



Room to grow: Mahindra's World City development in Chennai is part of India's boom in the creation of industrial clusters

Mahindra's industrial action

AS INDIA RETAINS ITS ALLURE AS A MANUFACTURING DESTINATION, REAL ESTATE AND INFRASTRUCTURE DEVELOPER MAHINDRA LIFESPACE DEVELOPERS IS ROLLING OUT INDUSTRIAL CLUSTERS AROUND THE COUNTRY TO HELP MAINTAIN THIS MOMENTUM. **COURTNEY FINGAR** REPORTS

Late in 2017, Mahindra Lifespace Developers (MLDL), the real estate and infrastructure development arm of the Mahindra Group conglomerate, introduced a brand of industrial clusters located across India, aiming to boost the country's growing status as an investment destination and support the Make in India manufacturing initiative.

'Origins by Mahindra World City' is a set of pan-Indian industrial ecosystems, covering between 100 and 250 hectares and located in growth corridors across India, that will seek investment in manufacturing and related industrial functions. They are also intended to support the shift towards development beyond current urban centres. The projects will provide land and infrastructure to industrial units, and will start production in nine to 12 months.

Existing Mahindra World City developments in Chennai and Jaipur span nearly 1800 hectares, house 150 global and domestic companies employing more than 45,000 people, and generated exports exceeding \$1.75bn annually, according to the company.

Thinking small

"As India focuses on industrialisation and creating jobs, there is an opportunity for creating smaller functioning industrial clusters. We have systemic ecosystems where we can offer reliability to our customers," says Sangeeta Prasad, CEO of the integrated cities and industrial clusters business for MLDL, who was previously CEO of Mahindra World City Chennai. "You will see more of the Origins brand of cluster as they are smaller, and easier to turn around."

India was the world's top investment destination for greenfield FDI in 2015 and 2016, according to crossborder investment monitor

fDi Markets, which tracked \$25bn in announced or launched investments in the manufacturing sector in India in 2016.

The new clusters will offer companies clear land titles (land being a complex, emotive issue in India), plug-and-play infrastructure, and business support services such as warehousing, logistics, banks and dining, as well as fulfilment centres, industrial kitchens and industrial waste management.

On the up

The first two projects will be located in North Chennai and Ahmedabad with an estimated investment of Rs6bn (\$90m). The North Chennai site's first phase will cover 107 hectares, and is a joint venture between Mahindra World City Developers and Sumitomo Corporation of Japan. The Ahmedabad site's first phase will cover 108 hectares, and is being developed with the International Finance Corporation (IFC) as a strategic partner. Together, these industrial clusters are expected to create direct employment for about 20,000 people and will target companies across the engineering, medical equipment, food processing and logistics sectors, among others.

MLDL has signed a framework agreement with the IFC to expand to other cities, and some state governments have expressed interest in bringing the Origins model to their jurisdictions.

"It's a model that can be replicated elsewhere in the world. But the first priority is, how do we make a better India, how do we participate in the industrial and growth of India, and provide shared ecosystems for companies to succeed," says Ms Prasad. "We mean business and we want business to flourish here - we don't want to just to sell land." ■

PROJECT PROFILE

ORIGINS BY MAHINDRA WORLD CITY

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|-------------------|---------------------------------|
| Location | North Chennai and Ahmedabad |
| Area | 215 hectares combined (Phase 1) |
| Investment | Estimated \$90m |
| Employees | Estimated 20,000 |