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EISL's textile park nearing completion

Rs 1,000-cr project to become operational by July-Aug

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Coimbatore, April 9

The Phase I of ETL Infrastructure Services Ltd's (EISL) textile SEZ (special economic zone) and service SEZ at Perundurai in Erode district is nearing completion. The park is expected to become operational by July-August, its Chief Executive, Mr S. Thiagarajan, said.

EISL is looking to design, develop and manage this project, stated to be the first textile SEZ in the textile corridor. The total land area of the project, including frontage on NH 47, is 256 acres.

SPECIAL PURPOSE VEHICLE

"The SPV (special purpose vehicle), leasing 50 per cent of the land, will install all the textile-related infrastructure and we will provide supporting infrastructure including setting up a captive power plant, washing plant, embroidery plant, warehouse and apparel mart. EISL will also develop residential units and office space to support the

Snapshot

SPV to install all textile related infrastructure
The estimated outlay of the project is Rs 1,000 cr

companies operating in the processing zone," he told *Business Line*.

The estimated outlay is expected to be in excess of Rs 1,000 crore.

The company is planning to implement a disaster recovery centre in Bangalore at a cost of Rs 1,250 crore in the near future.

OCCUPANCY LEVELS

Answering a query on occupancy levels, he said the textile industry has witnessed a dramatic turnaround in the last 12 months, with all plants operating at full capacity. Further, India is seen as a far more stable and risk-free investment destination. All units planned for the first phase have been fully taken up.

He further disclosed that Great Indian Linen And Textile Infrastructure Co Pvt Ltd had taken up the entire space. The company is an SPV, formed by a group of textile manufacturing companies, international and domestic cotton growers/ginners and traders and units involved in textile and made-up manufacture and export, he said.

UNINTERRUPTED POWER

"The units located in the park will not be impacted by power cuts and load shedding as we have set up a captive power plant to ensure uninterrupted supply," Mr Thiagarajan said and pointed out that the park was focused primarily on the home textiles market and, therefore, was planned as a home textiles cluster.

All the units coming under Phase I are involved in terry towels. "We now have enquiries from various other segments such as technical textiles, garmenting and spinning and are in talks with them to provide land/built-

up area for them also," he said.

EISL has, since inception in 2004, developed and built an IT/ITeS SEZ at Thorai-pakkam (off OMR Road) in Chennai. The first phase of this project, with a built-up area of 1.2 million sq feet, became operational in mid-2006. Phase II, currently under development (with a built up area of 2.4 million sq. ft), is scheduled for completion by mid-2011.

On occupancy rates in the IT/ITeS parks, he said: "There is a significant amount of vacant space in technology parks in Chennai currently. Technology parks in the recent past have reduced their rentals. Despite SEZ status, locational advantages and lower occupational costs, we have neither increased nor reduced rentals since April 2008."

Asked how the rentals have moved, he said: "The rates in Chennai have fallen by over 40 per cent from their peak."