

**PUNE**  
SMART CITY

**ECONOMY  
REPORT**

**PUNE**

Diverse Sectors Paving the Path  
for a USD 1 Trillion Economy.

**2024**

# Pune: An Overview



Located in the western part of India, Pune stands as one of the most vibrant and rapidly growing cities in the country. Often referred to as the "Oxford of the East" due to its prestigious educational institutions, Pune's contribution to India's economy has been remarkable, with consistent growth across various sectors. The economic landscape of Pune spans a diverse range of industries including information technology (IT), automobile manufacturing, education, and real estate. This robust growth trajectory is propelled by the city's innovation-driven ecosystem, thriving startup culture, and a strong micro, small, and medium enterprise (MSME) network. Pune also fosters a conducive business environment with excellent investor support.

Pune holds a prominent position in India with respect to its IT services and automobile manufacturing. The city has become a magnet for talent, both domestic and international, leading to continuous innovation and development in its industries. From software to engineering, Pune is a key player in driving technological advancements and industrial growth. The city boasts an excellent physical infrastructure, which serves as a vital foundation for its economic development. Pune's transportation system and connectivity to major metros facilitate seamless business operations, allowing for smooth logistics and commercial activities.

In addition to its rapid economic expansion, Pune has also embraced sustainable development, with various green initiatives and renewable energy projects in the pipeline. This commitment to sustainability, coupled with the city's social and cultural inclusivity, makes Pune a model for future urban development in India.

As the city continues to expand, Pune's real estate sector is seeing significant growth, driven by increasing urbanization, infrastructural developments, and evolving demographic trends. With numerous opportunities for developers and investors, Pune is shaping the future of urban living in India.

# Economic Profile

A dynamic engine powering India's growth.



## 7th Largest Urban Economy in India

Pune's GDP: INR 3.18 Lakh Cr (USD 43.8 Bn)



## The IT Hub and Manufacturing Powerhouse

Over 1,000 IT companies and 800+ manufacturing units, contributing significantly to India's economy.



## INR 3.50 Lakh

Per Capita Income\*: Pune's per capita income is higher than the national average of INR 1.71 Lakh.



## One of the Leading Exporting Cities in India

Pune's exports cross USD 10 Bn in FY23, primarily in IT, automobile, and manufacturing sectors.



## USD 1.5 Bn

FDI Equity Inflows in FY24  
(Pune attracts significant foreign investment).



## On Path to Becoming a USD 100 Bn Economy by 2030

With its booming IT, real estate, and industrial sectors, Pune is rapidly expanding towards a brighter economic future.

Sources: ISEF, RBI, DIPP, NITI Aayog, Industry Estimates, Compiled by Mehta Naviwala Group Research

# Sociological Profile

Nurturing a thriving ecosystem for holistic urban growth



## 7.4 Million

Pune's Population (2021): Accounts for 0.6% of India's population



## 87% Literacy Rate

Pune boasts a literacy rate significantly higher than the national average of 74%.



## 62% Urbanization

Pune ranks among the most urbanized cities in Maharashtra and is a leading urban center in India.



## Home to 10 of India's Top Universities

Pune is known as the "Oxford of the East" with premier institutions in engineering, management, and sciences.



## INR 35,000 Cr

Allocated to education, sports, arts, and culture under the Budget 2024-25, with a 10% increase over the previous year.



## 14% Share of India's Patent Filings

Pune contributes significantly to India's innovation with a steady rise in patent filings in the past five years.



## INR 25,000 Cr

Budget allocated for health and family welfare in 2024-25, marking a 12% increase over the previous year.



## 2nd Rank

Pune is ranked among the top cities in India in terms of livability and ease of doing business by NITI Aayog.

Sources: NITI Aayog, Economic Survey 2023-24, IBEF, RBI, Compiled by **Mehta Naviwala Group** Research

# Geographical Profile

Located strategically in Western India, offering an ideal base for export-import businesses with industrial corridors.



## 1.7% of Maharashtra's total area

Pune district covers a substantial portion of the state, contributing to its industrial, IT, and agricultural growth.



## 1,077 KM

Extensive road network connecting Pune to major industrial and economic hubs across Maharashtra and India



## Moderate Monsoon

Pune experiences a balanced monsoon season, providing favorable conditions for agriculture.



## Strategic Location

Pune's proximity to Mumbai, India's financial hub, and key ports makes it an ideal location for business operations.



## Natural Beauty

Pune is surrounded by scenic hills and lush greenery, making it a popular destination for nature lovers and trekkers.



## Fertile Land

Pune's agricultural landscape is characterized by fertile soil, supporting diverse cultivation.

Pune benefits from a diverse and robust demographic profile combined with its favorable geographical advantages, creating an ideal environment for IT, manufacturing, and agri-businesses. With mega infrastructure projects, including smart city initiatives and metro rail expansion, Pune is rapidly becoming a top contributor to Maharashtra's economy. These developments position the city as a significant growth driver, with Pune poised to enhance its economic contributions and emerge as a key player in India's \$5 trillion economy vision by 2030.



# Key Announcements

Key Announcements in Pune Budget FY2024-25

**INR 3,000 Cr**

## Pune Housing Initiative

Construction of 50,000 affordable housing units at a unit cost of INR 6 lakh by 2030.

