



ABSTRACT

Industries - Sanction of Structured Package of Assistance to Tvl.Base Corporation Limited for manufacture of batteries in Krishnagiri District - Orders - Issued.

INDUSTRIES (MIA.1) DEPARTMENT

G.O.(Ms) No.167

Dated : 6.12.2010

Read :

2084

1. From the Base Corporation Limited, letter dated 1.10.2009.
2. From the Director, Guidance Bureau, Letter No.Dir/VMI/Base Corporation/2009, dated 9.11.2009.
3. From the Base Corporation Limited, letter dated 17.11.2009, 29.12.2009, 25.10.2010, 9.3.2010, 10.3.2010 and 27.10.2010.

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ORDER :

Tvl.Base Corporation Limited is a Bangalore based company promoted by Mr.Girish Arora and incorporated in 1987 currently having 24 offices, 800 staff strength and recorded a Sales Turnover of Rs.442 crores in the year ending 31.03.2009. It has very recently erected a manufacturing facility for batteries at Solan (H.P.) at a cost of Rs.90 crores.

2. Tvl.BASE Corporation Limited (shortly called as Base Corporation) has proposed to set up a factory at Anegollu Village, Denkenikotta Taluk, Krishnagiri District between Survey No.1-632. Base Corporation has proposed to invest not less than Rs.350 crores in eligible fixed assets and directly employ not less than 400 employees within 3 years. Base Corporation has indicated that it will consider investing additionally Rs.250 crores after 3-4 years in the form of expansion. The Company has proposed to manufacture lead acid batteries for two wheelers, auto, Tubular batteries and VRLA batteries to a capacity for 100 Million AH per month. The expected sales turnover of the Company is Rs.1200 crores. Base Corporation Limited has requested the Government for sanction of Structured Package of Assistance to implement their project.

3. The Government carefully examined the request of Base Corporation. The Base Corporation is committed (i) to invest not less than Rs.350 crores in eligible fixed assets to set up a factory at Anegollu Village, Denkenikotta Taluk, Krishnagiri District to manufacture lead acid batteries and (ii) directly employ not less than 400 employees within 3 years.

4. Based on the commitments given by Base Corporation as mentioned in paragraph 3 above and considering the economic benefits that will accrue to this State from the project, the Government provide the following structured package of assistance to the project proposed by Base Corporation :

(a) Starting date of investment

The starting date of investment period is from the date of issue of this order and the investment period will be 3 years.

(b) Output VAT + CST based incentive:

An amount equivalent to Output VAT + CST paid by Base Corporation to the Government will be given as Investment Promotion Soft Loan to the Company for a period of 10 years from the date of commercial production or till the cumulative availment of soft loan reaches 100% of the actual investment made in eligible fixed assets within 3 years from the date of this order whichever is earlier. The soft loan shall carry a nominal interest

rate of 0.1 % per annum. The soft loan sanctioned in the 1st year shall be repaid in full along with interest in the month of April in the 11th financial year and the soft loan sanctioned in the 2nd year shall be repaid in full along with interest in the month of April in the 12th financial year and so on.

(c) Input VAT incentive:

Base Corporation shall be eligible for Normal set-off of Input VAT paid by the Company against the Output VAT paid to Government.

(d) Capital subsidy and Environmental Infrastructure Protection Subsidy:

Since Base Corporation has committed to invest not less than Rs.350 crores in eligible fixed assets in its new project, this project shall be provided a back ended capital subsidy of Rs.1.5 crores. The project shall also be eligible for environmental infrastructure protection subsidy of 25% of the capital cost of ETP / Hazardous Treatment Storage and Disposal Facility or Rs.30 lakhs, whichever is lesser as per New Industrial Policy, 2007.

(e) Training Subsidy :

Base Corporation shall be given a Training Subsidy as per the eligibility of Board of Apprenticeship Training.

(f) Exemption from electricity tax:

Base Corporation shall be given electricity tax exemption for a period of 5 (five) years for both power purchased from TNEB or generated and consumed from captive sources.

(g) Power Supply:

TNEB will provide Base Corporation power requirements exceeding 10 MVA only through 110 KV supply at normal terms of TNEB and at normal industrial tariff as fixed by the State Electricity Regulatory Commission. Also, TNEB will provide Base Corporation an exemption from power cuts and peak load restrictions:

(h) Water:

As Base Corporation is not located in SIPCOT Industrial Park, the water supply shall be arranged through TWAD Board subject to feasibility.

(i) Road to the project site :

Since Base Corporation is yet to purchase the land and is yet to furnish a map indication for the road connectivity, the existing road can be strengthened.

(j) Public Transport facility :

Base Corporation shall be facilitated by requesting the State Transport Corporations to explore the feasibility to increase Public transport facility to the project site.

(k) Provision of telecommunication networks from BSNL and broadband:

Base Corporation may be facilitated to provide telecommunication networks from BSNL and broadband.

(I) General Conditions :

- (i) The Structured package of assistance sanctioned above is contingent on fulfillment of all of the above mentioned two commitments by Base Corporation. In the event of non-fulfillment of the said commitments, the structured package given in this order will become inoperative. In such an event, Base Corporation shall refund all financial incentives with interest as decided by the Government and will not be eligible for other forms of support and the assets of Base Corporation shall stand charged to the Government till the incentives are refunded along with interest.
- (ii) At the end of investment period, SIPCOT will assess the actual investment made by Base Corporation in eligible fixed assets in the projects and actual direct employment created in this project. SIPCOT will also assess the actual investment in eligible fixed assets within 3 years.

5. This order issues with the concurrence of Finance Department vide its U.O.No.68070/Finance (Ind)/2010, dated 2.12.2010.

(BY ORDER OF THE GOVERNOR)

RAJEEV RANJAN,
PRINCIPAL SECRETARY TO GOVERNMENT.

To

M/s.Base Corporation Limited,
'Sangeeta Towers', No.3, 1st Stage,
80, Feet Road, Near CMH Hospital,
Indira Nagar, Bangalore 560 038.
The Chairman and Managing Director,
SIPCOT, Egmore, Chennai-8.

The Principal Secretary to Government, Finance Department, Chennai-9.

The Principal Secretary to Government, Energy Department, Chennai-9.

The Principal Secretary to Government, Labour & Employment Department, Chennai-9.

The Secretary to Government, Commercial Taxes & Registration, Department, Chennai-9.

The Secretary to Government, Highways Department, Chennai-9

The Special Commissioner & Commissioner of Commercial Taxes, Chepauk, Chennai-5.

The Chairman, TNEB, 144, Anna Salai, Chennai-2.

The Chairman and Managing Director,
Water Supply and Drainage Board (TWAD),
31, Kamarajar Salai, Chepauk, Chennai-5.

The Commissioner of Labour, DMS Complex,
Teynampet, Chennai-18.

The EVC, Guidance Bureau, Egmore, Chennai-8.

The Chief Engineer (General), Highways, Chepauk, Chennai-5.

Copy to :

Chief Minister's Office, Chennai-9.

The Dy. Chief Minister's Office, Chennai-9.

Finance (Industries) Department, Chennai-9.

Public (SC) Department, Chennai-9.

Industries (OP II)/ (MIG) Department, Chennai-9.

SF/SC

//Forwarded / By order //


6/12/10
Section Officer.

6/12/10