

**Press Information Bureau
Government of India
Cabinet Committee on Economic Affairs (CCEA)**

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Development of Trunk Infrastructure components in the activation area of Phase-I of the Dholera Special Investment Region in Gujarat in the Delhi Mumbai Industrial Corridor Project

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has approved the construction of Trunk Infrastructure components in the activation area of 22.5 sq.km. of Phase-1 Investment Region (DSIR) in Gujarat in the Delhi Mumbai Industrial Corridor (DMIC) Project.

The total cost of the project is estimated to be approximately Rs. 2784.83 crore which will be contributed by the Trust as equity in the city/node SPV.

The trunk infrastructure components are:

- Roads and Services,
- ABCD building complex (Phase-1),
- Water Treatment Plant (WTP),
- Sewage Treatment Plant (STP) and
- Common Effluent Treatment Plant (CETP)

Trunk Infrastructure development is proposed to commence in FY 2015-16 for the above mentioned projects and is likely to be completed by FY 2018-19 after all necessary approvals. The primary objective of the Activation Area is to trigger developmental activities in DSIR and attract local and global investment. The Activation Area has been selected due to maximum concentration of Government Land which will facilitate the development of trunk infrastructure components in DSIR.

The Activation Area is envisaged to act as a catalyst for further investments in DSIR. The development of trunk infrastructure facilities (e.g. roads and services, water, power, sewerage, drainage, STP, CETP) will facilitate the development of Phase-1 of the DSIR. Also, this area constitutes the northern half of the DSIRDA and provides good connectivity with the other Town planning Schemes of the area. The provision of Roads and Services will ensure accessibility to this area and will ensure that serviced land is available for investors to start their development in the Activation Area.

As per the institutional and financial structure approved by the Government of India for DMIC, the project will be contributed by the State Government as their equity while the contribution of 10% equity and debt will be made in form of cash for implementing various trunk infrastructure components worth Rs. 3000 crores. The value of land brought in by the State Government would be the equity contribution of the Government. The balance funding i.e. funding over and above the contributions from Government and State Government required for the trunk infrastructure in subsequent phases shall be met from the internal accruals of the SPV as may be required.

DSIR has been planned over an extensive area of land measuring approximately 920 sq km comprising villages of Dhandhuka and Barwala Taluka in the Ahmedabad District. This node is strategically located near the cities of Vadodara, Ahmedabad, Rajkot, Surat and Bhavnagar urban agglomerations. DMICDC, in partnership of the Government of Gujarat, plans to create an economically and socially balanced new class infrastructure and high quality-of-life standards and sustainability in the urban form.

The developable area in DSIR is divided into six Town Planning Schemes. Town Planning Scheme 1 (TP 1) covers the development in Phase-1. Town Planning Scheme 1 (TP 1) covers an area of approximately 51 sq km and Town Planning Scheme 2 (TP 2) covers an area of approximately 102 sq km. TP 1 contains a total length of roads of approximately 34 km with road widths varying from 12m to 70m. TP 2 contains a total length of roads of approximately 34 km varying from 12 m to 70 m. Services and utilities running within the road reserves will include storm water supply, sewerage, power, telecom and gas.

It is intended to implement the roads and services within Town Planning Schemes 1 and 2, with training & bunding for flood management, in a phased manner. For practical implementation purposes, the area is divided into two packages; the area to the west of the Central Spine Road (SH6) is TP2 (West), and the area to the east of Spine Road (SH6) is TP2 (East). TP2 (East) covers an area of approximately 57.41 sq km and TP2 (West) covers approximately 43.11 sq km with an area of 2.3 sq km falling under the Right of Way for the Expressway.

Since the entire trunk infrastructure of TP2 cannot be implemented in one go, a phased approach has been adopted and an Activation Area of 22.5 sq km has been identified which would act as catalyst for further development and provide a base for taking up development of further phases. The Activation Area has been carved out of the DSIR.

Background:

The Government of India is developing the Delhi Mumbai Industrial Corridor (DMIC) as a manufacturing and investment destination, by utilising the high capacity 1483 kilometer long Western Corridor (DFC), as the backbone. In essence, DMIC project is aimed at the development of futuristic industrial cities which can compete with the best manufacturing and investment destinations in the world. The project is implemented jointly by the Government of India and the respective State Governments. Eight Investment Regions have been identified for development in the first phase of DMIC, across six states namely Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh.

The Government of India approved the financial and institutional structure and financial development of industrial cities in DMIC on 15th September, 2011. It was decided that grant-in-aid will be provided by the Government of India (GoI) to the DMIC Project Implementation Fund (to be set up as a Trust) over the next 5 years beginning 2011-12. The corpus would be used for funding the infrastructure, which is not amenable to private participation on Public-Private-Partnership (PPP) basis. Pursuant to the Cabinet decision referred to above, the Board of Trustees will be empowered to appraise all proposals and make the recommendations of DMICDC and approve and sanction equity and/ or debt to SPVs and grant financing for development activities up to a ceiling of Rs 300 crore. All proposals exceeding Rs 300 crore will be sent to the Committee on Infrastructure (CCI), after appraisal by the PPPAC of the Ministry of Finance or the Technical Committee. In order to ensure coordinated development in consonance with the Master Plans/ Development Plans, the viability gap support in the DMIC region will be examined and recommended by DMICDC. Financial support from the Government of India in the SPVs should be ensured and protected by the Board of Trustees through Insurance.

Each industrial city (Investment Region / Industrial Area) will be implemented by a Special Infrastructure Trust set up as a joint venture company between the DMIC Trust and the respective State Government / State Government. The share of the DMIC Trust will be limited to 50 percent in the city level SPV, but may go up to 100 percent in strategic projects, project specific SPVs cutting across the DMIC states and sectoral holding companies and project specific SPVs.

As per the approved institutional and financial structure for the development of industrial cities, proposals exceeding Rs. 300 crore were required to be submitted to CCI for approval, after appraisal by the Board of Trustees. The powers of CCI now vest with the Cabinet Committee on Economic Affairs (CCEA). DMICDC recommended the proposal for development of trunk infrastructure for the Dholera Special Investment Region, Ahmedabad, Gujarat, to the DMIC Trust in the 9th Meeting of the DMIC Trust held on 6th February 2015. In the 10th Meeting of the DMIC Trust held on 19th March, 2015.

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