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Chennai-Bangalore Industrial Corridor

A PRELIMINARY REPORT

The Chennai-Bengaluru Industrial Corridor

A Preliminary Report

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Chapter 1

Introduction

The National Industrial Corridor Programme (NICP) of Government of India (GoI) has been undertaken with the stated objective of "develop(ing) greenfield industrial nodes in India which can compete with the best manufacturing and investment destinations in the world".[1] The objective behind development of these nodes is "to facilitate provision of plug n play infrastructure at the plot level and help in expansion of industrial output, increasing employment opportunities, provide better living and social facilities for the new and growing workforce."[2] So far approval has been granted to following 11 industrial corridors in 4 phases spread across 17 states. The details of the 11 proposed Industrial Corridors, the states that they span across, the projects under them and their status has been given in Annexure 1 and 2. A Map showing the 11 Industrial Corridors has been provided in Figure 1.1 below.

This introductory chapter provides an overview of the financial and institutional framework which has been put in place for planning, financing, implementation, regulatory clearances etc. The second chapter provides an overview of the Chennai-Bengaluru Industrial Corridor (CBIC) and the present status of its implementation in terms of land acquisition, master planning, tendering for engineering works, etc. The final chapter of the report draws on the field work conducted in the villages identified for the implementation of Tumakuru Node of the CBIC, to throw light on emerging issues related to land acquisition, livelihoods and environment.

1.1 The Evolving Financial and Institutional Framework

The financial and institutional framework under which industrial corridors are being developed currently, has evolved from the framework that was put in place for the Delhi Mumbai Industrial Corridor (DMIC), which was the first industrial corridor to be conceptualised. Hence, before we elaborate on the existing framework, let us take a brief look at the initial framework that was instituted for DMIC, which was later extended and adapted for the wider NICP.

[1] Lok Sabha Unstarred Question No. 2984 dated 15.12.2021.
[2] Ibid.

