

Sri City signs up 10 firms for multi-product SEZ

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Chennai: Sri City special economic zone (SEZ) has signed up memoranda of understanding (MoU) with 10 companies for its proposed multi-product SEZ to be built on a private-public partnership (PPP) model with the Andhra Pradesh government at Tada near Chennai. Surana Group, Hong Kong-based Intimate Apparels, Innova Biotech and Eura Abrasives are among those which have signed MoUs to set up units in the 5,000-acre SEZ to be developed in phases, a top official said.

The Chennai-based Sri would invest Rs 1,000 crore in developing the common infrastructure such as roads. Of this, Rs 500 crore would be in the form of equity and the rest would be through loans and internal accruals, Ravindra Sannareddy, chairman and managing director, Sri City said. Private equity investors will hold between 55-60% in the SEZ venture.

The promoter stake would be 10%, government equity would be less than 1% and rest would be with a group of NRI investors, Sannareddy said on Wednesday. The SEZ, located 55 km north of Chennai on the National Highway-5, would attract investments to the tune of Rs 8500 in the next 3-4 years, officials said.

The SEZ is expected to generate 10,000 jobs in the next 2-3 years and attract over Rs 17,500 crore investments by 2012-13, Sannareddy said. Around 1 lakh direct and 75,000 indirect jobs are

expected to be created. The construction work would commence on August 9. The SEZ will focus on auto components, apparel and fashion, bio-technology, pharmaceuticals, leather products, hardware and electronics among others.