto component industry in Punjab predominantly comprises SSI units.
- The auto components produced range from simple items such as nuts and bolts to complex ones such as 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.

Some of the Key Players

- International Tractors Ltd
- Swaraj Engines Ltd
- Swaraj Mazda Ltd
- Pabla Bearings Ltd

Key Industries – Automotive and Auto Components Industry ... (2/2)

International Tractors Ltd



→ International Tractors is among the top three tractor manufacturers in India; the company has a facility at Hoshiarpur. It sells tractors under the brand names 'Sonalika' and 'CLASS'. It exports to several countries including South Africa, Australia, Zimbabwe, Sri Lanka, Canada, Bangladesh, Algeria, Zambia, Senegal and Ghana. It has a strategic alliance with YANMAR, Japan, for manufacturing tractors in India and a marketing arrangement with Tata International for exports to select South American and African markets.

Swaraj Engines Ltd



→ Swaraj Engines Limited (SEL) is a Punjab-based company and manufactures engines for PTL. It manufactures diesel engines, diesel-engine components and spare parts. The company is also a supplier of hi-tech engine components to Swaraj Mazda Limited (SML). The company's engine business constitutes approximately 94 per cent of its product revenue. The remaining 6 per cent is contributed by the hi-tech engine components being supplied to SML for assembly of commercial vehicle engines. The company recorded revenues of US\$ 79.6 million in 2010-11.

Swaraj Mazda Ltd



→ Swaraj Mazda, based in Nawashahar, Punjab, is a light commercial vehicle manufacturer. The company manufactures vehicles for goods and passenger applications. In the passenger-carrier category, the company offers non-air conditioned and air-conditioned bus models with capacity ranging from 10 to 41 seats. The company registered revenues of US\$ 163.6 million in 2009-10.

Pabla Bearings Ltd



→ Pabla is a leading manufacturer and exporter of superior quality bearings, agricultural machinery bearings, home appliances bearings, auto bearings, two-wheeler auto bearings, four-wheeler auto bearings, etc. The company is based in Ludhiana, Punjab.

Key Industries – Petrochemicals and Fertilisers ... (1/2)

- Industrial activity in the petrochemicals and fertiliser categories includes refining, petrochemicals, chemicals, fertilisers and other related products and distribution.
- Future growth in this sector is expected with the proposed development of Hindustan Petroleum Corporation Ltd refinery project as well as increasing the production of fertiliser in the state.

Some of the Key Players

- Hindustan Petroleum Corporation Ltd
- National Fertilizers Ltd
- Punjab Chemicals and Crop Protection Ltd
- Punjab Alkalies & Chemicals Ltd

Key Industries – Petrochemicals and Fertilisers ... (2/2)

Hindustan Petroleum Corp Ltd (HPCL)



- HPCL is a Fortune 500 company. It recorded an annual turnover of US\$ 31.5 billion in 2010-11 and had a market share of about 20 per cent.
- Hindustan Mittal Energy Limited, a joint venture company of HPCL with Mittal Energy Investments Pte Limited is setting up a state-of-the-art, 9 Million Metric Tonnes Per Annum (MMTPA) refinery at Bathinda in Punjab and it is scheduled for completion by 2011.

National Fertilizer Ltd (NFL)



- NFL is one of the largest producers of nitrogenous fertilisers in the country. It is actively promoting the use of bio-fertilisers in the state and produces neem-coated urea at its facility in Bathinda. The company recorded revenues of US\$ 1.1 billion in 2009-10.

Punjab Chemicals and Crop Protection Ltd



- Punjab Chemicals and Crop Protection Limited is engaged in the business of agrochemicals and manufactures technical grade pesticides, herbicides, fungicides and biocides, as well as their formulations. The company has presence in both domestic and international markets. It has its registered office in Chandigarh and recorded revenues of US\$ 63.8 million in 2009-10.

