

# Kotak India Manufacturing Forum

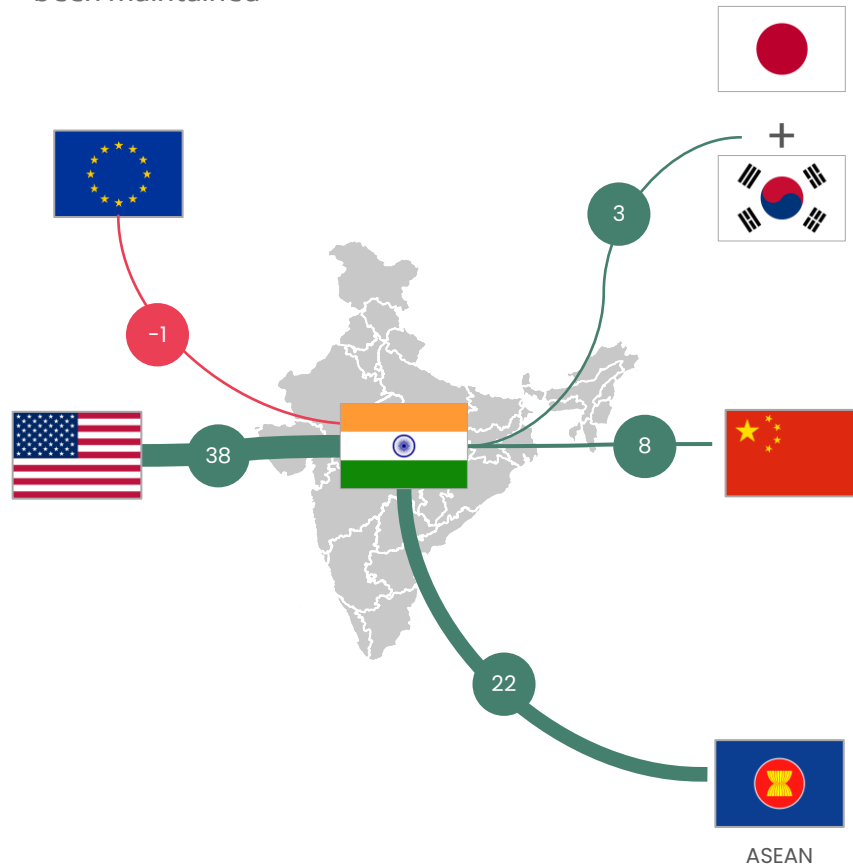
---

30<sup>th</sup> March, 2022

*Rajaram Pai*  
*Chief Business Officer (Industrial), IC&IC*

## Corridors<sup>1</sup> to gain/lose global trade

\$B value of 2030F share vs. 2030 share had 2019 share of trade been maintained<sup>2</sup>



1. Excludes intra-bloc trade (e.g., trade within EU). Corridors shown represent 40% of all trade 2. Compares value of share of corridor if it changes in % of global trade in 2030 based on forecasts with if it maintains the same % of global trade in 2019 in 2030 3. South American trade bloc 4. Southeast Asian trade bloc

Sources: BCG Global Trade Model-2021, UN-Comtrade, OECD, WEF, IHS, GlobalInTradeAlert

## Key Trends impacting Trade flow to India

### 1 Tariff Risk

Over 50% of China's exports have been affected by US tariffs`

### 2 Rupee Depreciation

Made import of supplies more expensive

### 3 Increase in factor costs in China

Avg. hourly labor costs have more than doubled from 2011 (\$2.1) to 2019 (\$4.8); with power costs also on the rise due to shortage of supply

### 4 China+1 strategy post COVID

Multiple cos. are looking to diversify supply chains given their dependency on China was exposed during COVID

# Investment accelerating across 3 key segments

## Theme 1



Toys



Textiles



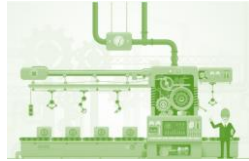
Auto  
& Auto components



Furniture



Footwear



Capital Goods

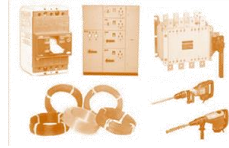
### *‘Labor intensive’ export focused*

- Sectors with Mature Value Chains
- Leverage advantage of Skilled Manpower & Availability of Raw Materials
- Need to intensify Capacity Utilization

## Theme 2



Med-Tech and  
Pharma API



White Goods & Electrical,  
appliances



Agri & Food  
Processing



Chemicals

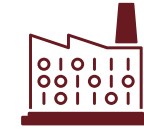


Metal  
Processing &  
Specialty Steel

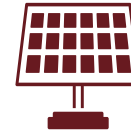
### *Moving up the Value Chain*

- Improving R&D and tech know-how capabilities
- Need to get into higher value-added products and focus on increasing export market

