

# TCG plans investment of ₹1.3 trillion in Odisha, TN

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The Chatterjee Group (TCG) is in talks with global energy firms to enlist them as equity partners for its upcoming petrochemicals project in Odisha, and is also on the lookout for partners and strategic investors for its project in Tamil Nadu.

TCG, which is looking at a 2:1 debt-equity ratio to fund these projects, is also planning to approach investors and banks to raise capital in the next six months, a person aware of the development told *Business Standard*.

TCG, owned by Purnendu Chatterjee, is planning to invest around ₹78,000 crore in Odisha and ₹50,000 in Tamil Nadu.

“The estimated investments will take place over a five-year time period, and as projects keep coming up, funds will be needed. TCG is in talks with global companies both for equity partners as well as strategic investors,” the person said.

The project in Cuddalore in Tamil Nadu, which has port access, is expected to come up first. TCG’s flagship company, Haldia Petrochemicals (HPL), after getting a go ahead from the National Company Law Tribunal (NCLT), is poised to take over 2,100 acres of land hitherto with Nagarjuna Oil Corp (NOCL).



## IN THE PIPELINE

**TCG IN TALKS** with global energy firms for equity partnership in Odisha project

**THE GROUP HAS** also started talks with investors for equity and strategic investment in Tamil Nadu project

**TCG WILL MAINTAIN** status quo on West Bengal project **TAMIL NADU** project to start in 6 months, Odisha project may take around 2 years

NOCL is facing liquidation. Besides HPL, Accord Distillers & Brewers and Adani Ports & SEZ had also submitted bids during the liquidation process.

NOCL went into insolvency soon after it started constructing a refinery, thus, most of the land is vacant. HPL will be coming up with a new project on the land. “While the land with NOCL is readily available, the same needs to be acquired first in Odisha, which will take some time. Thus, it is expected that the petrochemicals project in Tamil Nadu will start first rather than Odisha,” the person added.

The Odisha government has started the process of acquiring around 3,320 acres of land in Balasore, which is near the upcoming Submarekha port. This project is expected to have a 1.08-mtpa (million tonnes per annum) polyethylene unit, a 1.6-mtpa unit of paraxylene, and another 1.25-mtpa unit of purified terephthalic acid, besides a light crude oil refinery. Aromatics complex and ethylene complexes would be set up.

According to the person, while work can be started in Tamil Nadu within six months

after clearances from the NCLT, the project in Odisha may take around two years to start as land acquisition process has to be completed first, and the necessary environment and forest clearances have to be obtained.

In Odisha, of the total land to be acquired, 900 acres is held privately, while 700 acres is forest land. The state government has around 800 acres, and the rest is a mix of Bhoodan land and others.

Industry officials are of the view that the land acquisition of this proportion is a sensitive matter in the state, given its past when South Korean firm Posco backed out owing to land issues.

When asked about these developments, the TCG official declined to comment.

While TCG has decided to invest heavily in Tamil Nadu and Odisha, it has decided to maintain status quo on its operations in Haldia in West Bengal.

The person said the decision had been taken considering the congestion around Haldia port, which the group feels is unable to handle more loads.

“Unless Haldia port is able to handle more cargo, and the congestion is addressed, it is unlikely that the existing TCG facility in Haldia will be scaled up,” the person said.

TCG had marked its foray in the petrochemicals business in India back in 1994 by setting up this project in Haldia.

## Essar signals resuming investment-led growth

PRESS TRUST OF INDIA  
New Delhi, 23 February

The \$10-billion energy-technology conglomerate Essar is looking to embark on a new phase of investment-led growth on the strength of a substantially lighter balance sheet arising from repayment of ₹1.4 trillion loans over the last three years, the promoter

Ruia family has said.

Despite losing Essar Steel in insolvency proceedings, cash flows remain strong, with ₹1,00,000 crore of revenues from existing businesses.

The group has kickstarted its 50th-anniversary celebrations with an aggressive influencer outreach.

In a mailer sent to Union ministers, chief ministers and

top bureaucrats, the Essar Group has indicated that it is “poised to embark on a new phase of growth while driving growth in its existing portfolio.” Essar did not specify what the new growth areas could be, but said it is “armed with a substantially lighter balance sheet” after it took “a conscious call of reducing its debt in response to evolving domes-

tic and evolving economic scenario.” The letter was jointly signed by Ravi Ruia and Prashant Ruia.

“In the largest debt reduction exercise in the history of corporate India, we have paid about ₹140,000 crore (\$20 billion) of debt to the banking system over the last three years,” the promoter Ruia family wrote in the letter.