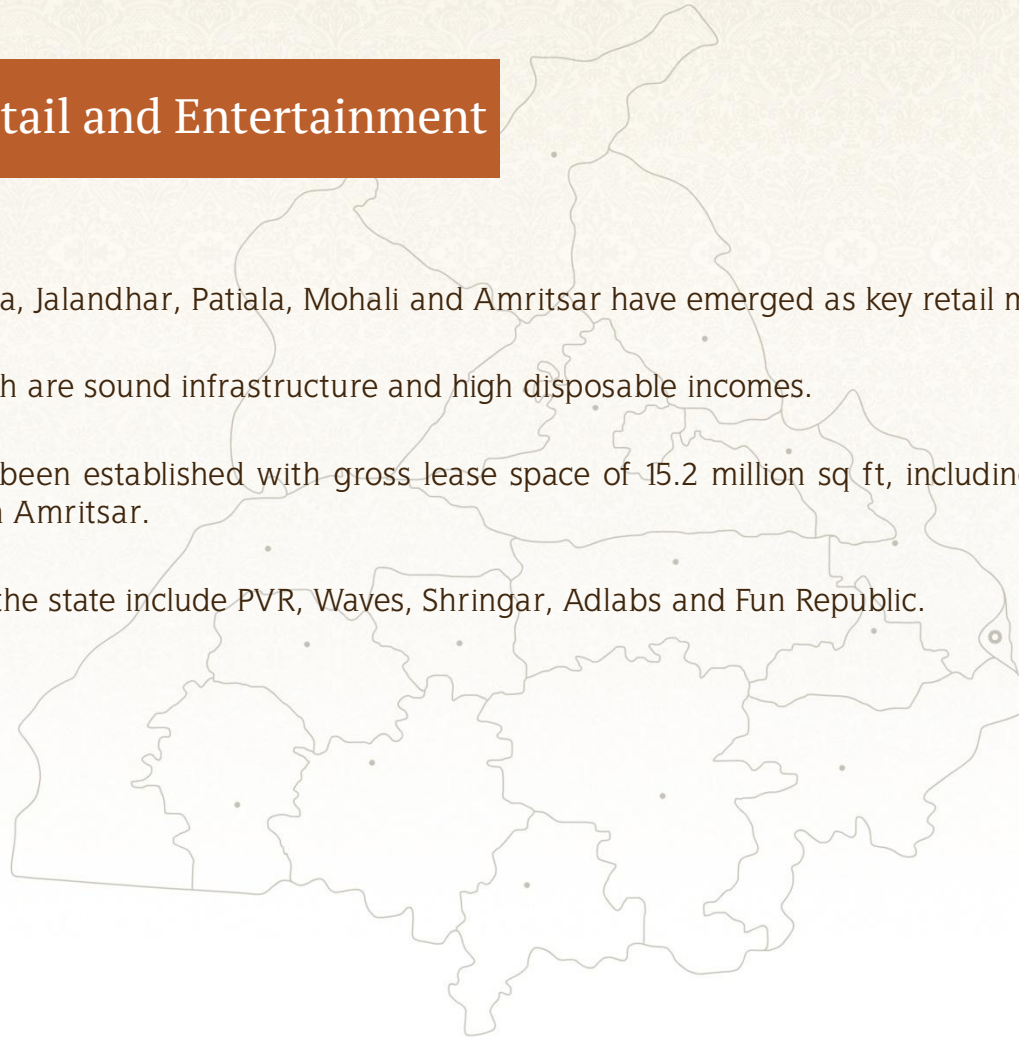
Punjab Alkalies & Chemicals Ltd



- Punjab Alkalies & Chemicals Limited is engaged in the business of chemicals. The company's three principal products include: caustic soda lye, chlorine and hydrochloric acid. Its plant is located at Naya Nangal in Punjab. The company registered revenues of US\$ 38.04 million in 2010-11.

Key Industries – Retail and Entertainment

- The cities of Ludhiana, Jalandhar, Patiala, Mohali and Amritsar have emerged as key retail markets of the country.
- The drivers of growth are sound infrastructure and high disposable incomes.
- Over 34 malls have been established with gross lease space of 15.2 million sq ft, including large players such as AlphaOne, located in Amritsar.
- Some key players in the state include PVR, Waves, Shringar, Adlabs and Fun Republic.



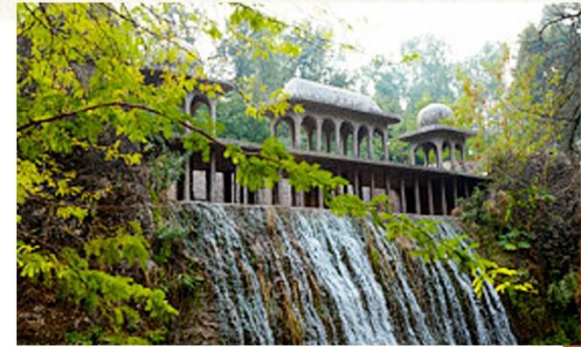
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Three-Tier Single-Window Clearance Mechanism ... (1/2)

- The Single-Window Clearance Mechanism (SWM) has been established under the Punjab Industrial Facilitation Act, 2005, with the following three-tier structure to grant exemption/relaxation from any of the provisions/rules of the act:
- **District Single Window Clearance Committee:** Instituted in each district of the state, the committee is chaired by the Deputy Commissioner and has the senior-most officers of district departments as its members.
- **Empowered Committee:** This committee is chaired by the Chief Secretary to the Government of Punjab and has the principal secretaries of state departments as its members.
- **State Board:** The board has the Chief Minister of Punjab as its chairman and ministers of state departments as its members.

SWM Structure in Punjab

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

Three-Tier Single-Window Clearance Mechanism ... (2/2)

Level	Nodal Agency	Composition
State-level	Udyog Sahayak	Officers from the Punjab State Electricity Board (PSEB), Punjab Pollution Control Board (PPCB), Punjab Infotech, PSIDC, PFC, PSIEC, Department of Labour, PAIC and Directorate of Industries. The agency handles the composite application form received from entrepreneurs and assists in obtaining clearances from various departments within the stipulated time period. It also provides guidance and information to investors about policies and programmes; it is monitored by an empowered committee.
District-level	DIC	The DIC is headed by the General Manager at the district level and includes the environmental engineer of the PPCB, the superintending engineer/executive engineer of PSEB, the district officer of the Housing and Urban Development Authority and the assistant director of factories from the Directorate of Factories. The DIC provides sanctions and clearances for setting up SSI units in the state.