## Theme 3



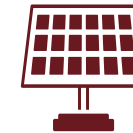
Data Centre



Clean Energy



Defence &  
Aerospace



Clean Energy



EV & Energy  
Storage



Electronics, &  
Semiconductors

### *‘Sunrise’ High growth sectors*

- Sectors with Emerging Value Chains
- India has advantage of large domestic market & technical workforce
- Need to focus on acquiring technology and developing world scale manufacturing capability



# Thrust towards setting up mega clusters

Illustration: Mega Investment Textile Parks (MITRA) schemes launched by the Central Govt. in 2021 to facilitate competitiveness in textiles; facets below:

1



## Large Textile Parks being setup:

7 mega textile parks to be set up in the next 3 years of 1000 acres each (with plug-and-play facility)

2



## Parks to have integrated textiles value chain:

Presence of entire value chain from spinning, weaving, processing/dyeing and printing to garment manufacturing at one location

3



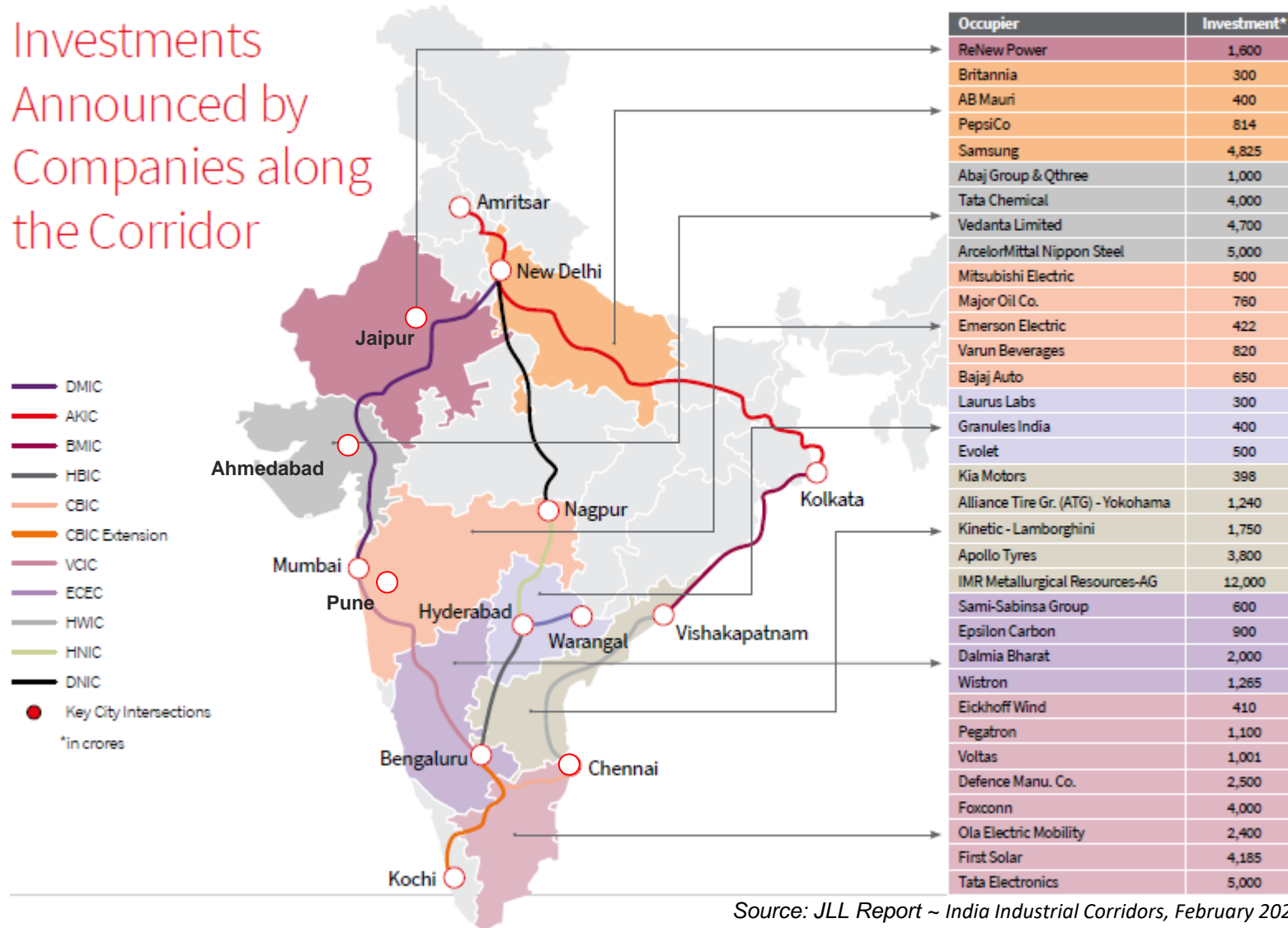
## Interest from Multiple states:

