

NAGPUR CITY

The Emerging Hub of Central India

**ECONOMY
REPORT**

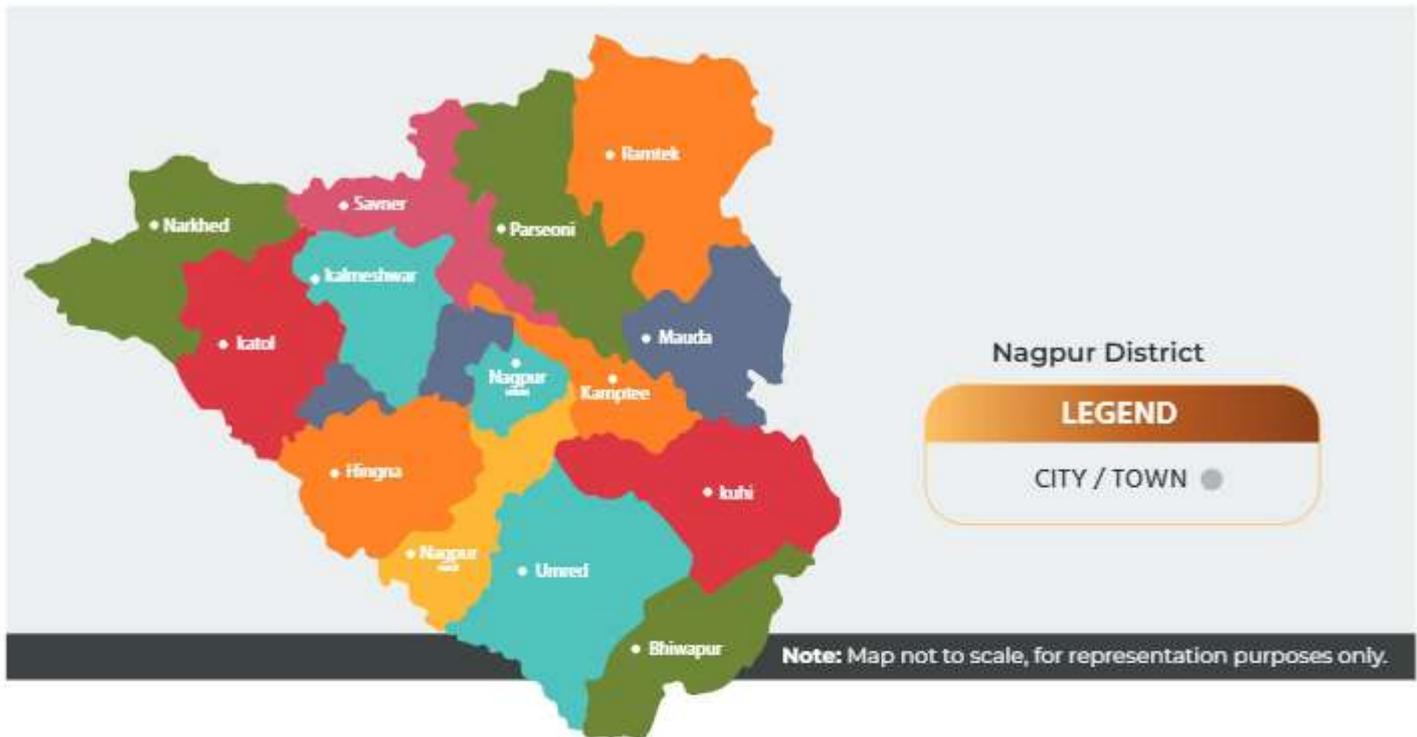
NAGPUR

Diverse Sectors Paving the Path
for a **Trillion** Economy.

2024

Nagpur: An Overview

Nagpur: Emerging Industrial and Economic Hub of Central India



Located at the heart of India, Nagpur is swiftly establishing itself as a key industrial and economic powerhouse. Its strategic location, excellent connectivity, and steady growth have contributed significantly to Maharashtra's economy and India's overall development. Known for its balanced economic environment, Nagpur has excelled in primary, secondary, and tertiary sectors. With expanding industries and a thriving services sector, the city has become a prime destination for investors and entrepreneurs. Nagpur's industrial landscape is diverse, spanning manufacturing, logistics, engineering, and agro-processing. The Maharashtra Industrial Development Corporation (MIDC) areas such as Butibori, Hingna, and Kalmeshwar are major industrial zones housing key sectors like textiles, steel, and chemicals. The city's strategic location also makes it a logistics hub, with industries benefiting from its excellent connectivity. Additionally, Nagpur's agricultural trade, especially its famous oranges, adds to the city's industrial growth, with agro-processing industries thriving alongside.

Infrastructure development has played a crucial role in Nagpur's economic rise. The city is a prominent junction for India's railway network and road corridors, which enhances its logistical capabilities. With Dr. Babasaheb Ambedkar International Airport and the MIHAN project, Nagpur is attracting large-scale investments in IT, aviation, and pharmaceuticals. The MIHAN initiative, combining cargo handling with a Special Economic Zone (SEZ), is set to transform Nagpur into a global economic hub. Nagpur's commitment to sustainable and inclusive development is evident in its balanced approach to urbanization and ecological preservation. As the city grows, it promotes green initiatives and environmental conservation, ensuring long-term sustainability. Coupled with its strong educational institutions like Visvesvaraya National Institute of Technology (VNIT) and IIM Nagpur, the city is producing skilled professionals to meet the demands of its growing industries.