**INR 2,000 Cr**

## IT and Startup Parks

Development of IT parks in Hinjewadi and Kharadi to foster innovation and entrepreneurship.

**INR 1,500 Cr**

## Infrastructure Development

Upgrading of major roads and public transport systems to improve connectivity across the city.

**INR 800 Cr**

## Smart City Initiatives

Implementation of smart classrooms, high-tech labs, and modern public amenities throughout Pune.

**INR 600 Cr**

## Green Spaces and Parks

Development and modernization of parks and recreational areas to enhance urban greenery.

**INR 400 Cr**

## Cultural Development

Renovation of historical sites, including Shaniwar Wada and Pataleshwar Cave Temples, to boost tourism.

**INR 250 Cr**

## Skill Development Centers

Establishment of skill training centers focusing on automotive, IT, and healthcare sectors.

**INR 150 Cr**

## Medical Tourism Initiative

Development of facilities and partnerships to promote Pune as a medical tourism destination.

**INR 100 Cr**

## Startups and Innovation Hubs

Setting up of innovation centers to support startups in machine learning, AI, and technology.

**INR 50 Cr**

## Cultural Events and Festivals

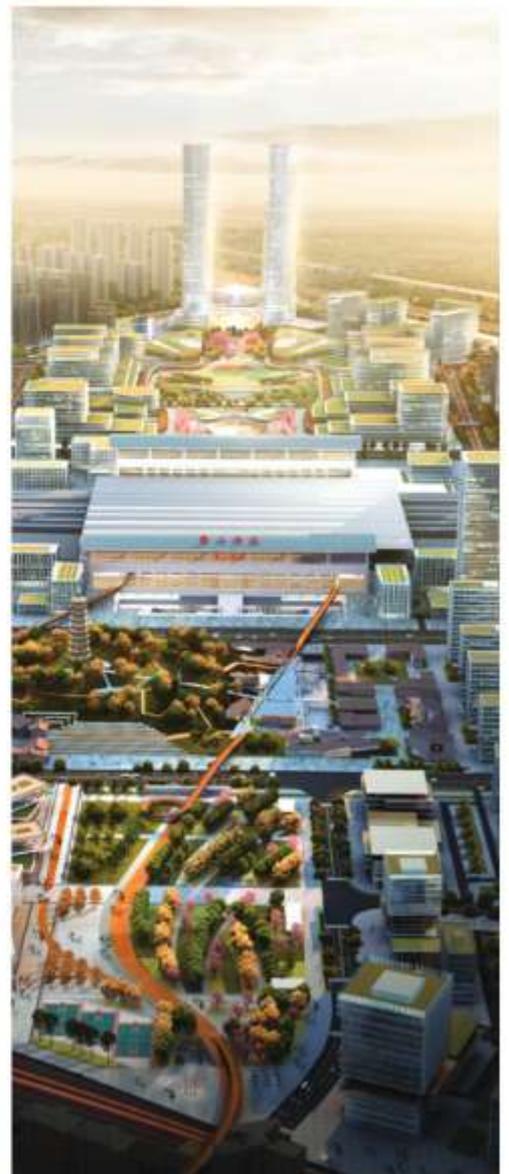
Funding for annual cultural festivals to promote Pune's rich heritage and diversity.



Pune's diverse economic base supports comprehensive development, earning it the nickname 'Oxford of the East' for its renowned educational institutions and growing IT industry. Key sectors include automobiles, IT, education, and manufacturing. Pune is home to major automotive companies and has a thriving IT-ITeS sector, with global firms setting up operations in the city.

Emerging industries such as data centers, biotechnology, medical tourism, and renewable energy are poised to drive future growth, supported by Pune's strategic location, skilled workforce, and robust infrastructure.

The government's focus on development across various sectors, including major infrastructure projects like the Pune Metro, smart city initiatives, and industrial zones, has further boosted the city's economic potential. These initiatives aim to solidify Pune's position as one of India's leading economic powerhouses.



# Physical Infrastructure

## ► Existing Infrastructure



### International Airport

Pune has an international airport located in Lohegaon, offering direct flights to various domestic and international destinations, enhancing connectivity for global travelers.



### Road Network

Pune boasts a well-developed road infrastructure with a road length exceeding 5000 km, facilitating smooth transportation across the city and connecting it to major highways like NH-48 and NH-65, making it a vital hub in Western India.



### Smart City Initiatives

Pune is also part of India's Smart City Mission, which includes infrastructure upgrades like improved urban mobility, modernized utilities, and green spaces, further strengthening its position as a modern, efficient city for businesses alike.



### Metro Station

Pune Metro is an emerging urban transport system, with a 33 km metro rail network already operational as of 2023, aimed at reducing traffic congestion and providing an efficient transit system within the city.



### Railway Station

The city has a vast railway network with Pune Junction being a major railway station. Pune is well-connected to important cities across India via a rail route length of 512 km, with plans for further expansion to support growing demand.