Tamil Nadu, Punjab, Odisha, Andhra Pradesh, Gujarat, Rajasthan, Assam, and Karnataka, have expressed interest to set up parks

- ❖ Rising interest from govt. for setting up mega clusters in industries like:
- ❖ Toys (e.g. Koppal)
- ❖ Medical devices (e.g. in Vizag & Ujjain);
- ❖ Furniture (e.g. SIPCOT, in Tuticorin)
- ❖ PCPIR in Dahej & Mangalore
- ❖ Mega Food Parks across
- ❖ Bulk Drugs Park in Guj & Raj
- ❖ Defence Corridors in TN & UP

# Industrial Infrastructure driving growth

Investments  
Announced by  
Companies along  
the Corridor



- ❖ India witnessing growth across industrial corridors
- ❖ Superior connectivity and access to key ports driving demand across designated corridors
- ❖ Mahindra parks located along prominent corridors of DMIC / BMIC / VCIC



## IC & IC

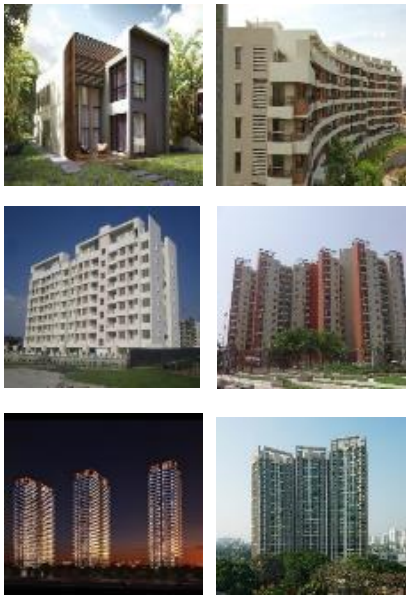
---

- Introduction
- Integrated Cities and Industrial Clusters (IC&IC)
- Destination of Choice
- Sustainability Led Growth
- X to 3X