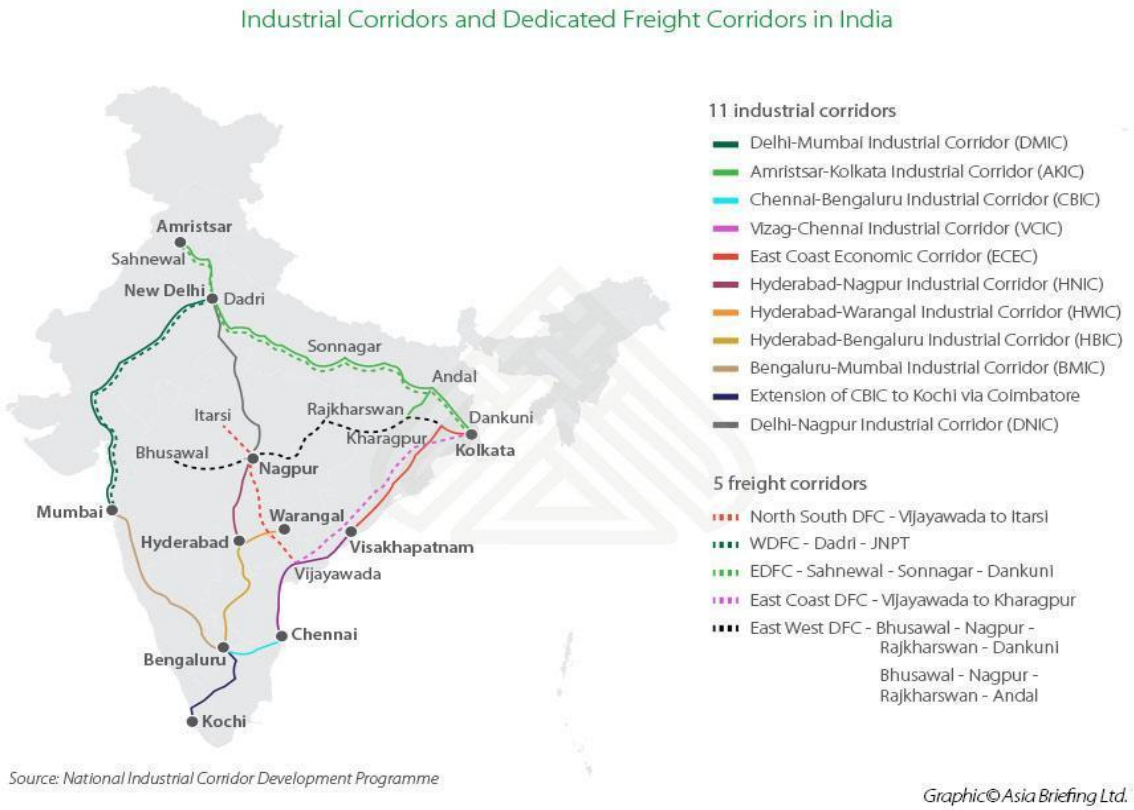

Figure 1.1: Map Showing the 11 Industrial Corridors and 5 Freight Corridors proposed under the NICP

1.2 The Evolution of the Institutional Framework for DMIC

The Delhi Mumbai Industrial Corridor (DMIC) was mooted in 2006 after the Government of India and Government of Japan entered into an Memorandum of Understanding (MoU) on the subject.[3] The initial idea was to develop industrial areas in addition to infrastructural components along the Western Dedicated Freight Corridor running between Mumbai and Delhi, which had already been announced in 2006 by the Ministry of Railways. The stated objective of the DMIC was to *double* employment potential, *triple* industrial output and *quadruple* exports over a five year horizon. It was also envisioned as a 'Model Industrial Corridor of international standards' (DIPP 2007, pp 2), i.e. if the idea caught on, more such industrial corridors would be planned.A concept paper for DMIC was prepared by the now insolvent Infrastructure Leasing & Financial Services (IL&FS) at the cost of Rs 34 crores.[4] The Concept Paper (DIPP, 2007) laid the foundation of the basic financial and institutional framework of the DMIC which was subsequently adapted for the wider Industrial Corridors Programme in India.

The Idea of the Industrial Corridor

The Concept Paper proposed the idea of 'node-based development' wherein the Industrial Corridor was envisioned as a series of Nodes in the form of Investment Regions and Industrial Areas. An Investment Region (IR) was a specifically delineated industrial region with a minimum area of over 200 square kilometres (20,000 hectares), while an Industrial Area (IA) has a minimum area of over

[3] Lok Sabha Unstarred Question No: 1006 dated 06.03.2007. DMIC was accorded in-principle approval in August 2007.
[4] Lok Sabha Unstarred Question No 4567 dated 08.05.2007 and Lok Sabha Unstarred Question No 814 dated 04.03.2008.

100 square kilometres (10,000 hectares) (DIPP 2007, pp 6). These regions were proposed to be '*self-sustained industrial townships with world-class infrastructure, road and rail connectivity for freight movement to and from ports and logistics hubs, served by domestic/international air connectivity, reliable power, quality social infrastructure, and provide a globally competitive environment conducive for setting up businesses*' (DIPP 2007, pp 6). The corridor would be aligned to the existing rail and road infrastructure as the backbone with rest of the infrastructural linkages being developed around it. The Corridor would be a band of area along this backbone referred to as the Project Influence Area. In case of DMIC, a band of 150-200 km along both sides of the Western Dedicated Freight Corridor (WDFC) also leveraging the road infrastructure being built under the Golden Quadrilateral programme was envisioned (see Figure 1.2). All subsequent corridors are being implemented as a series of nodes along existing road or rail infrastructure spanning across multiple states, inline with this initial idea first conceptualised for DMIC.

