

## Tidco focusing on infrastructure development to lure investors

The Tamil Nadu Industrial Development Corp Ltd (Tidco), the investment promotion arm of the state government, is now focusing on good infrastructure and road connectivity to lure investors, a top official has said.

As part of its new strategy, Tidco is also acting as a project facilitator by getting administrative bottlenecks cleared fast, its chairman and managing director Ramasundaram told IANS in an interview.

Earlier, it picked up substantial stakes in projects to attract investors.

'Gone are the days when we had to take around 26 percent equity stake in a project to attract investments,' Ramasundaram said.

'Today's investors are flush with funds, and they look for good infrastructure, investor-friendly climate, and an agency to speed up government clearances while deciding a location to set up their project,' he added.

In most of the new industrial projects, Tidco holds just one percent stake.

'Though we are not a major equity partner in the new industrial projects, our officials continue to do the legwork in getting clearances from other government bodies. We have decided to monetise this legwork since last fiscal,' he said.

Charging around 1-2 percent of the total project cost as its service fee, Tidco earned around Rs.80 million (\$1.86 million) last fiscal while the dividend income was Rs.90 million.

For the current fiscal, the service fee expected is Rs.200 million and the dividend expectation is Rs.140 million. Last year, Tidco earned Rs.200 million divesting its holdings in four companies.

Registered as a non-banking finance company, Tidco has stopped accepting public deposits, and gets funds from the state government for investments.

Ramasundaram said Tidco's immediate priority is to expand Tichel Bio Park in the city to 900,000 sq ft from the present 100,000 sq ft at an investment of Rs.1.8 billion.

It has prepared a concept note to develop 1,600 sq km as an information technology investment region (ITIR), he added.

According to the proposal, Chennai, Mahabalipuram and Kanchipuram will be connected with a new road network so that IT companies will have alternative locations instead of big cities to set up their units.

Tidco also plans to connect Mahabalipuram, Tirukazhukundram, Chengalpattu and Kanchipuram with a single road while the National Highway 4 (NH4) will be extended to Mahabalipuram from Chennai.

Tidco has proposed extension of the mass rapid transport system (MRTS) up to Mahabalipuram along the Rajiv Gandhi Salai and also a 75-km new line from Anna Nagar in [Chennai](#) to Kanchipuram, passing through Sriperumbudur.

'As per estimates, the IT corridor in Chennai will have the largest concentration of software professionals. This advantage we don't want to lose,' he added.

The ITIR proposal is now with the state government, which will forward it to the central government.

Speaking about the various special economic zone (SEZ) projects in which Tidco is a joint venture partner, Ramasundaram said: 'Nearly 2,800 acres have been acquired for the multi-product SEZ at Perambalur.'

In Perambalur, where land acquisition has gone smoothly, land owners were paid Rs.300,000 per acre. In addition, they will also get a housing plot in the 100 acres reserved for that purpose near the SEZ, and one person from each family will be employed in the project once it takes off.

'Once the SEZ project is operational, the value of the housing plots too will appreciate. We will follow this model in other SEZs in the state,' Ramasundaram added.

*Venkatachari Jagannathan ( © IANS / India eNews)*