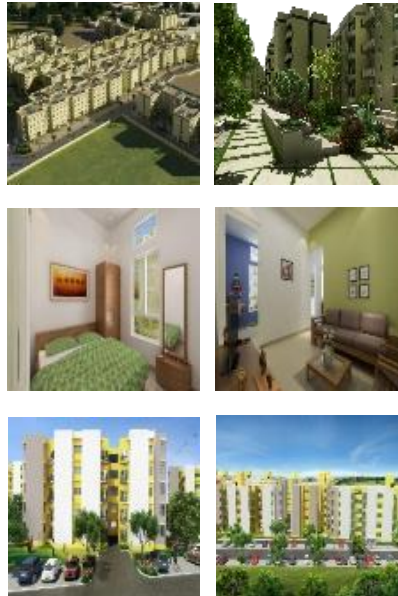
## Residential

### Mahindra Lifespaces®



Premium Residential

### Mahindra® Happinest



Value Housing

## Integrated Cities & Industrial Clusters

### Mahindra WORLD CITY



Integrated Cities

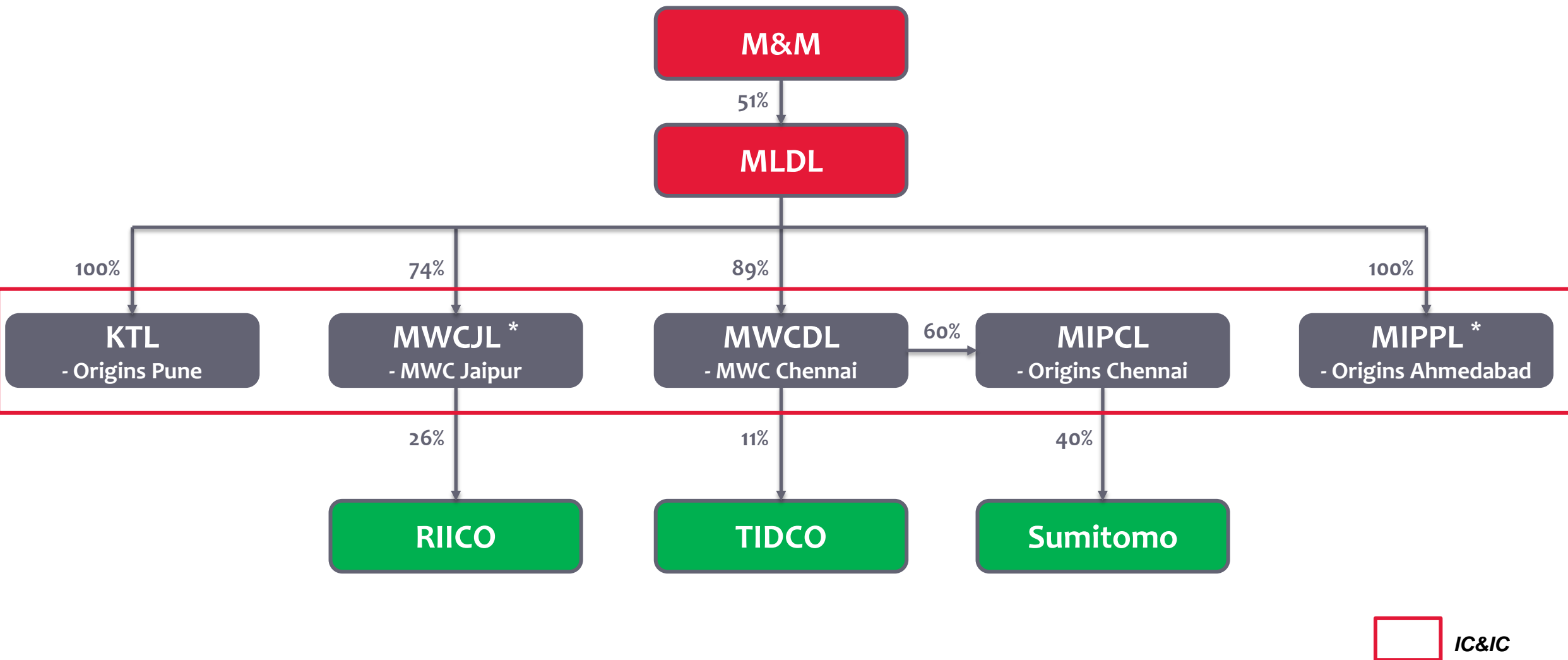
### Origins by Mahindra



Industrial Clusters

**28.2 million sq. ft.** of completed, ongoing and forthcoming residential commercial real estate development

**Over 5,500 acres** of ongoing and forthcoming projects under at its integrated developments / industrial clusters







5 DESTINATIONS, 1 OBJECTIVE : MAKE IN INDIA

## Integrated Cities

### MWC Chennai

- 60 kms from city, Partnership with TIDCO
- Gross Area: 1524 acres

### MWC Jaipur

- 20 kms from city, Partnership with RIICO
- Company owns an IT Park named 'eVolve'
- Gross Area: 2913 acres