Nagpur's real estate market is witnessing a boom, fueled by industrial expansion, infrastructural improvements, and growing employment opportunities. Projects like the Nagpur Metro and road network expansion are enhancing the city's connectivity, attracting developers and investors. With rapid industrialization, Nagpur is poised to become one of India's most dynamic economic hubs, offering immense opportunities for businesses, investors, and residents in the years to come.

Economic Profile

A Rapidly Growing and Dynamic Industrial Powerhouse



Strategically Located City

Nagpur holds a key position in India's logistics and industrial network, thanks to its central location and rapidly developing infrastructure.



GSDP

Nagpur's Gross District Domestic Product (GDDP) is steadily rising, with industrial and service sectors driving economic growth.



Industrial Base

Nagpur is home to a robust industrial base, with over 7,000 factories, contributing significantly to Maharashtra's industrial output. The city's MIDC zones, such as Butibori, Hingna, and Kalmeshwar, play a pivotal role in its industrial expansion.



Per Capita Income

Nagpur's per capita income has shown a consistent increase, keeping pace with the state's economic growth and aligning closely with Maharashtra's industrial performance.



FDI Inflows

Nagpur is attracting Foreign Direct Investment (FDI), particularly in sectors like IT, logistics, and pharmaceuticals, facilitated by the MIHAN project and favorable business policies.



A Vision for Growth

Nagpur has set ambitious economic goals, including becoming a significant contributor to India's \$5 trillion economy vision by 2030. With strategic projects and investments in place, Nagpur is well-positioned for sustained industrial and economic expansion.

Nagpur is rapidly emerging as a key industrial powerhouse in Central India, playing a significant role in Maharashtra's growing economy. Strategically located at the center of India, the city's well-established industrial base and logistical advantage are driving its growth. With over 7,000 factories and major MIDC zones like Butibori, Hingna, and Kalmeshwar, Nagpur contributes substantially to the state's industrial output. The city's GDDP (Gross District Domestic Product) is on a consistent upward trajectory, fueled by both industrial and service sectors. Nagpur's per capita income is also rising in line with its economic expansion, closely aligning with Maharashtra's overall performance. Additionally, Foreign Direct Investment (FDI) inflows have increased significantly, particularly in IT, logistics, and pharmaceuticals sectors, with the MIHAN project playing a crucial role in attracting global investors. With ambitious plans to contribute to India's goal of becoming a \$5 trillion economy by 2030, Nagpur is well-positioned for sustained growth and industrial development, making it a rising star in the nation's economic landscape.

Sociological Profile

A Rapidly Growing and Dynamic Industrial Powerhouse



4.9 Million

Population (2021); approximately 0.4% of India



88%

Literacy rate; higher than the national average of 73%



60%

Urbanization
One of the major urban hubs in Maharashtra



Home to 13 Major Universities

Produces over 50,000 graduates annually in various fields like engineering, medicine, law, and commerce



INR 15,000 Cr

Allocated for education, infrastructure, and social welfare in the district under the state budget



8% Share in Maharashtra's

Tourism Revenue
With wildlife sanctuaries and national parks, Nagpur is a vital contributor to the state's tourism sector



INR 6,000 Cr

Allocated to healthcare services under various government schemes for 2024-25



3rd Rank

Among districts with the lowest poverty in Maharashtra according to the state's economic survey

Geographical Profile

Located in the heart of India, Nagpur plays a crucial role as a major logistical hub, connecting the country's central and western regions, making it an ideal location for industries and commerce.



4.2% of India's total area

Nagpur is one of Maharashtra's fastest-growing cities with well-established infrastructure supporting industrial development.



Central Transport Hub

Nagpur is a key junction for major national highways and rail routes, making it an essential hub for transport and logistics. Its central location ensures seamless connectivity across India, boosting trade and commerce.



Favorable Climate

Nagpur experiences a tropical climate with a distinct rainy season, making it conducive for agricultural activities and agro-processing industries.



Strategic Location

Nagpur lies along the key routes of the Golden Quadrilateral Highway and the Delhi-Mumbai Industrial Corridor (DMIC), providing it with strong connectivity and attracting manufacturing and logistics sectors.



Cultural Heritage

Famous for its rich cultural legacy, Nagpur houses historical sites like the Deekshabhoomi and the Zero Mile Stone, enhancing its cultural and tourism significance.



Rich Soil & Fertile Land

Known for its fertile soil, Nagpur is a significant producer of oranges and other crops that fuel agro-based industries.



Nagpur's geographical location is one of its most significant advantages. Positioned at the geographical center of India, it serves as a natural crossroads for the country's transportation and logistics networks. The city is well-connected by major national highways and rail routes, making it an essential hub for the movement of goods across northern, southern, eastern, and western regions. This central location also provides businesses easy access to key industrial corridors like the Delhi-Mumbai Industrial Corridor (DMIC).

Key Announcements

Key announcement in Maharashtra Budget FY2024-25



INR 2,500 Cr

Development of Multi-Modal Logistics Hub

Aiming to enhance Nagpur's role as a key transport and logistics center, boosting trade and connectivity across India.

INR 1,800 Cr

Expansion of Dr. Babasaheb Ambedkar International Airport

Enhancing air connectivity for business, tourism, and international trade.