### LEGEND

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

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

# Pune : Growth Engines

## ► Industries

### Automobile

Pune has established itself as one of India's premier automobile hubs, contributing significantly to the country's automotive production, research, and development. The city's industrial ecosystem is bolstered by a strong presence of both national and international automobile manufacturers. Pune's strategic location, skilled workforce, and favorable business environment have attracted global automotive giants, making it a key player in India's automotive industry. The city's industrial clusters host manufacturing units, R&D centers, and ancillary industries, forming a comprehensive ecosystem that drives innovation, employment, and economic growth within the sector.

Pune's leadership in the automotive sector is further supported by proximity to a vast network of suppliers and a well-established educational infrastructure, fostering continuous advancements in engineering and manufacturing. The automobile industry in Pune provides direct and indirect employment to a substantial number of individuals, positioning the city as a vital engine of India's automotive growth.

### Highlights

- 2nd largest automobile hub in India**  
 Pune contributes significantly to India's automobile exports, with major production facilities from top manufacturers.
- Leading R&D Center**  
 Pune hosts multiple R&D centers for both Indian and global automobile companies, focusing on innovation and advanced automotive technology.
- Key player in EV production**  
 Pune is rapidly becoming a key hub for electric vehicle (EV) manufacturing, with companies setting up plants for EV two-wheelers and cars.
- Home to numerous auto component manufacturers**  
 Pune has over 300 factories manufacturing components for auto and EV industries.
- Educational backbone**  
 Pune is home to over 150 engineering colleges and institutes, continuously supplying skilled talent to the automotive sector.

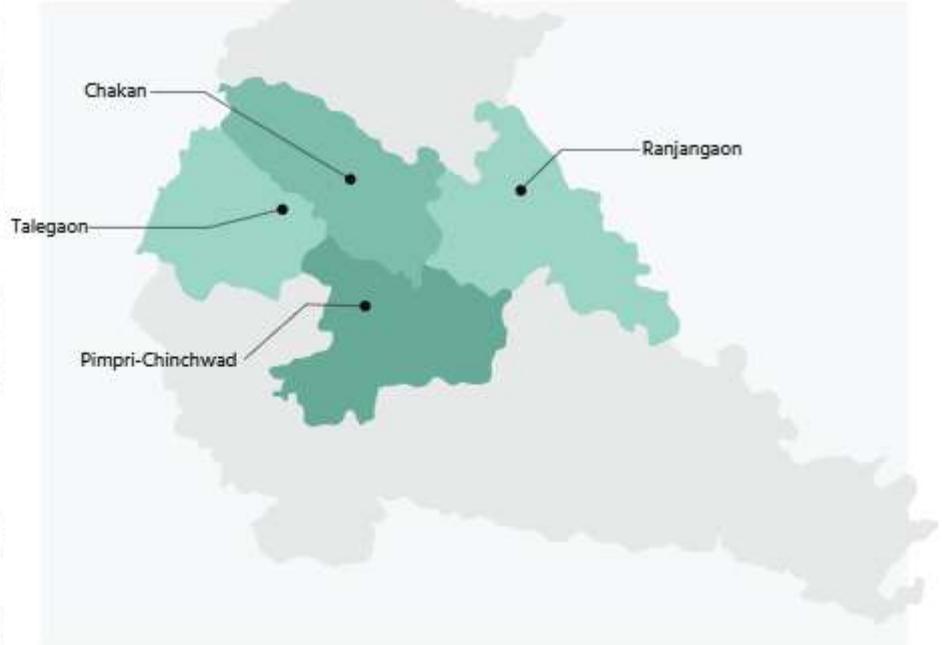
### Key Update

Leading automotive manufacturer Tata Motors, one of India's most prominent and historic automotive companies, has made significant investments to expand its production facility in Pune. This expansion focuses on enhancing the company's capacity to produce electric vehicles (EVs) and luxury cars, aligning with Tata's vision of spearheading India's transition to sustainable mobility. The Pune plant is now a critical hub for Tata Motors' electric vehicle production, with an emphasis on cutting-edge technology, innovation, and environmentally friendly manufacturing processes. This move further strengthens Tata Motors' position as a leader in both the domestic and global EV market, ensuring Pune's continued relevance as a major player in automotive innovation.

In addition, global automotive giant Mercedes-Benz has chosen Pune as the site for its largest production plant in India. The facility, located in Chakan, serves as a pivotal location for the company's high-end vehicle manufacturing operations, producing some of the most advanced luxury cars available on the market today. The plant is not only equipped to assemble Mercedes-Benz's flagship models but also serves as a strategic base for the company's expansion plans in the Indian market. With state-of-the-art infrastructure, cutting-edge robotics, and advanced quality control systems, the Pune facility plays a vital role in supporting Mercedes-Benz's global strategy. The company continues to enhance its operations here, ensuring that the highest standards of luxury and engineering excellence are upheld.

Both of these developments position Pune as one of India's leading automotive hubs, driving innovation and manufacturing excellence.

Automobile Clusters in Pune



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

Automobile Clusters in Pune


# Pune : Growth Engines

## ► Industries

### IT-ITeS

Pune has evolved into a major IT and IT-enabled Services (ITeS) hub in India, with a robust infrastructure that supports both domestic and global technology companies. The city has become a preferred destination for IT businesses due to its skilled talent pool, world-class infrastructure, and a favorable business environment. Major IT parks, such as Hinjewadi, Kharadi, and Magarpatta, are home to top global tech giants and startups alike, fostering a thriving ecosystem for innovation and technology development.