## Industrial Clusters

### Origins Chennai

- 35 kms from city, Partnership with Sumitomo
- Gross Area: 289 acres

### Origins Ahmedabad

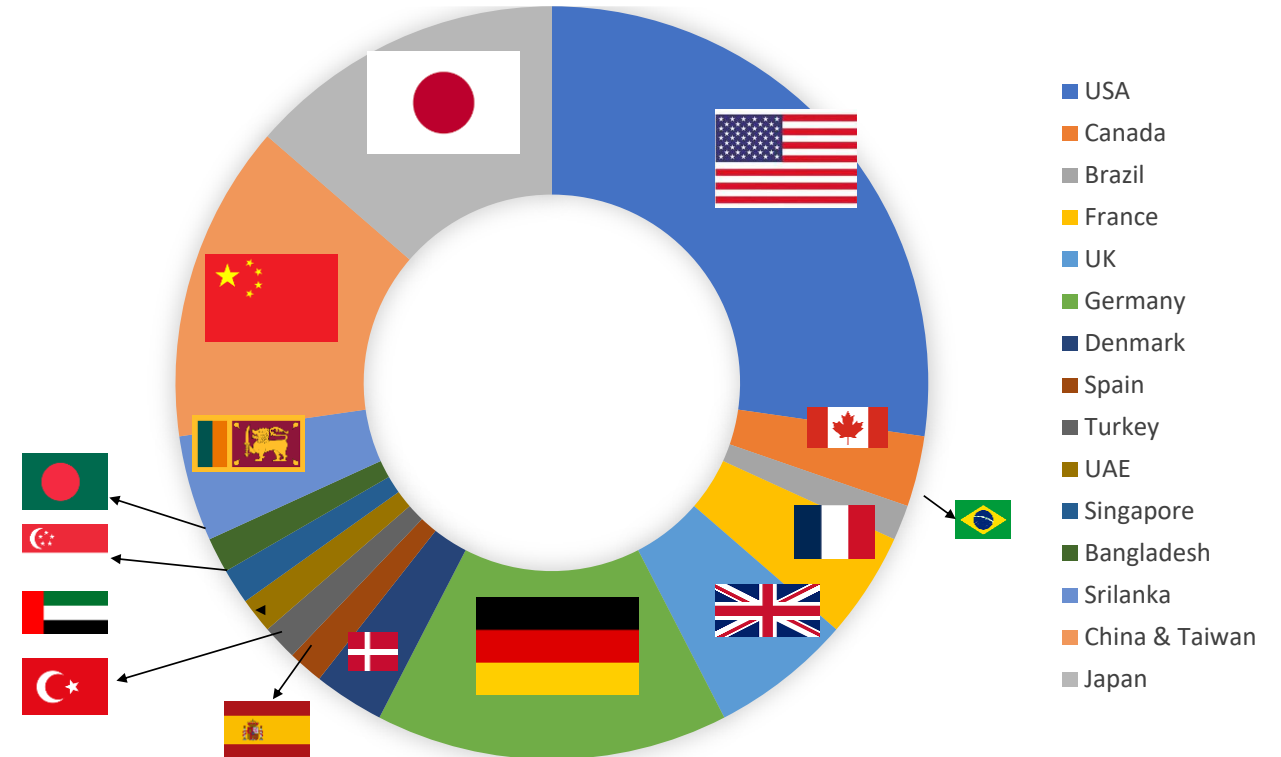
- 75 kms from city, Partnership with IFC
- Gross Area: 340 acres