INR 1,300 Cr

IT Park in Mihan (Multi-modal International Cargo Hub and Airport)

Promoting the growth of IT and IT-enabled services to make Nagpur a technology hub.

INR 1,000 Cr

Textile and Apparel Parks in Butibori

Supporting the textile industry, fostering employment, and encouraging local manufacturing.

INR 800 Cr

Modernization of Nagpur Metro and Transport Infrastructure

Upgrading public transportation systems, including metro rail expansions and smart mobility solutions.

INR 600 Cr

Nagpur Tourism Circuit Development

Focused on key sites like Deekshabhoomi and Zero Mile Stone, boosting cultural and heritage tourism.

INR 450 Cr

Agro-Processing and Cold Storage Hubs

Supporting farmers and agro-industries in rural areas around Nagpur to promote agricultural exports.

INR 450 Cr

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INR 350 Cr

Renewable Energy Projects

Establishment of solar and wind energy parks in the region to promote clean energy and sustainability.

INR 250 Cr

Upgrade of Health and Educational Facilities

Developing advanced hospitals and educational infrastructure with smart classrooms in Nagpur.



The Maharashtra Budget FY2024-25 has earmarked significant funds for Nagpur's development. Key announcements include INR 2,500 Cr for a Multi-Modal Logistics Hub to enhance its role as a transport and trade center, and INR 1,800 Cr for expanding Dr. Babasaheb Ambedkar International Airport to improve air connectivity. An IT park in Mihan with a budget of INR 1,300 Cr will boost the region's tech sector, while INR 1,000 Cr is allocated for Textile and Apparel Parks in Butibori to promote local manufacturing. Additionally, funds will modernize Nagpur's metro, develop a tourism circuit, establish agro-processing hubs, and support renewable energy projects.

Nagpur's development is also supported by significant investments in healthcare and education, with INR 250 Cr dedicated to upgrading hospitals and building smart classrooms. These projects aim to improve the quality of life for residents and ensure that Nagpur becomes a center for not only industrial growth but also social infrastructure. The city's strategic investments in transportation, IT, tourism, and renewable energy highlight its transformation into a key economic and cultural hub in Maharashtra, fostering job creation and attracting foreign investments.



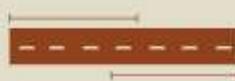
Physical Infrastructure

Existing infrastructure



International Airport

Dr. Babasaheb Ambedkar International Airport with direct connectivity to major cities in India and ongoing plans for further international expansion to support business and tourism.



2.4 Lakh KM Road Length

Extensive and efficient road networks, connecting Nagpur to key industrial corridors like the Delhi-Mumbai Industrial Corridor (DMIC) and national markets.



Major Rail Network

Nagpur serves as a central railway hub, linking the city with all major cities across India, facilitating smooth transport of goods and passengers



Central Location

Nagpur's position as a geographical center provides easy access to various regions and transport networks, further enhancing its role as a key logistics and trade hub.



Nagpur Metro Project

A rapidly expanding metro network aimed at improving urban mobility, reducing traffic congestion, and supporting sustainable transportation solutions in the city.



LEGEND

- City
- International Airport
- National Highway
- Railway Station
- Coastal line

Note: Map not to scale, for representation purposes only.

Nagpur: Driving the Future of Industrial Growth

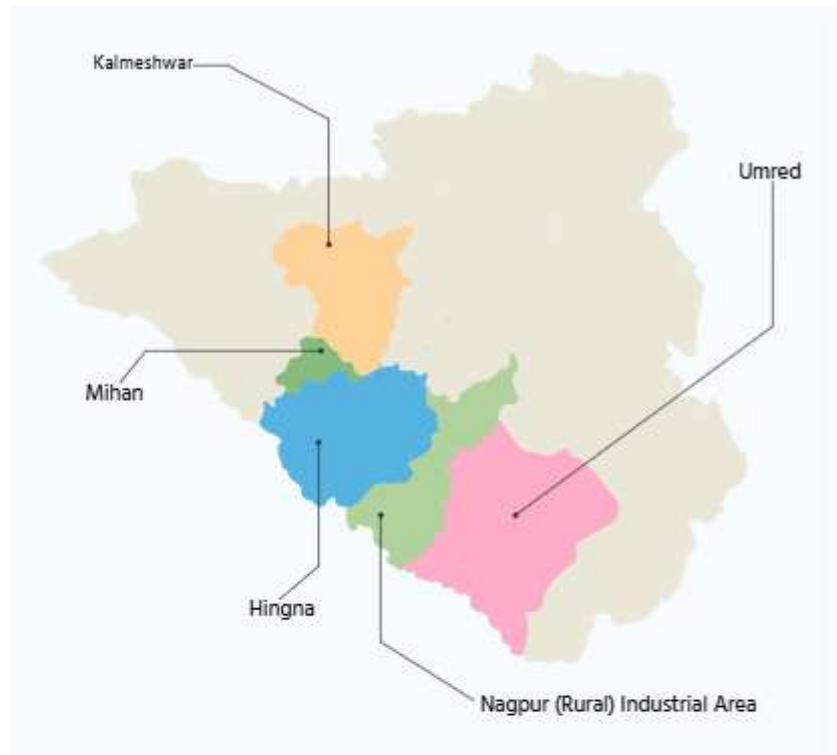


► Industries

Automobile

Nagpur is emerging as a significant hub in Maharashtra's automobile and auto ancillary industry. Often referred to as the "Automobile Powerhouse of Vidarbha," the city is gaining recognition for its thriving ecosystem of automobile manufacturing plants and suppliers. With its strategic location at the heart of India and its connectivity to major industrial corridors, such as the Delhi-Mumbai Industrial Corridor (DMIC) and the proposed Nagpur-Mumbai Expressway (Samruddhi Mahamarg), Nagpur is well-positioned to attract both domestic and international investments in the automobile sector.