Pune's IT-ITeS sector is a critical part of the city's economy, contributing significantly to employment and exports. With a focus on cutting-edge technologies like AI, machine learning, cloud computing, and data analytics, Pune is positioning itself at the forefront of India's digital transformation. Moreover, Pune's educational institutions, including premier engineering and management schools, continuously provide a pipeline of skilled professionals to meet the growing demand for tech talent.

### Highlights

- 2nd largest IT hub in Maharashtra**  
 Pune is home to numerous global IT and ITeS companies, second only to Mumbai within the state.
- Leading in software exports**  
 Pune contributes significantly to India's software exports, hosting several software development and services firms that cater to international clients.
- Center for emerging technologies**  
 Pune has rapidly become a hub for emerging technologies such as AI, blockchain, and cybersecurity, with companies establishing dedicated R&D centers in the city.
- Vibrant startup ecosystem**  
 Pune's startup ecosystem is thriving, particularly in tech-based innovations, with the support of incubators, accelerators, and venture capital firms.
- Educational and research institutions**  
 Pune is home to prestigious educational institutions like the College of Engineering Pune (COEP), Symbiosis International University, and the Indian Institute of Science Education and Research (IISER), providing a steady supply of skilled graduates to the IT sector.

### Key Update

AstraZeneca India (AZIPL), the global capability center for the pharmaceutical giant AstraZeneca, announced plans to invest INR 250 crore to expand its Global Innovation and Technology Centre (GITC) in Pune. This expansion will further boost Pune's growing reputation as a hub for cutting-edge research and innovation in healthcare and pharmaceuticals.

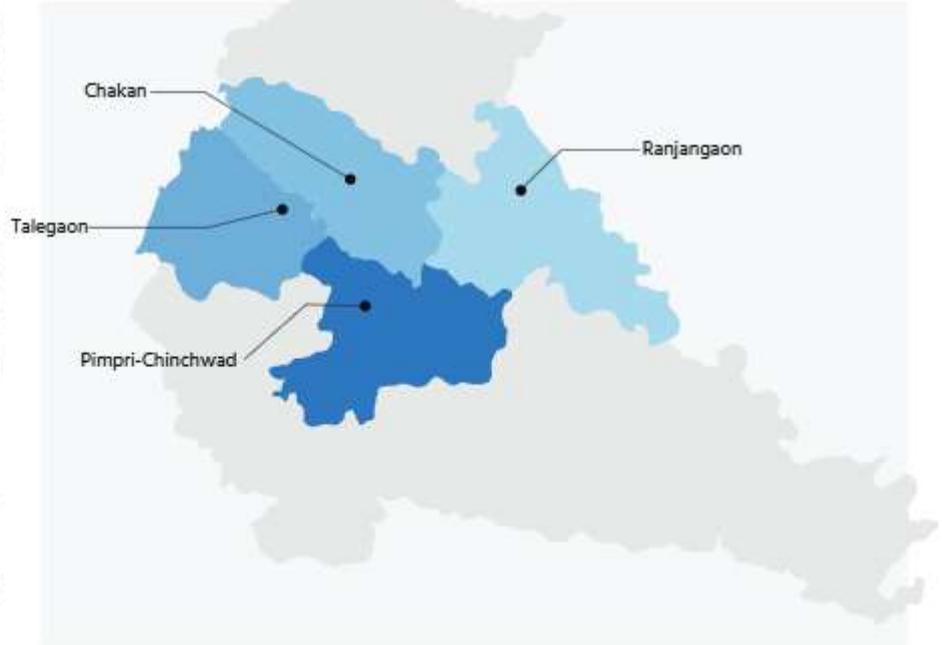
In the data center sector, a joint venture between Web Werks and Iron Mountain has acquired a five-acre plot in Hinjewadi, Pune, to build two new data centers, PUN-1 and PUN-2, with a total capacity of 40 MW. These centers will meet the increasing demand for data storage and digital infrastructure in the region.

German sports footwear and apparel company Adidas has leased a 50,000-square-foot space in Pune for its first Global Capability Centre in India. This new center will mark the company's expansion in Asia, supporting key operations and innovation strategies.

Capgemini has initiated the construction of a new 5,000-seat facility in Pune with an INR 1,200 crore investment, slated for completion by mid-2027. The 650,000-square-foot campus will support Capgemini's operations in financial services, digital transformation, engineering, cloud computing, and AI.

In addition, the Maharashtra government has earmarked INR 1,200 crore for the development of a new IT park in Pune, which will cover over 2.5 million square feet. The project is set to be executed in two phases, further cementing Pune's role as a leading IT and tech hub in India.

