

Media Coverage - Press Conference

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South India's largest SEZ to attract Rs 17.5k cr funds

Infrastructure Bureau

Chennai, Jul 30

Sri City (Private) Ltd, promoted by an NRI and the chairman of BSE-listed Mega Soft Ravindra Sannareddy and his associates, is setting up south India's largest notified multi-product SEZ (special economic zone) at Tada in Chittoor district of Andhra Pradesh, which is 55km away from Chennai with a clear focus on manufacturing and IT/ITeS/BPO sectors. The other equity partners of this mega SEZ include Andhra Pradesh Industrial Development Corporation (APIDC) (minority stakeholder), private equity funds and banks.

Developed with an initial investment of Rs 1,000 crore, the SEZ would come up in a sprawling 5,000 acres of land including domestic tariff area. "It is expected to attract initial investments of Rs 8,500 crore in first three phase of operations which will be increased to Rs 17,500 crore," said Ravindra Sannareddy, chairman, Sri City. In addition to that, the SEZ is expected to attract Rs 10,000 crore investment

through hospitals, hotels, resorts and other recreational facilities to be developed by private players. "This is the first major private-public development project," he added.

Addressing a press conference on Wednesday, Sannareddy said, "The SEZ will generate over 100,000 direct employment and another 1,75,000 jobs indirectly. We have completed the financial closure as well as land acquisition and the company has already started developing necessary amenities like power, water, treatment plants and roads."

"We have chosen Tada due to its proximity to Chennai airport, seaports and other logistic purposes apart from its well-established connectivity by rail and road. We may even add 2,000 acres in the second phase of development," he said. The SEZ will accommodate nearly 300 units of different categories and will have a combined investment of Rs 17,500 crore when fully occupied in five years. "The SEZ will provide all services through a single-window system," he added.

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Business Standard

Sri City to get Rs 17,500 cr

Work on the SEZ, coming up in Tada, to begin from Aug 9

BS REPORTER
Chennai, 30 July

Chennai-based Sri City Pvt Ltd, which is setting up a multi-product special economic zone (SEZ) through public private partnership (PPP) in Andhra Pradesh, has signed MoUs with 10 companies for the project. The initial investment in the SEZ will be Rs 1,000 crore

Called Sri City, the SEZ is promoted by Ravindra Sannareddy, chairman, Mega-soft Limited, and would come up on 5,000 acres in Tada in Nellore district of Andhra Pradesh, 55 km north of Chennai.

The SEZ would generate 10,000 jobs in the next 2-3 years

and is expected to attract over Rs 17,500 crore by 2012-13.

Work on the project is expected to start on August 9. Surana Group, Hong Kong-based Intimate Apparels, Innova Biotech and Eura Abrasives are among the companies that have signed MoUs to set up their units in the SEZ to be developed in phases.

Speaking to reporters here on Wednesday, Sannareddy said by 2012-13 the total investment in the SEZ would be Rs 17,500 crore by 300 industries. Around 100,000 direct and 75,000 indirect jobs are expected to be created.

He added that the initial investment of Rs 1,000 crore would be used for developing common infrastructure such



Signs MoUs with 10 companies to set up their units in the SEZ

as connectivity and water. Of this, Rs 500 crore would be

in the form of equity and the rest would be through loans and internal accruals, Sannareddy, chairman and managing director, Sri City, said

While PE investors will hold 60 per cent, promoter stake would be 10 per cent and government equity less than 1 per cent. The remaining would be held by the shareholders.

The SEZ will focus on manufacturing and engineering industries such as auto components, apparel and fashion, bio-technology, pharmaceuticals, hardware, electronics, logistics, warehousing, renewable energy, leather products, light engineering, sports and toys. It is expected to support 400-500 business units.