The automobile industry in Nagpur is bolstered by government initiatives, industrial infrastructure, and a growing skilled workforce. The region has witnessed a steady influx of automobile manufacturers and component suppliers, making it an attractive destination for automotive investments.



Highlights

- Home to OEMs and Auto Component Suppliers: Nagpur boasts a robust network of original equipment manufacturers (OEMs) and auto component suppliers, with several companies expanding their presence in the region.
- Research and Development: The city's growing research and development facilities are paving the way for technological advancements in the automotive sector, particularly in electric vehicles (EVs).

Key Updates

- Mahindra & Mahindra has announced plans to invest INR 600 Cr to enhance its production facilities for commercial vehicles and electric vehicles in Nagpur.
- Haldex India is expanding its manufacturing base in Nagpur to meet rising demand for auto components in both domestic and international markets.
- EV Investments: With an increased focus on electric mobility, major automobile companies are exploring opportunities to set up EV production units in Nagpur, positioning it as a future leader in India's transition to electric vehicles.

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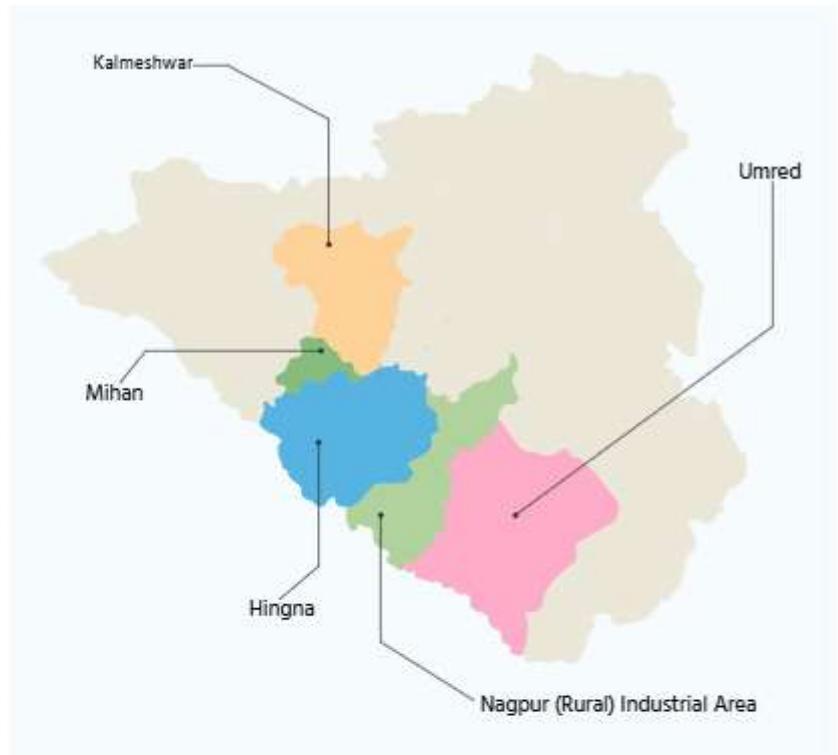
Nagpur: Driving the Future of Industrial Growth



► Industries

IT-ITeS

Nagpur is rapidly evolving into a prominent player in Maharashtra's IT-ITeS sector, driven by a thriving ecosystem of startups, tech companies, and service providers. Its central location, well-connected transportation network, and proximity to major metros like Pune and Hyderabad make it an appealing destination for IT and SaaS (Software as a Service) companies. Favorable industrial policies and government support are contributing to the growth of technology-driven industries in Nagpur. The city is also gaining recognition as a potential hub for Global Capability Centers (GCCs), solidifying its position in India's IT landscape. Nagpur's robust educational institutions are producing a skilled IT workforce, which is playing a crucial role in fueling the growth of IT services, business process management (BPM), and software development in the region.



Highlights

- **Growing IT Investments:** Supported by state policies, Nagpur is seeing an increase in IT-related investments.
- **Rising Software Export Companies:** The city's presence in the software export market is expanding, with a growing number of tech firms establishing operations.
- **Strategic Location:** With easy access to Pune, Hyderabad, and the central Indian market, Nagpur is becoming a vital part of the state's IT corridor.

Note: Map not to scale, for representation purposes only.

Key Updates

- Tech Mahindra has committed INR 350 crore to develop an IT park in MIHAN (Multi-modal International Cargo Hub and Airport at Nagpur), with a focus on digital transformation services and AI solutions.
- HCL Technologies is opening a new IT campus in Nagpur, focusing on software development, cloud services, and cybersecurity, with an investment of INR 250 crore.
- TCS (Tata Consultancy Services) is planning to establish a software development center in Nagpur.

