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Business Standard

Tamil Nadu govt issues orders to 14 companies

BS REPORTER
Chennai, 26 February

Tamil Nadu has issued government orders (GOs) to 14 companies granting permission to set up facilities and expand current capacities, with various tax incentives and required support from the government in infrastructure development. The orders are expected to catalyse a total investment of around ₹24,230 crore.

The companies which received the orders include Mahindra and Mahindra, BMW India Pvt Ltd, a joint project of Indian Oil Corporation Ltd (IOCL) along with the Tamil Nadu Industrial Development Corporation (TIDCO) Ltd, Apollo Tyres, MRF Ltd, Samsung India Pvt Ltd, Sundareswar Alloy and Stainless Steel Ltd, Cheyyur SEZ Developers, Zynergy Capital Pte Ltd, KPR Mills Ltd, Madras Cements, Dalmia Cements and Bekaert India. The orders were handed over to company representatives by the state's deputy chief minister M K Stalin, on Saturday.

"We have issued orders to around 14 companies today, with various tax incentives and ensuring our commitment in supporting their industrial activities in the state. We expect these to catalyse investment of ₹25,000 crore in the next couple of years," said Rajeev Ranjan, principal secretary, industries department.

The tax incentives for each company vary based on the size of the project and the requirements of the companies and strictly in lines with the state Industrial Policy, 2007, he said.

He said this was the first set of orders issued for the industry and would be followed with another set. "We are working on issuing another set of orders, but cannot divulge more at this stage," Ranjan told Business Standard. The development is expected to generate 16,000 direct job opportunities in the state, according to the industries department.

The order for IOCL grants

a package of incentives, including concessions on value added tax (VAT) and Central Service Tax (CST) for its proposed ₹4,320 crore liquefied natural gas (LNG) terminal project and facilitation in setting up city gas distribution networks in Chennai and other cities and towns in Tamil Nadu, said a TIDCO announcement.

The proposed LNG import terminal and related gas pipeline infrastructure near Ennore Port at Tiruvallur district, near Chennai, with a capacity to handle five million tonne LNG per year is expected to commence operations in 2015. The total outlay of investment for the project is ₹10,000 crore.

With the order issued, Mahindra and Mahindra would invest ₹1,800 crore in the six years from 2009. Of this, ₹600 crore has already been invested to set up a research and development (R&D) centre in Mahindra World City in Maraimalai Nagar and the rest would be put in to develop an automotive manufacturing facility and a test track at Cheyyar in Thiruvannamalai district, Tamil Nadu, said Pawan Goenka, president, automotive and farm equipment sectors, Mahindra and Mahindra Ltd.

"We will invest ₹1,200 crore in the new automotive plan, which is to come up in an area of 450 acres in Cheyyar," he said. However, Goenka refused to divulge more information on the plant, which would have a capacity to churn out 150,000 units annually, according to reports.

The other projects which received orders include the ₹2,262 crore investment from Sundareswarar Alloys in foundry and forging facility, ₹2,100 crore investment from Apollo Tyres, ₹1,143 crore expansion project of Madras Cement, ₹700 crore steel rod manufacturing plant of Bekaert India, ₹350 crore expansion project from Samsung India, ₹328 crore expansion project of KPR Mills and ₹10,980 crore solar panel manufacturing facility from Zynergy Capital Pvt Ltd.

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Companies such as Mahindra and Mahindra, BMW India Pvt Ltd, a joint project of Indian Oil Corporation Ltd (IOCL) along with the Tamil Nadu Industrial Development Corporation (TIDCO) Ltd, Apollo Tyres, MRF Ltd and Samsung India Pvt have been asked to set up facilities and expand current capacities. The state will provide tax incentives and required infrastructure support to the companies