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Sri City's new mantra is 'soft infrastructure'

Homes, schools planned in the township to attract investors

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Now that Sri City, the upcoming industrial township near Chennai, has got a critical mass of tenants, the promoters are turning their focus onto the other part of the plan: the soft infrastructure.

A barren piece of land barely seven years ago, Sri City today houses over 100 units, some of them big names such as Cadbury's, PepsiCo, Alstom and Isuzu. They occupy a third of the 7,000-acre zone, and some 20,000 people, mostly from the neighbouring villages, work there.

Tipping point

The promoter of Sri City, Ravindra Babu Sannareddy, now believes that to get more tenants, it is necessary to work on the soft infrastructure part of the master plan - that is to build houses, schools, hospitals and recreation



A view of a construction equipment manufacturing plant at Sri City near Chennai. The promoter company plans to add 500 dwelling units to the 100 that exist at present

facilities. All of these are there today, but in tiny samples. Time has come for a bigger thrust.

"Without housing, industry workers won't come. Without prospective residents, houses can't be built. Similarly, without good schools, residents won't come, without good students, schools can't develop. So we were waiting for the industrial part of the township to come up to a certain level before focusing on the social infrastructure," Reddy

says. The company has now reached that tipping point, and the team has set the ball rolling.

Accordingly, Sri City Pvt Ltd, the company that is developing the industrial township, is working on building some 500 dwelling units, adding to the 100 that exist now.

There is a Chinmaya Vidyalaya school now; the plan is to get a few more schools. The trauma care centre, with about half a dozen beds, is to be gingered up,

as will be the Sankara Netrayalarun eye-care centre.

Add to this the later-date plans, such as putting up an 18-hole golf course, water sports on the eight lakes and the interlinking canals and even an airstrip, you see Sri City's strategy: dress up to attract investments.

Outsourcing

None of these plans is outside of normal - every aspiring industrial township will do these. But, says Sannareddy, the difference is in how Sri City wants to do it: by outsourcing. Schools and hospitals are always outsourced, but Sannareddy wants to outsource not just these, but anything that can be handed over to third parties.

Take housing, for instance. Sri City expects that eventually 150,000 people will be working in the township and 450,000 people living there, counting in the family members of the workers.

Providing housing is a business opportunity, but rather than make a business out of it, Sannareddy wants to hand it

over to a real estate developer, while also ensuring that the prices are kept down by eliminating speculators.

'Dressing up'

Same goes for golf course and other recreation facilities. Outsourcing also helps Sri City Pvt Ltd conserve cash and build the soft infrastructure faster, he says.

While this soft infrastructure (as opposed to the hard infrastructure which includes building factory sheds, business centres, laying roads and utility connections) is a part of 'dressing up for investments', Sri City seems to be also keen on cosmetics.

To give foreigners a home feel, streets are called boulevards, for instance. Also in the works are multi-cuisine food courts, perhaps with a strong Japanese flavour, as there are 13 Japanese companies in the zone.

"We have 12 companies whose global turnover is more than \$12 billion," says Reddy. Good base, but to bring the other 70 per cent in, Sri City needs to, well, dress up to attract.