Nagpur: Driving the Future of Industrial Growth

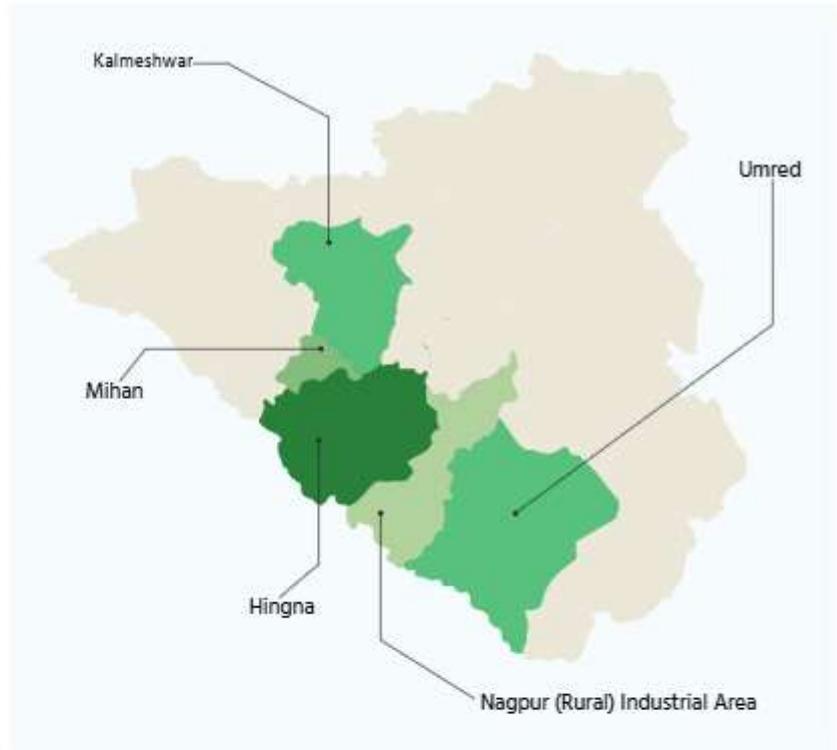


► Industries

FMCG, Agro & Food Processing

Nagpur has emerged as a crucial hub in Maharashtra's agro and food processing sectors, taking advantage of its rich agricultural base and strategic central location. The region is home to a mix of small and medium enterprises (SMEs) alongside large-scale units involved in the production of fast-moving consumer goods (FMCG) and food processing. Nagpur produces a wide variety of agricultural products, including oranges, cotton, soybeans, pulses, and wheat. The availability of fertile soil, efficient irrigation systems.

The Maharashtra government's focus on agro-processing clusters, along with the development of food parks by organizations like MIDC and NABARD, is boosting the sector. Additionally, Nagpur is known for its agricultural research centers and universities, which are contributing to innovation and building a skilled workforce in the field of agro-processing and FMCG industries.



Highlights

- **Contribution to Maharashtra's Economy:** Nagpur contributes 10% to Maharashtra's agro-based economy.
- **Food Grain Production:** The region produces over 8 million metric tonnes of food grains annually.
- **National Share:** Nagpur accounts for 6% of India's total food processing output.
- **Food Processing Units:** The city ranks 2nd in Maharashtra for the number of food processing units.

Note: Map not to scale, for representation purposes only.

Key Updates

- **PepsiCo:** INR 550 crore investment in a new beverage production facility in Nagpur.
- **ITC:** INR 850 crore expansion of its food processing plant for packaged snacks and ready-to-eat products.
- **Nestlé India:** INR 700 crore investment for a dairy and nutrition product manufacturing unit.
- **Amul:** INR 450 crore investment in a new dairy processing plant, focusing on milk, cheese, and other dairy products.

Nagpur Residential Real Estate



Overview:

Nagpur, a rapidly growing city in Maharashtra, is positioning itself as a key player in the residential real estate market, attracting both homebuyers and investors. The city's growth is fueled by its strategic location at the heart of India and the government's focus on boosting industrial and infrastructure development. The residential real estate market in Nagpur has shown resilience and flexibility in the first half of 2024, reflecting the city's expanding urban footprint and shifting consumer preferences. Suburban areas such as MIHAN, Wardha Road, and Hingna are witnessing significant urbanization, with large-scale housing projects emerging to meet the increasing demand for residential properties.

In H1 2024, Nagpur's residential real estate market recorded a 9% year-on-year (YoY) increase in new housing supply, with 10,200 units launched compared to 9,400 units in H1 2023. These projects are primarily located in the city's outskirts and are designed to cater to the growing demand for affordable, eco-friendly, and modern housing solutions. Developers are focusing on offering a mix of affordable and premium residential units, targeting both first-time buyers and investors who are looking for long-term capital appreciation. Integrated townships, gated communities, and smart homes are becoming increasingly popular in Nagpur's real estate landscape.

Although there has been an increase in new project launches, sales activity in the first half of 2024 saw a slight dip, with a 5% decline in total sales compared to the same period in 2023. A total of 8,000 units were sold in H1 2024, down from 8,450 units in H1 2023. This marginal decline is viewed as a short-term market correction, but the overall outlook remains positive, driven by increasing demand, supportive government policies, and ongoing infrastructure developments such as the expansion of road networks and the growth of MIHAN (Multi-modal International Cargo Hub and Airport at Nagpur).