IT- ITeS Clusters in Pune



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


# Pune : Growth Engines

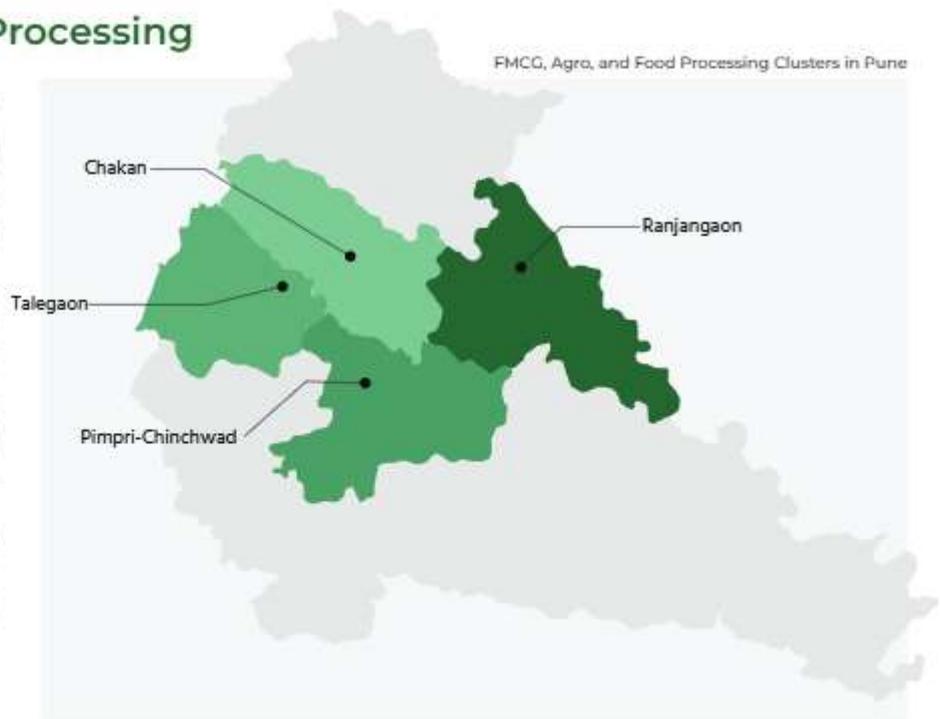
## ► Industries

### FMCG, Agro, and Food Processing

Pune has emerged as a significant hub for the FMCG, Agro, and Food Processing industries in India, driven by its strategic location, strong agricultural base, and robust infrastructure. The city's proximity to major agricultural regions, coupled with a well-developed logistics network, makes it an ideal location for food processing and distribution. Pune's vibrant economy is supported by both large multinational corporations and numerous small and medium enterprises (SMEs) that contribute to the diverse FMCG landscape.

The FMCG sector in Pune encompasses a wide range of products, including packaged foods, beverages, personal care items, and household goods. The presence of major companies has led to the development of a competitive market, fostering innovation and ensuring that consumers have access to a variety of high-quality products. Pune's food processing industry is equally robust, specializing in the transformation of raw agricultural products into value-added goods, thus enhancing food security and providing consumers with convenient options.

Moreover, Pune benefits from a skilled workforce and several renowned educational institutions that support research and development in food technology, agro-processing, and sustainability practices. This talent pool, combined with government initiatives to promote the food processing sector, positions Pune as a leader in the agro and FMCG industries in India.



FMCG, Agro, and Food Processing Clusters in Pune

### Highlights

- Key FMCG Hub**  
 Pune is one of the top cities in India for FMCG companies, with major players setting up operations in the region to leverage the growing consumer market.
- Diverse Product Range**  
 The FMCG sector in Pune includes a wide variety of products, such as processed foods, dairy, beverages, and personal care items, catering to changing consumer preferences.
- Strong Agro Base**  
 Pune's surrounding agricultural regions provide a steady supply of raw materials, facilitating the growth of the food processing industry and ensuring food quality.
- Government Initiatives**  
 The Maharashtra government has launched various schemes to support food processing and promote investment in agro-based industries, further strengthening Pune's position in this sector.
- Research and Development**  
 Pune is home to several institutions focused on food technology and agriculture, fostering innovation in processing techniques, product development, and sustainability practices.

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

### Key Update

Leading FMCG company Nestlé has expanded its manufacturing facility in Pune, enhancing its production capacity for various products, including dairy and infant nutrition.

Parle Products, one of India's largest biscuit manufacturers, has invested in modernizing its production lines in Pune to meet rising consumer demand for snacks and bakery items.

Britannia Industries has announced plans to set up a new production plant in Pune, focusing on the manufacture of health-oriented and nutritious food products.

The Maharashtra government has invested INR 500 crore in establishing a new agro-processing park in Pune, aimed at promoting innovation and supporting local farmers.


