

Reliance inks pact for \$9 bn special zone in Haryana

Chandigarh - The Mukesh Ambani-led Reliance Industries Ltd signed a pact with the Haryana government here Monday to develop India's largest special economic zone in over 25,000 acres at a cost of Rs. 400 billion (nearly \$9 billion).

'The project will catapult India on the world stage in terms of attracting global investment and we intend to compete with China, Singapore, Malaysia, Indonesia and other nations,' Reliance chairman Mukesh Ambani said.

'Reliance Industries on its own has committed to invest Rs. 250 billion in the project over a period of five to 10 years,' Ambani told a press conference after the accord was signed with the Haryana government.

The SEZ is going to come up near National Highway 8 in Gurgaon - a satellite township of the capital in Haryana - and would extend to Jhajar district adjacent to the proposed Kundli-Manesar-Palwal expressway.

About five percent of the area is being earmarked for leisure and recreation. 'A possible tie-up with Disney, Time Warner or Universal could be undertaken,' said Ambani, who controls India's largest private sector company.

A golf course as per the standards prescribed by the Professional Golfers' Association (PGA) will also be set up in this special zone.

The pact calls for a new holding company - Reliance Haryana SEZ Ltd - to be set up to commission the project that will facilitate 100 percent foreign investment with special tax rebates, cargo airport and a metro link to New Delhi.

'This company will also be listed on major stock exchanges,' Ambani added.

'This project would benefit the whole country, especially Haryana, as it would attract an investment of Rs. 1,000 billion (\$22 billion) over the next decade,' Haryana chief minister B.S. Hooda said.

Reliance officials said the project was expected to generate employment for over 200,000 persons and will be a fully sustained township with its own power plant, schools, colleges, banks, and one of India's biggest medical institutes.

Reliance officials said the focus of the zone is on environment-friendly medium and large industries, export houses, business and knowledge process outsourcing companies and research laboratories and institutions.

Apart from this, hospitality and leisure destinations, educational institutions, offshore banking and insurance, medical tourism also figure high on the priority list of the special zone, officials added.

Industrial units would account for the bulk of the land and would be allotted up to 25 percent of the total area. Commercial establishments would be set up on 20 percent of the land, while 15 percent of the area is for residential units.

The cost of acquiring land is pegged at Rs. 30 billion (\$665 million) and about Rs. 220 billion will be invested in the development of the zone, officials said. 'We will also sell developed land to the industries and different units.'

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