### Origins Pune (Forthcoming)

- Gross Planned Area: 500 acres
- Land acquisition stage

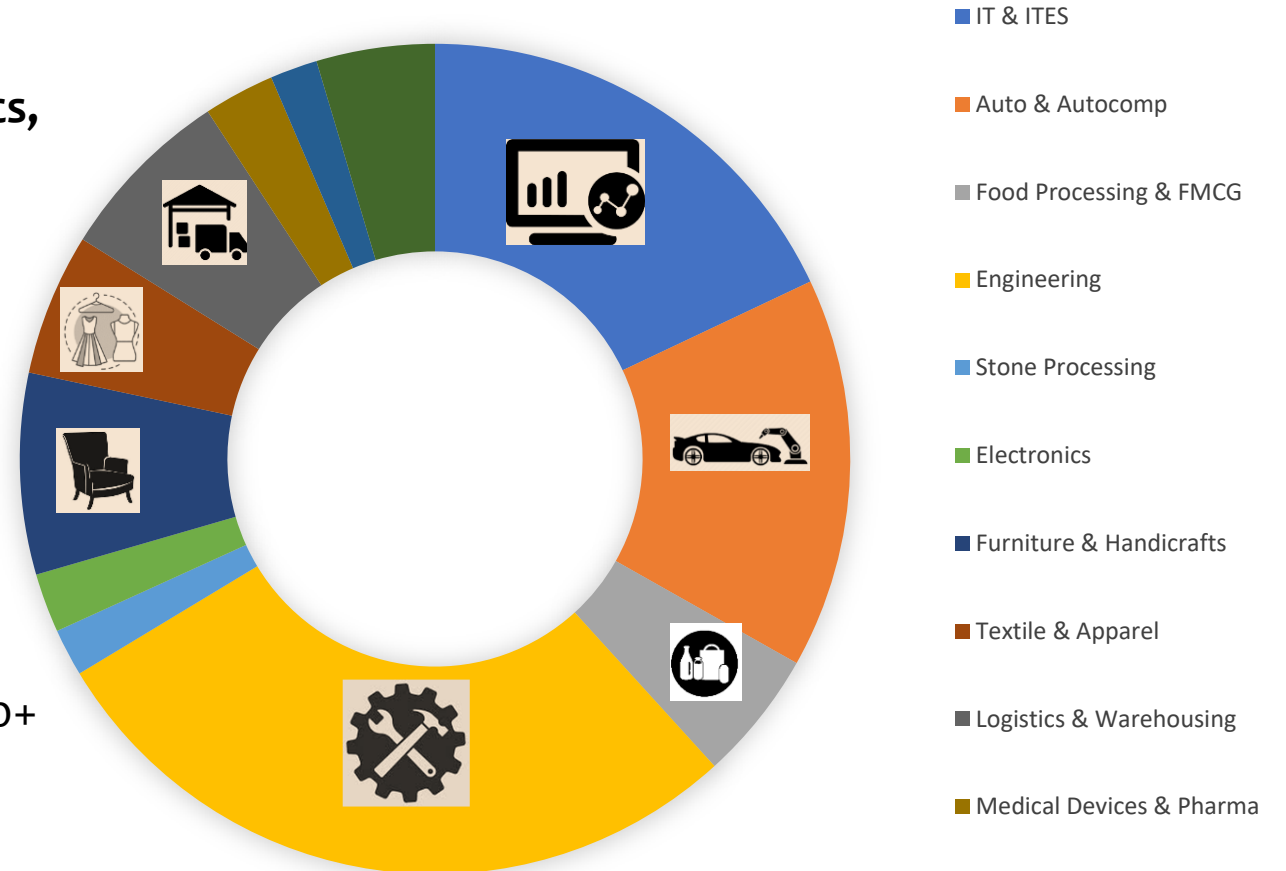
## Global Companies One Destination

- **Companies from 20+ countries** represent Mahindra World City & Origins
- Clients appreciate the Integrated Ecosystem of Livelihood, Living, Life at MWC
- **Origins Chennai** is a designated **Japanese Investment Township (JIT)**
- Large presence of **European & American companies** in **MWC Chennai & Jaipur**



## Home to 180+ Manufacturing, from 20+ sectors

- Multiple interest from growth sectors, specially under PLI - like **Auto, electronics, solar, electronics, medical devices & pharma**
- Some the key company sign-up in last 2 years include **Renew Power, Pegatron, Amazon, Hormann, Normet** to name a few
- **BMW** ~ produced **100,000 cars** in 13 different models
- **JCB** ~ operates **Asia's largest** ~ with exports to 80+ countries
- **Infosys** employing close to 15,000 people between MWC Chennai & Jaipur



## MWC Chennai

83 customers (68 operational)

Infosys



BASF  
The Chemical Company



Capgemini  
CONSULTING TECHNOLOGY OUTSOURCING

Accudyne  
INDUSTRIES



Infosys Campus



BMW



Central Avenue



## MWC Jaipur

110 customers (68 operational)

Infosys

Deutsche Bank Group

MetLife



APPIRO



Metlife



DTA Zone



Infosys Circle



## Origins Chennai

7 customers (1 operational)

YANMAR

Yanmar



USUI

USUI Susira



NISSEI

Nissei Electric



## Origins Ahmedabad

NH Access



Under Construction Site



Under Construction Site





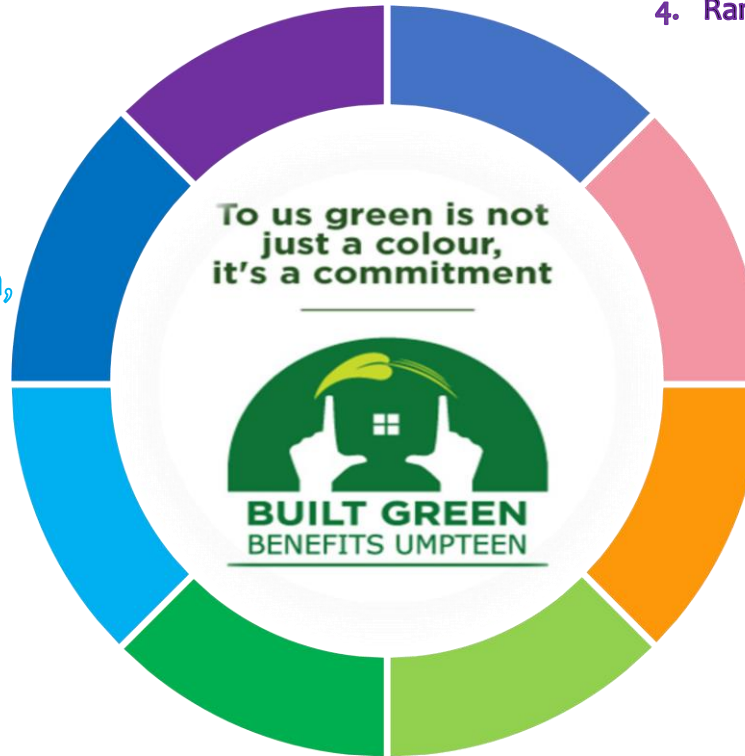
22+ mn sft of certified developments

30+ certified residential and IC&IC projects

CSR Budget allocated for Environment, Education, Health & Community Development initiatives