# Pune Residential Real Estate

## Overview



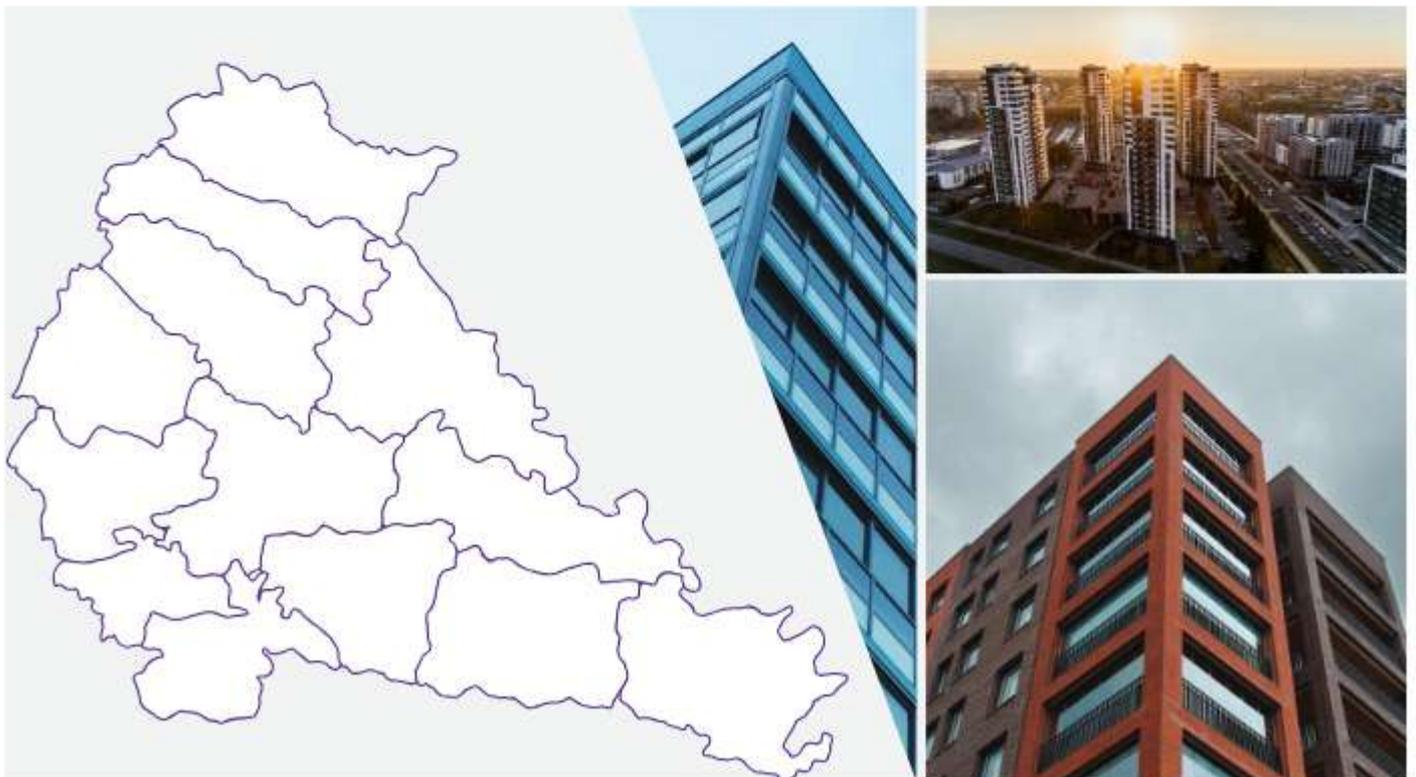
Being one of the fastest-growing urban centers in Maharashtra, Pune has distinguished itself by substantial infrastructure development and a robust property market.

The residential real estate market in Pune during the first six months of 2024 exhibited remarkable resilience and adaptability to changing buyer preferences and economic conditions. Pune continues to solidify its position as a prime destination for real estate investment and development, drawing in both national and international interest.

In H1 2024, Pune saw a 10% YoY increase in new housing supply, with 15,200 units added to the market compared to 13,800 units in H1 2023. Developers are launching innovative projects in the suburbs, particularly in areas like Hinjewadi and Wagholi, which are experiencing rapid urbanization and growing demand for modern housing solutions.