Property values in Nagpur have seen steady growth throughout 2024, reinforcing the city's potential as a prime residential investment destination. The city offers a compelling combination of expanding industrial opportunities, a growing job market, and sustainable urban developments. Nagpur's relatively affordable cost of living, in addition to its rich cultural and historical significance, makes it an attractive option for families, professionals, and retirees seeking a high quality of life.

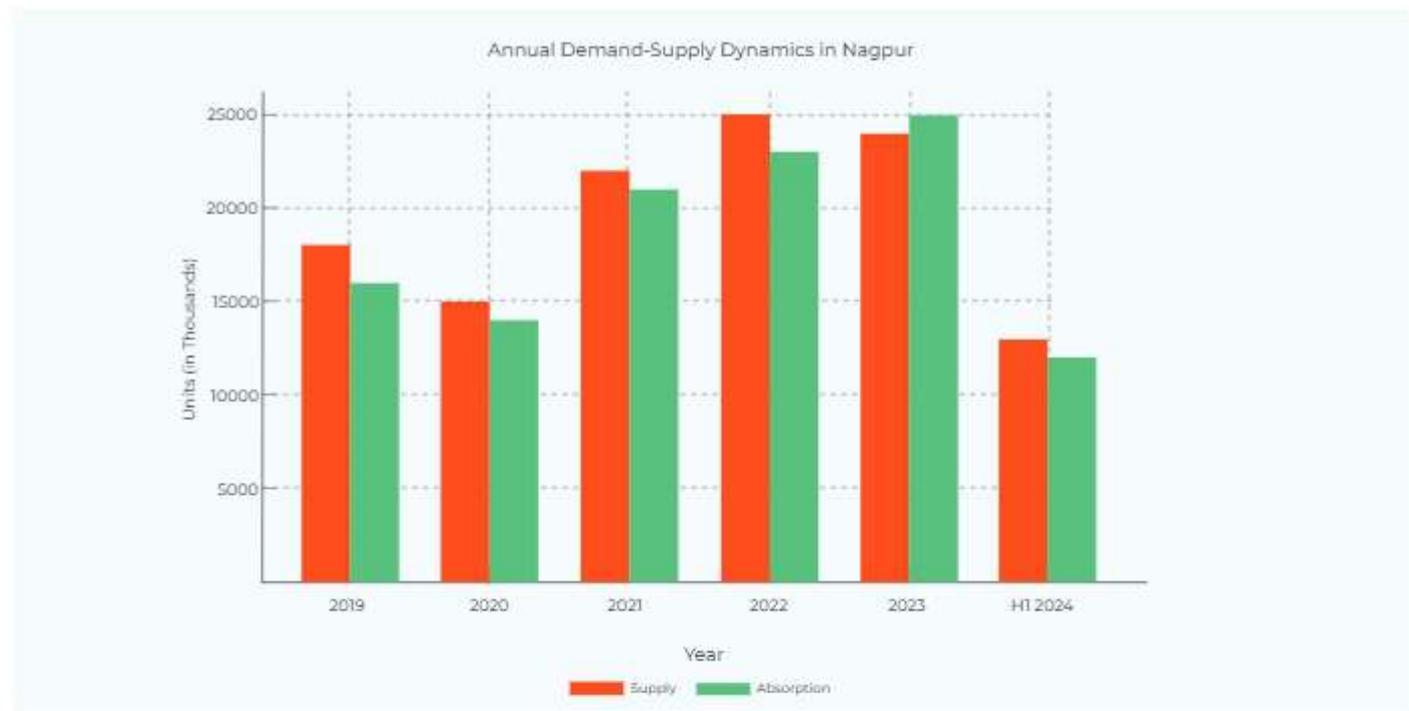
With an inventory of approximately 22,000 unsold units at the end of H1 2024, Nagpur's real estate market is well-positioned for future growth. The city's ongoing industrial development, including the MIHAN project and smart city initiatives, as well as the expansion of social infrastructure like schools, hospitals, and shopping centers, are expected to drive further demand for residential properties. As Nagpur continues to evolve into a key industrial, logistics, and educational hub in Maharashtra, its real estate market is set to experience sustained growth in the coming years, offering substantial opportunities for developers and investors.



Demand-Supply Dynamics



Nagpur's balanced growth strategy, combining steady supply expansion with strong demand, has led to improved market conditions.