## ESG Initiative

1. **Environment** - Build Ecological Capital
2. **Social** - Build Social & Human Capital
3. **Governance** - Build Financial Capital



Recognized by CDP, TCFD, GRI & GRESB

1. CDP A rank in Climate Disclosure & CDP A Rank in Supply Chain
2. Plan to become carbon neutral by 2040, signatory to SBTi
3. Ranked 2nd in Asia in GRESB Real Estate Assessment
4. Ranked 1st in Asia in GRESB Public Disclosure

Mahindra TERI Center of Excellence for research on environment related activities

Founding member of Sustainable Housing Leadership Consortium (SHLC)

**Green Army:** mission to create 1 million caring citizens  
Launched Online module due to Covid-19



1st position for Sustainability Performance



MWC Chennai is India's first certified zero waste to landfill city & 1<sup>st</sup> Gold Certified Green Township



Zero waste-water discharge at all facilities

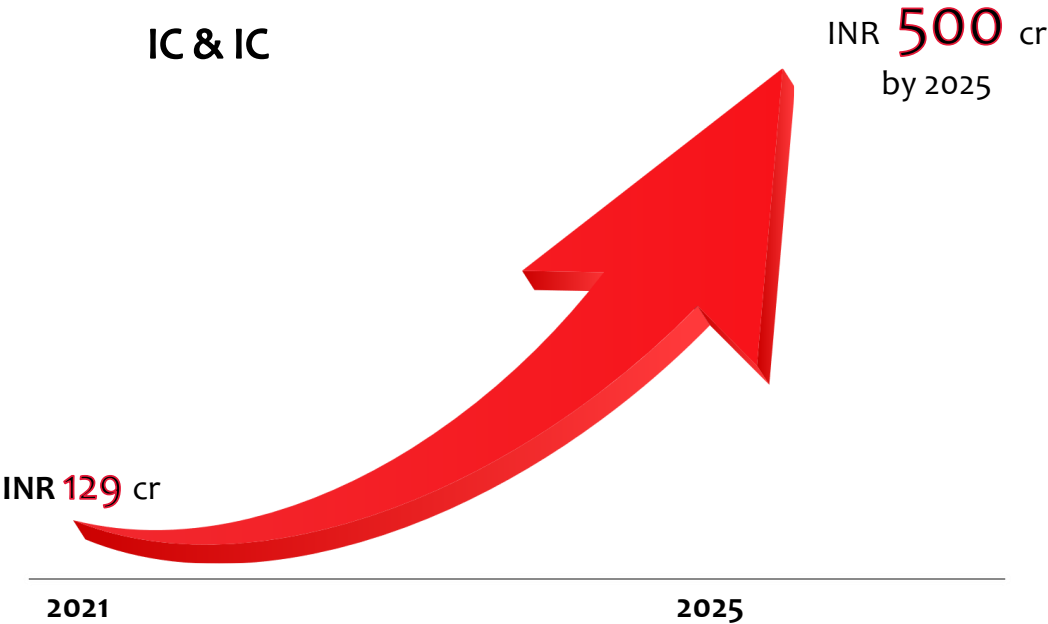


MWC Jaipur 1<sup>st</sup> & World's largest C40 Stage 2 Project



2nd position in Corporate Social Responsibility

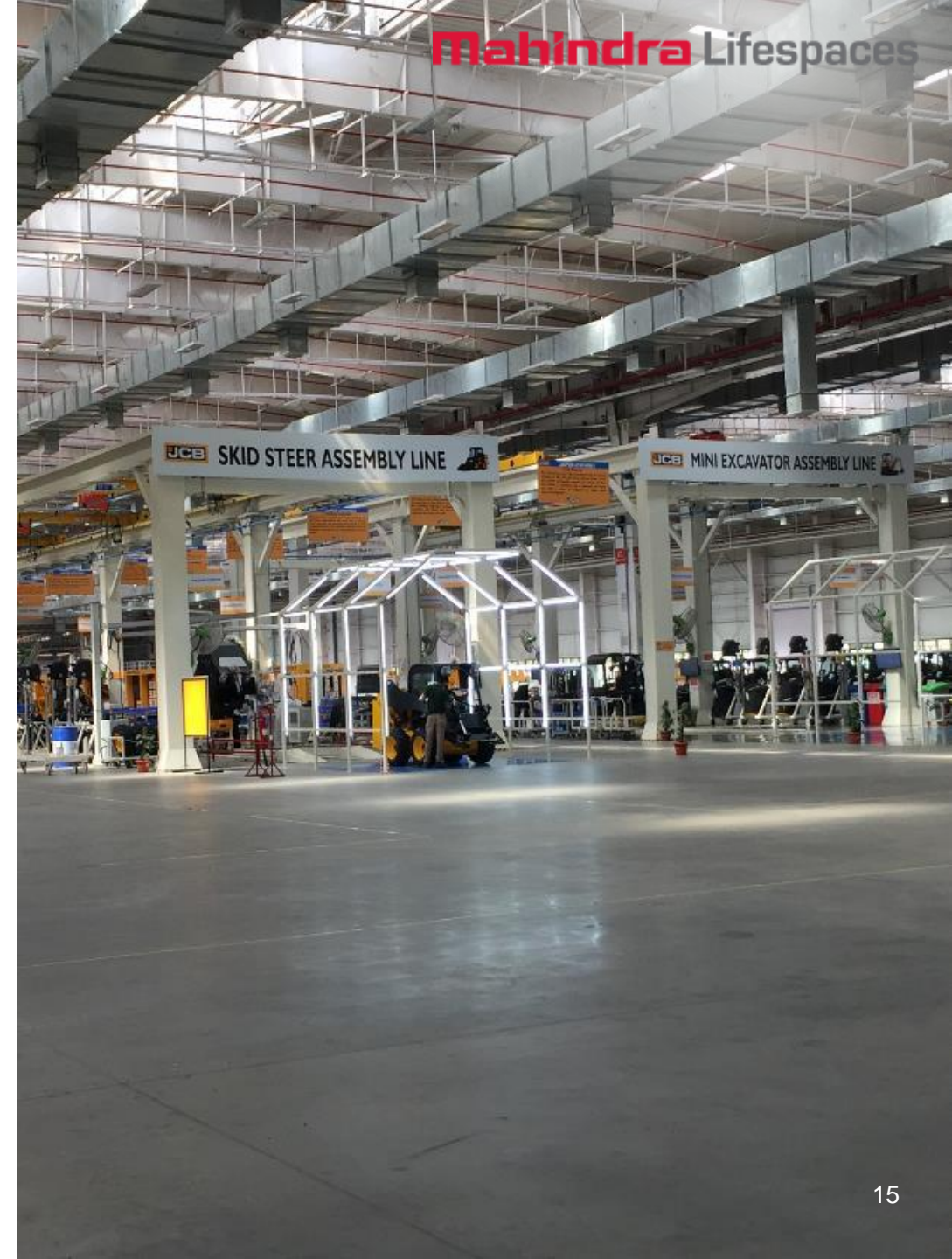




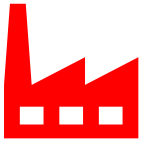
- Accelerated leasing across all existing locations with enhanced deal size
- Origins Ahmedabad Sales Activation
- Origins Pune & Origins Chennai Ph2 Launch of new parks
- Exploring allied opportunities Build to Suit lease premises
- New Sectors being targeted viz. Renewable Energy, EV ecosystem, Green Building Technologies
- International Outreach Closely working with consulates and international industrial agencies