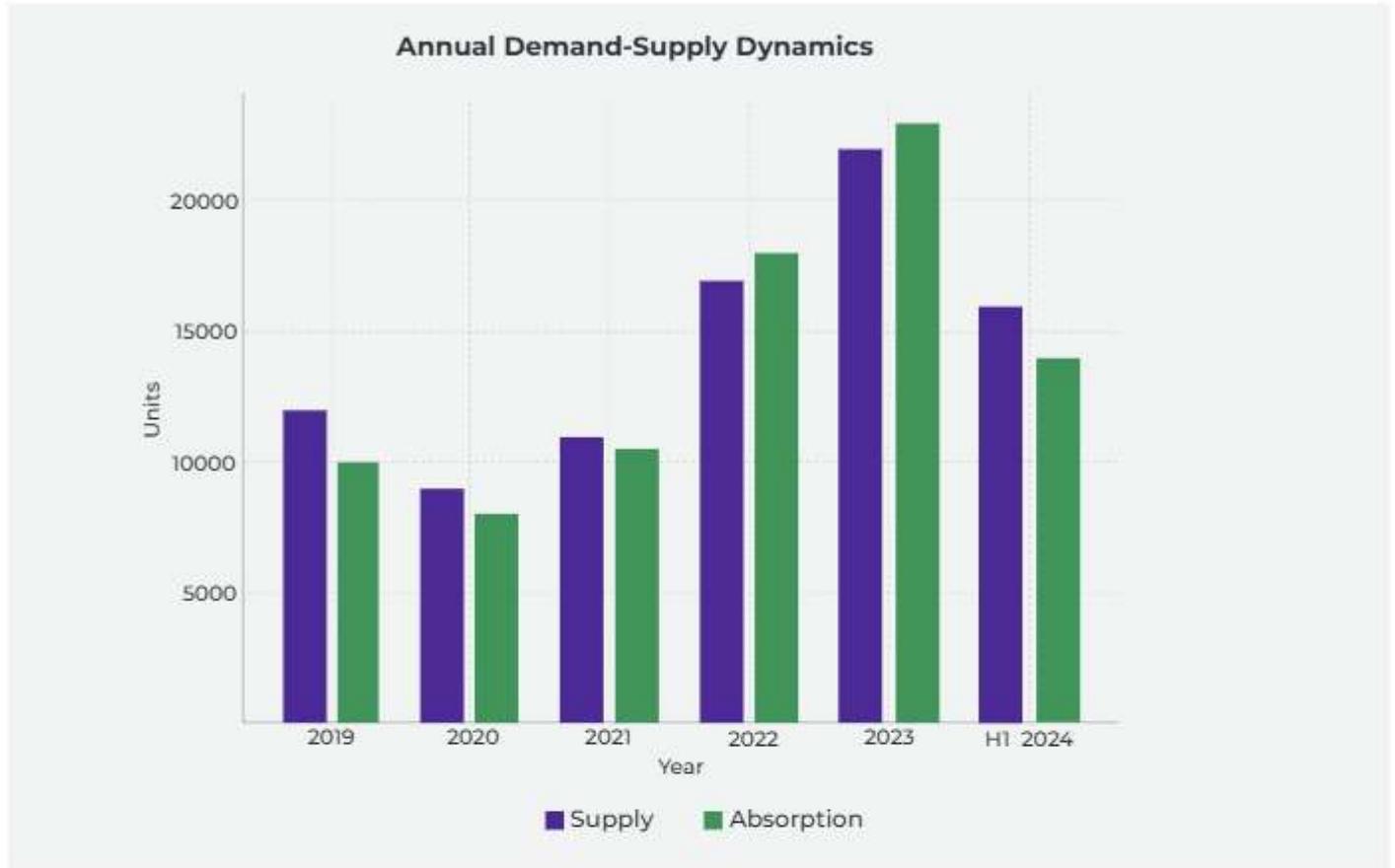
However, despite this upward trend, sales during the first half of 2024 were 5% lower than the same period in the previous year, with total sales standing at 14,000 units. The shift in market dynamics has been attributed to rising property prices and increased buyer caution.

Throughout 2024, Pune witnessed a significant increase in property values across various segments, driven by the ongoing demand from both end-users and investors. By the end of H1 2024, Pune had one of the highest shares of available inventory among the top Indian cities, with 30,500 unsold units.

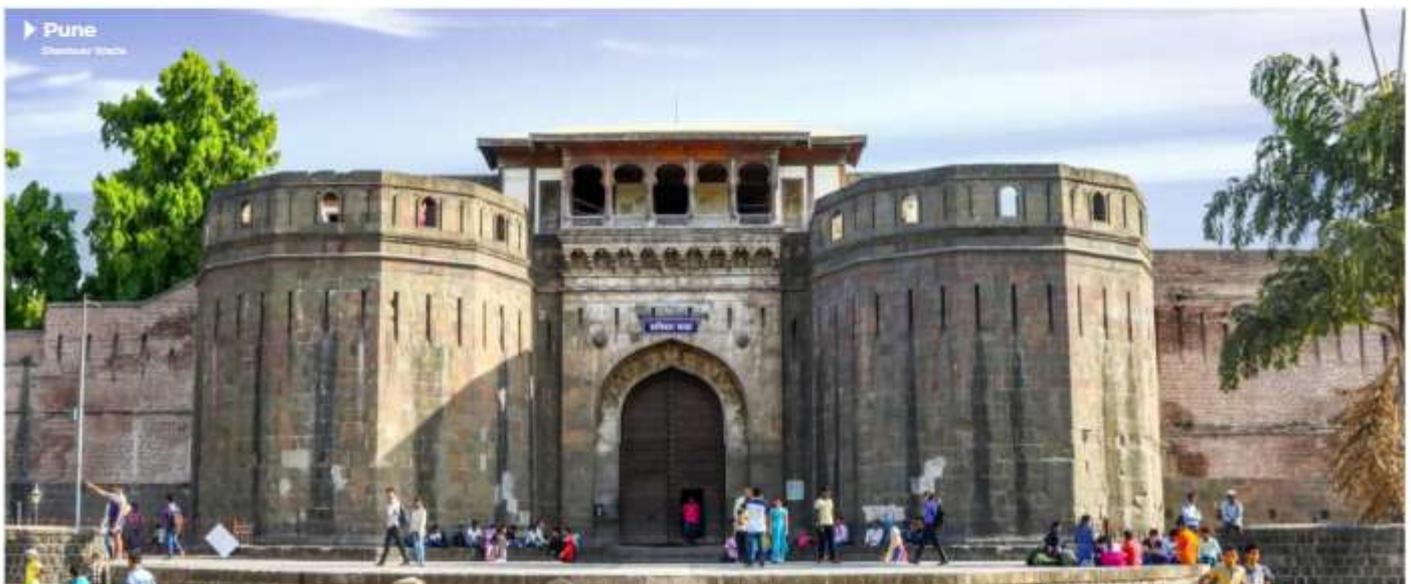


# Demand-Supply Dynamics

Developers' strategic approach to balancing supply with healthy demand has resulted in favorable market conditions.



