

Mahindra City - Corporate India's first operational SEZ

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Mumbai, 9th September 2004:

Mahindra Industrial Park Ltd., (Mahindra City), Chennai has been granted approval as a Special Economic Zone (SEZ). The approval was granted by the Ministry of Commerce and Industries, Government of India. This would make Mahindra City Corporate India's first operational SEZ.

Promoted by the **Mahindra Group** and **Tamil Nadu Industrial Development Corporation (TIDCO)**, Mahindra City, is a first-of-its-kind integrated Business City located just 30 minutes from Chennai airport in a thriving industrial corridor connected by a National Highway and rail networks. Rail connectivity has improved significantly with trains available every ten minutes during peak hours.

Three sector-specific SEZs will be set up at Mahindra City catering to the needs of export oriented industries competing on a global platform such as Information Technology (including services, electronics hardware and bio-informatics), Apparel & Fashion accessories and Auto ancillaries.

Supporting social infrastructure in the form of housing, schools, medical facilities, retail and recreational facilities will create an integrated environment for businesses and their employee communities. Mahindra City already has an MOU with Apollo Hospitals to set up their State-of-the art Health Centre there. Discussions with premier schools from Chennai are close to finalization. The first phase of housing planned and designed by international consultants will be launched in October 2004.

Master-planned by international vendors and benchmarked with the best industrial parks in the world, infrastructure development at Mahindra City has been completed in an area of 815 acres. Infosys Technologies has already signed up 129 acres in this Business City to create the world's largest software development center.

Mr. Rameshram Mishra, IAS, Secretary Industries, Government of Tamil Nadu said, "Tamil Nadu today has state of the art infrastructure for the industry and the SEZ approval for Mahindra City will further enhance our ability to serve global customers. We are fully committed to this project and its success".

Mr. Arun K Nanda, Executive Director, Mahindra & Mahindra said, "Mahindra City, the first fully integrated township is yet another first for the Mahindra group. Mahindra City provides world class planning, modern

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infrastructure and a healthy clean environment, where the most demanding customers can ask for the best and get it. The SEZ status will help us add significant value to our customers' businesses".

The SEZ status provides units located here multiple fiscal and operational benefits. A 100% tax holiday for the first 5 years and a 50% tax holiday for a subsequent block of 5 years are offered by the Government of India to units located in a SEZ. Besides, exemption from customs duty, central excise, service tax, education cess, central sales tax, and all local taxes levied by the state is available to SEZ units. Banks can also set up Offshore Banking Units (OBUs) at SEZs.

Besides the fiscal benefits, a SEZ is a deemed foreign territory within the country and offers a hassle-free operating environment to companies locating here through a single window system.