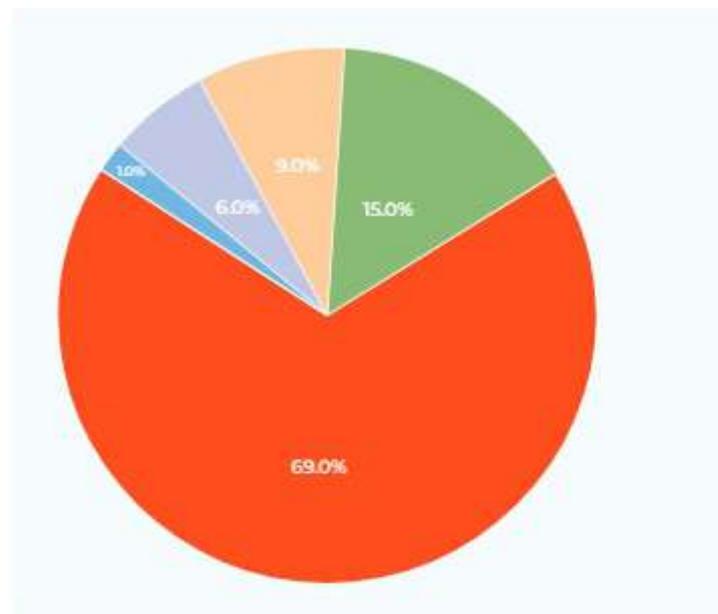
- **Rising Demand in Industrial and Logistics Sectors:** With Nagpur emerging as a logistics and warehousing hub due to its central location and improved connectivity via highways and rail networks, demand for industrial land and logistics parks has surged. The MIHAN project has attracted major companies, further boosting the need for commercial and industrial spaces.
- **Residential Demand:** The growing influx of professionals working in the IT, aviation, and logistics sectors is driving the demand for mid-range residential properties. Areas like Wardha Road and Beltarodi have seen a significant increase in housing projects catering to middle-income buyers.
- **Affordable Housing:** Despite rising land prices, there remains a steady demand for affordable housing options, particularly from workers in the manufacturing and logistics sectors. Developers are also tapping into government schemes to provide affordable homes to meet this segment's needs.
- **Emerging Sectors:** With Nagpur's positioning as a future hub for electric vehicles (EVs) and solar energy, there is an increasing demand for industrial spaces and research and development (R&D) centers to support these emerging sectors.



Budget-wise Supply



Increasing input costs coupled with improved demand has led to higher ticket prices across segments:



- In Nagpur's real estate market for 2024, mid-end properties priced between ₹40 lakh to ₹80 lakh dominate the new supply, similar to national trends, capturing a significant portion of residential development. This category is driven by increasing demand from middle-income groups and enhanced infrastructure such as metro expansions and improved connectivity. Additionally, properties in the ₹1.5 crore to ₹2.5 crore range are gaining popularity, accounting for about 9% of new supply, a rise from previous years.
- Affordable housing, once a larger segment, now holds a much smaller share of the market, driven down by rising construction costs and reduced launches in this category. Meanwhile, ultra-luxury projects remain scarce as developers focus on more sustainable and profitable segments

Price Trends

With improved market dynamics the Property prices continued to appreciate over the last 5 years



- Property prices in Nagpur have seen a steady appreciation over the last 5 years, with an overall increase of 28%.
- Average property prices rose by 8% in the last 6 months, from ₹4,800/sq. ft at the end of 2023 to ₹5,200/sq. ft by H1 2024.
- Nagpur's real estate prices are expected to continue rising, driven by infrastructure development

