

Work begins on Rs.35 bn Andhra industrial park

The work on a Rs.35 billion industrial park, including a luxury bus building unit of the Britain-based Caparo group of Lord Swraj Paul, began Thursday in Andhra Pradesh's Nellore district.

Chief Minister Y.S. Rajasekhara Reddy laid the foundation stone for the mega project at Menakur village of Naidupeta mandal in Nellore district, about 150 km from Chennai.

The luxury bus manufacturing plant, in collaboration with Hyundai Motors of South Korea, will roll out 2,000 buses annually from next year. It will be one of the units to come up on 2,000-acre park.

Addressing a public meeting after laying the foundation stone, the chief minister said the project, along with several other mega ventures, would transform Nellore into a major hub.

The luxury bus building plant would be the first anchor unit of the global group, which has business interests in the manufacture of steel, automotive and general engineering products.

Angad Paul, Caparo CEO and son of Lord Swraj Paul, told reporters that the Hyundai Motor Company would provide technical support so that all government regulations concerning the supply and manufacture of luxury buses in the country were complied with.

The buses that would roll out of the unit would be fitted with power steering, efficient Euro III/IV compliant engines, air-ride suspension and ABS system.

The group would develop world class and other infrastructure facilities on the park, including roads, power, housing, hotels, commercial complexes, academic institutions, sports complex and entertainment park.

Besides setting up its units, the group will also market the park to some of the best companies in the world, including those manufacturing railway carriage and aircraft fuselage.

Caparo signed a memorandum of understanding (MoU) with the state government in January last year for setting up an industrial park. It would invest Rs.35 billion in 15 years, providing employment to nearly 10,000 people.

The government has allotted 2,000 acres of land for the industrial park, at a cost of Rs.100,000 per acre.

Caparo group, which supplies aerospace components to global aviation companies, also plans to develop aerospace park in Andhra Pradesh. 'Depending on the feedback from the market, we will take up more projects,' Angad Paul said after a meeting with the chief minister in [Hyderabad](#) Wednesday.

YSR, as the chief minister is popularly known by his initials, assured all support to the group and said the government was determined to take the state to the number one position in the country in attracting industrial investment.

He said the government was keen to develop Nellore district as a major growth centre because of its

strategic location. An international leather complex is being set up at Krishnapatnam, a 4,000 MW ultra mega power project and a kisan (farmers) SEZ are among major projects coming up in Nellore.

The south coastal district has the advantage of being in close proximity to Tamil Nadu, which has many automotive plants.

According to the Reserve Bank of India (RBI) report released in August, Andhra Pradesh stood second after Gujarat in attracting investment. The state received investments worth Rs.251.73 billion during 2006-07.

According to an official statement, industrial investments amounting to Rs.123.5 billion during the last three-and-a-half years provided jobs to 172,616 people. An additional 210 projects, entailing investments of Rs.386.71 billion, are currently under implementation.

A total of 71 special economic zones (SEZ) are coming up in the state. The central government has already cleared 49 SEZs - the highest for any state.

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