- Tapping into Downstream ecosystem of existing units along with key vendors
- Exploring Opportunities with companies under PLI and other policy beneficiaries

# Summary

---



# India on cusp of being a global Manufacturing Hub



Gol's push on manufacturing & infrastructure

- **Make in India, PLI, FAME**
- **Gati Shakti** ~ push to improve infra and drive costs down



Policy level reforms

- **15% tax rate** for new manufacturing companies
- **Remodeling of SEZ policy in FY23** ~ shall bring new lease of life to SEZ's



Emergence of **new sectors** :

- Renewable sector push to local manuf.
- Electric Vehicles & allied sectors
- Semiconductors & defense manufacturing



**Plus One** Strategy

- Companies looking to setup alternate manufacturing bases outside of China
- Pegatron, Samsung, Foxconn, Hasbro, Zoom (Data Centre), Hyundai (enhanced production), OnePlus few names adopting +1 strategy

- ❖ Outlay of **USD 30 - 40 Bn** for PLI
- ❖ Approx. **400 approved** companies
- ❖ Make in India has attracted more than **USD 357 bn FDI** since 2014
- ❖ **Pegatron** (Apple contract manufacturer) has setup a unit MWC Chennai
- ❖ Solar, battery manufacturing, green building technologies ~ **Renew Power** (22 acres) has setup unit in MWC Jaipur
- ❖ Companies looking at new locations ~ **India has improved to 63 on EODB**

**ORIGINS**  
by **Mahindra** WORLD CITY  
Where Business Comes To Life

**Mahindra** WORLD CITY  
Chennai

**Mahindra** WORLD CITY  
Jaipur

**THANK  
YOU**