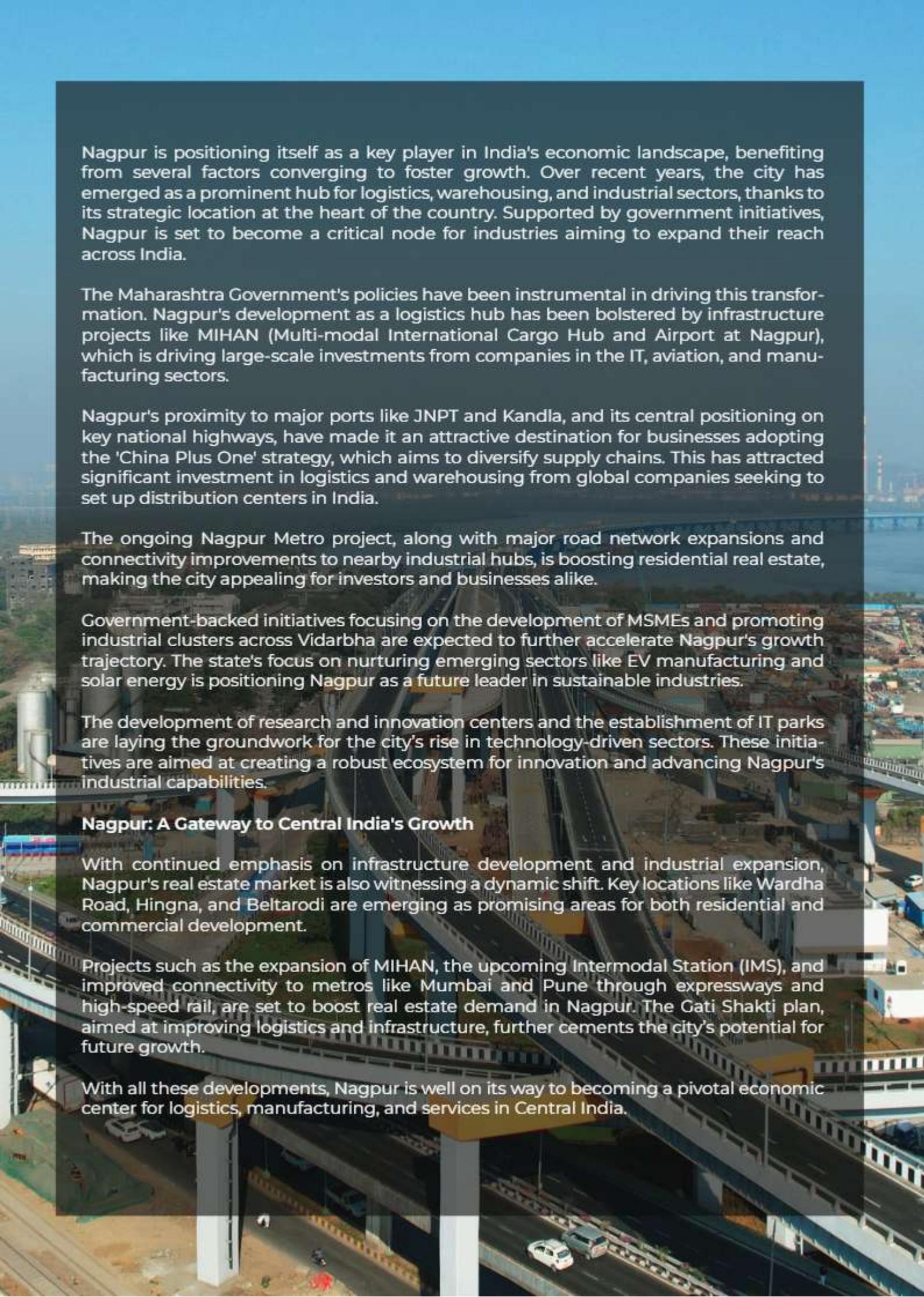


WAY FORWARD



NAGPUR CITY

The Emerging Hub of Central India



Nagpur is positioning itself as a key player in India's economic landscape, benefiting from several factors converging to foster growth. Over recent years, the city has emerged as a prominent hub for logistics, warehousing, and industrial sectors, thanks to its strategic location at the heart of the country. Supported by government initiatives, Nagpur is set to become a critical node for industries aiming to expand their reach across India.

The Maharashtra Government's policies have been instrumental in driving this transformation. Nagpur's development as a logistics hub has been bolstered by infrastructure projects like MIHAN (Multi-modal International Cargo Hub and Airport at Nagpur), which is driving large-scale investments from companies in the IT, aviation, and manufacturing sectors.

Nagpur's proximity to major ports like JNPT and Kandla, and its central positioning on key national highways, have made it an attractive destination for businesses adopting the 'China Plus One' strategy, which aims to diversify supply chains. This has attracted significant investment in logistics and warehousing from global companies seeking to set up distribution centers in India.

The ongoing Nagpur Metro project, along with major road network expansions and connectivity improvements to nearby industrial hubs, is boosting residential real estate, making the city appealing for investors and businesses alike.

Government-backed initiatives focusing on the development of MSMEs and promoting industrial clusters across Vidarbha are expected to further accelerate Nagpur's growth trajectory. The state's focus on nurturing emerging sectors like EV manufacturing and solar energy is positioning Nagpur as a future leader in sustainable industries.

The development of research and innovation centers and the establishment of IT parks are laying the groundwork for the city's rise in technology-driven sectors. These initiatives are aimed at creating a robust ecosystem for innovation and advancing Nagpur's industrial capabilities.

Nagpur: A Gateway to Central India's Growth

With continued emphasis on infrastructure development and industrial expansion, Nagpur's real estate market is also witnessing a dynamic shift. Key locations like Wardha Road, Hingna, and Beltarodi are emerging as promising areas for both residential and commercial development.

Projects such as the expansion of MIHAN, the upcoming Intermodal Station (IMS), and improved connectivity to metros like Mumbai and Pune through expressways and high-speed rail, are set to boost real estate demand in Nagpur. The Gati Shakti plan, aimed at improving logistics and infrastructure, further cements the city's potential for future growth.

With all these developments, Nagpur is well on its way to becoming a pivotal economic center for logistics, manufacturing, and services in Central India.

About Mehta Naviwala Group

Mehta Naviwala Group is a leading independent consultancy firm specializing in industrial liaisoning and regulatory services across India. With a strong focus on facilitating seamless interactions between businesses and government authorities, the firm has established itself as a trusted partner for clients navigating complex regulatory frameworks. Mehta Naviwala Group provides tailored solutions that streamline processes, minimize client efforts, and offer end-to-end support.

Over the years, the Group has diversified its portfolio to serve various sectors, including real estate, infrastructure, and industrial projects. Beyond regulatory compliance, the firm offers specialized services such as project management consultancy, legal advisory, and investment advisory, catering to a wide range of industries. Their strategic approach enables businesses to focus on growth while leaving the intricacies of government processes to their expert team.

Mehta Naviwala Group comprises a team of highly skilled professionals with vast experience in liaising, government approvals, and regulatory compliance. Operating across all major markets in India, they are committed to driving value for their clients through expert advisory and efficient execution. Mehta Naviwala Group's comprehensive services extend beyond traditional liaisoning, offering clients a 360-degree approach to navigating bureaucratic and regulatory landscapes. Their expertise encompasses not only obtaining necessary permits and approvals but also ensuring that projects remain compliant with evolving regulatory standards. By leveraging their deep knowledge of local, state, and national regulations, they provide businesses with a competitive edge, reducing the time and effort required for project execution. The firm's ability to foresee and mitigate potential hurdles has made them a trusted partner for a wide array of industries, from real estate to manufacturing.

Additionally, Mehta Naviwala Group is committed to fostering long-term relationships with clients, government bodies, and stakeholders. Their client-first philosophy ensures that they work closely with businesses to understand their specific needs and tailor their services accordingly. The firm's strategic focus on emerging industries, along with their drive to embrace technological advancements, positions them at the forefront of the industrial liaisoning sector.



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