PSIDC: Punjab State Industrial Development Corporation Ltd, PFC: Punjab Financial Corporation, PSIEC: Punjab Small Industries & Export Corporation Limited, PAIC: Punjab Agro Industries Corporation Limited

Key Investment Promotion Offices

Agency	Description
Punjab Small Industry and Export Corporation Limited (PSIEC)	<ul style="list-style-type: none"> • Focuses on the development of SSI units and promotion of exports. • Responsible for setting up industrial focal points.
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 units in the state (loan limits set 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 and pesticides to farmers. • Assists investors in obtaining all 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 as an infrastructure developer and financial facilitator.

Contact List

Agency	Contact Information
Punjab Small Industry and Export Corporation Limited (PSIEC)	Udyog Bhawan 18, Himalaya Marg, Sector-17/A Chandigarh-160017 Phone: 91-172-2702656, 2704865 Fax: 91-0172-2702751 E-mail: psiec_chd@yahoo.co.in
Punjab State Industrial Development Corporation Limited (PSIDC)	Udyog Bhawan 18, Himalaya Marg, Sector-17 Chandigarh-160 017 Phone: 91-172-2702 881-84, 2702 791 Fax: 91-172-2704 145 E-mail: psidc@rediffmail.com , psidcltd@yahoo.co.in

Key Approvals Required

Service or Facility	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 Loan	PFC/PSIDC	8 weeks
Release of Power Connection	PSEB	Load up to 20 kW: 8 weeks Load from 20-100 kW: 12 weeks Load 101-500 kW: 12 weeks Load above 500 kW: 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

Cost of Doing Business in Punjab

Cost Parameter	Cost Estimate
Industrial Land (per sq m)	Government Land in Key Industrial Areas of Ludhiana, Mohali, Amritsar, Jalandhar: US\$ 25 to US\$ 75 Agricultural Land: US\$ 5 to US\$ 30
Office Space Rent (per sq ft per month)	US 30 cents to US 45 cents
Power Cost (per kWh)	Industrial: US 9.8 cents to US 10.8 cents
Labour Cost (minimum wages per day)	Agriculture: US\$ 3.2 Non-agriculture: Unskilled: US\$ 3.1 Semi-skilled: US\$ 3.2 to US\$ 3.4 Skilled: US\$ 3.4 to US\$ 3.7 Highly-skilled: US\$ 3.9 to US\$ 4.1
Water	Commercial and Industrial: US 15.7 cents per 1,000 litres

Source: Ministry of Labour and Employment, Government of India, Industry Sources

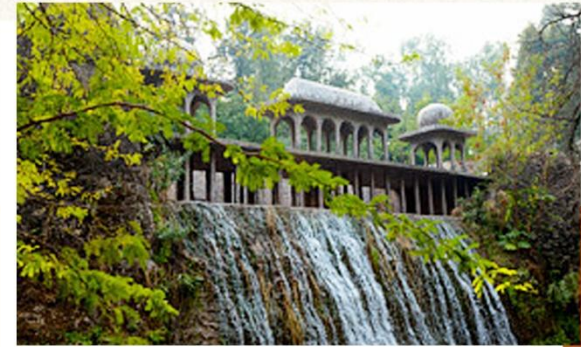
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State Acts & Policies ... (1/3)

Industrial Policy 2009

Objective

- To establish synergy between the agriculture and industrial sectors, rejuvenate small scale sector and attract more investments in the large scale sector.

[Read more](#)

Agro Industrial Policy 2009

Objective

- To make Punjab the destination of choice for investors and processors, both global and domestic.

[Read more](#)

IT/Knowledge Industry Policy 2009

Objective

- To create an enabling environment for IT and knowledge-based industry by focusing on creation of necessary infrastructure, development of human capital, proactive engagement with investors and effective policy implementation.

[Read more](#)

State Acts & Policies ... (2/3)

Special Economic Zone (SEZ) Act 2009

Objectives

- To promote SEZs in the state, providing unique incentives to infrastructure developers.
- To promote and set up self-contained large industrial townships.

[Read more](#)

Land Allotment Policy 2008

Objective

- To accelerate the pace of growth of industry in the state and provide quick availability of land to the entrepreneurs.

[Read more](#)

New and Renewable Sources of Energy (NRSE) Policy 2006

Objectives

- To focus on energy conservation and other new technology-based renewable sources of energy.
- To enhance the contribution of renewable energy for socio – economic development.

[Read more](#)

State Acts & Policies ... (3/3)

Notification Textile Policy 2006

Objective

- To facilitate and promote the growth of the textile industry, achieve global standards in product quality, contribute more to exports and encourage textile clusters.

[Read more](#)

Tourism Policy 2003

Objective

- To promote tourism and develop hospitality infrastructure with private sector participation. Tourism was declared an industry in Punjab in 1996.

[Read more](#)

Annexure

Exchange Rates

Year	INR equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.28
2007-08	40.24
2008-09	45.91
2009-10	47.41
2010-11	45.57

Average for the year

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