

IL&FS takes big stake in industrial park

IL&FS Investments Ltd, a private equity fund, has taken a 82 per cent stake in Tiruchirappalli (Tiruchy)-based GK Industrial Park Pvt for around Rs 70 crore. The investment is part of the ty portion for GK Industrial park for the upcoming industrial park on the outskirts of Tiruchy on 600 acres of land.

K G Muralidharan, director, GK Industrial Park Pvt Ltd said, the company has invested around Rs 75 crore to acquire land and plans to invest Rs 150 crore to create infrastructure in the upcoming park, which is presently under construction.

The project was funded through debt and equity. "IL&FS Investment Managers has taken 82 per cent equity and invested around Rs 70 crore in the project". The debt portion of Rs 77 crore will be funded by Punjab National Bank.

The private equity fund is likely to exit from the venture in seven years, from the date of investment, "after which we are thinking of taking this company to public," said Muralidharan.

The park will be developed in two phases, first phase of the project will be completed by December 2010 and will come up in 265 acres.

"Once the entire project will be completed the park will manufacture products worth around Rs 800 crore every year," he said. The industrial park is likely to go on full stream by 2012-13.

The company is also planning to set up a 40 mega watt power plant, once the park goes on full stream. The requirement of the industrial park is around 30 mega watt, said Muralidharan. The common facilities like street lights will be taken up solar power.

As part of marketing initiative the company is also talking to various industry clusters in Europe and US who want to set up shops in India, said Muralidharan. To encourage entrepreneurs the park has introduced a concept, whereby it would give three year guarantee work for the micro units which are setting up shops inside the industrial park, said Muralidharan.

The other infrastructure which are likely to come up inside the park include hotels, housing projects, education institutions and hospitals, he added.