- Around 85,000 units were launched, and 82,500 units were sold between 2019 and H1 2024.
- The Pune real estate market has reached equilibrium, with the absorption-to-supply ratio greater than one.
- Post-pandemic, absorption rates have consistently surpassed new supply in 2022 and 2023, with record-breaking launches and sales levels in the past five years.
- With continued upcoming supply, we expect the demand momentum in Pune to persist into the next few quarters.



# Budget-wise Supply

Rising input costs combined with increased demand have led to higher price tags across various property segments in Pune.

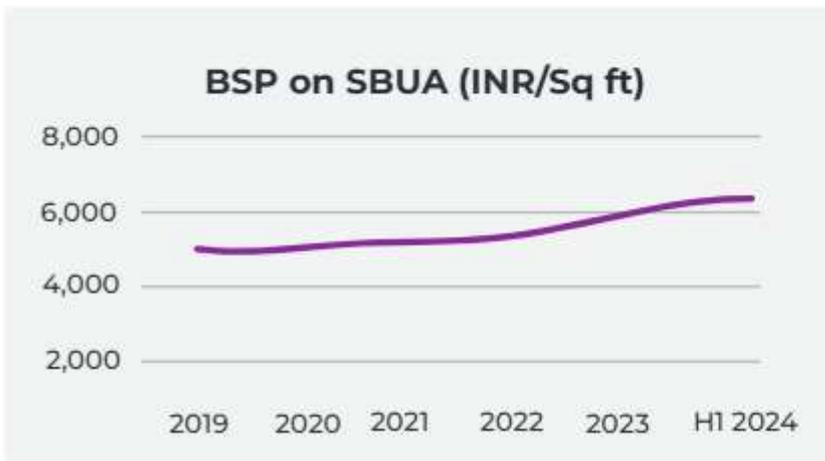


- Mid-end projects priced in the ₹40 lakh – ₹80 lakh bracket have dominated the new supply in recent quarters, capturing 67% share in H1 2024 compared to 42% in 2019.
- Affordable housing share (properties under ₹40 lakh) has decreased significantly, dropping from 35% in 2019 to just 2% in H1 2024.
- The share of properties priced between ₹1.5 crore and ₹2.5 crore has risen to 10% in H1 2024, from 6% in 2019.
- Developers remain cautious regarding the launch of ultra-luxury projects in Pune.



# Price Trends

Pune's real estate prices have seen steady growth over the last five years, driven by favorable market conditions.



- Property prices in Pune have appreciated by 29% over the past five years.
- In the last six months, average property prices have risen by 8%, from ₹6,200/sq. ft. at the end of 2023 to ₹6,700/sq. ft. by H1 2024.
- With the city's growth fueled by increasing employment opportunities and infrastructure investments, Pune's real estate prices are expected to continue climbing in the coming quarters.

# Future Direction

## PUNE SMART CITY

Pune is well-positioned to capitalize on several key factors contributing to India's economic resurgence. Over recent years, Pune has become a top destination for manufacturing, IT, and service sectors, establishing itself as a vital economic engine in Maharashtra. The state government's supportive policies and rapid development of infrastructure have placed Pune in a favorable position to drive its contribution toward India's growing economy.

The city's IT and electronics sectors have particularly benefited from the global economic recovery, as well as strategic movements like the 'China Plus One' approach. This strategy of diversifying global supply chains has made Pune an attractive option for major investments. The city is steadily becoming a key player, especially with its advanced tech parks and global enterprises setting up in and around the region.

Moreover, with a strong focus on infrastructure modernization, upcoming industrial clusters in Pune are expected to sustain this growth momentum and provide an impetus to further advancements. Maharashtra's state government has been focusing on promoting emerging industries, with an emphasis on bolstering the MSME sector, which is expected to create a strong foundation for advanced manufacturing and innovation.

Pune is particularly focused on adding value across various sectors by encouraging emerging industries to climb the value chain. The city's growing network of innovation hubs, research centers, and educational institutes further fosters a robust ecosystem for startups and industry giants alike, propelling Pune to the forefront of a self-sufficient industrial and manufacturing landscape.

#### Pune: A Step Closer to Being India's Innovation Capital

The upcoming Pune International Airport, expansion of the Pune Metro, Pune Ring Road project, and the ambitious Pune-Nashik Semi-High-Speed Rail Corridor are some of the key initiatives that will enhance the city's connectivity, while also stimulating growth in the residential, warehousing, and logistics segments.

The real estate market in Pune has undergone a remarkable transformation, with established regions experiencing a surge in growth and newer areas presenting exciting opportunities for investors. Pune's western and eastern corridors, especially in areas like Hinjewadi, Baner, Kharadi, and Wagholi, are witnessing increased residential and commercial development due to the thriving IT sector and the presence of large business parks.

Additionally, real estate activity is picking up in neighboring cities like Pimpri-Chinchwad, Talegaon, and other peri-urban regions, driven by strong industrial expansion and infrastructure developments. With a rise in demand for both affordable and luxury housing, Pune is solidifying its position as one of India's most promising real estate markets.

## 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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