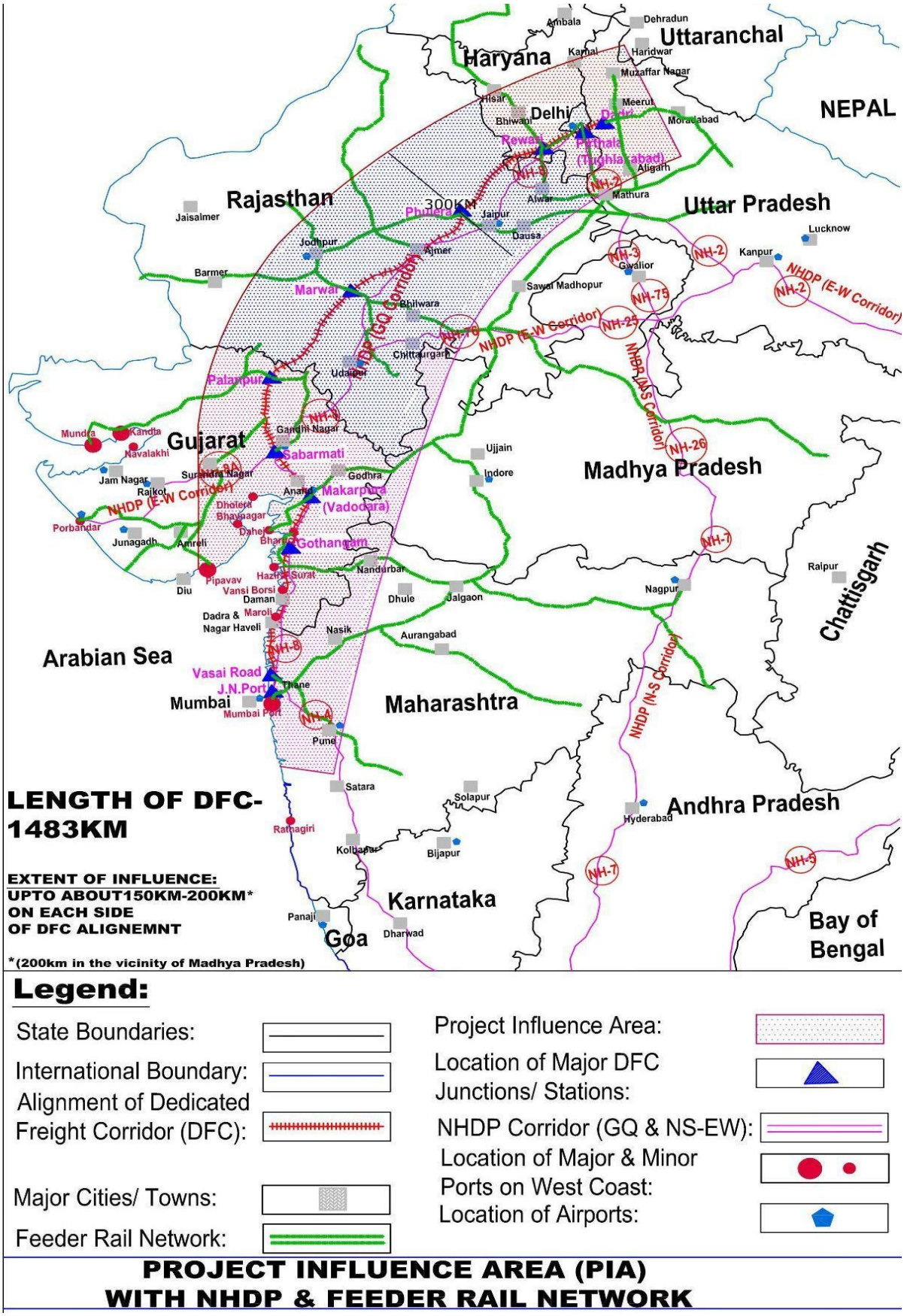

Figure 1.2: Project Influence Area of DMIC

DMIC: Institutional Framework and Financing Mechanism

In terms of the institutional framework, the Concept Paper recommended a distinction to be drawn '*between project preparation and development, and project financing and implementation*' (DIPP 2007, pg. 22). Acting on these recommendations, a Special Purpose Vehicle (SPV) with the name Delhi-Mumbai Industrial Corridor Development Corporation Limited (DMICDC) was incorporated on 7th January, 2008, as the nodal agency for project preparation and development for DMIC. The DMICDC was tasked with preparation of Development plans for the Industrial Areas and Investment Regions being developed under the DMIC. It was to function under the overall supervision of an Apex Committee chaired by the Union Finance Minister and comprising Ministers of relevant ministries. At the State level, a State-level Coordination Entity/ Nodal Agency was to be set-up/nominated for coordination with DMICDC and the *project implementation* was to be entrusted to the Node-level Special Purpose Vehicles (DIPP 2007, pg. 22-23).

In terms of the funding for the corridor development, the Concept Paper suggested two modalities: (a) through nodal agencies (budgetary/extra budgetary provisions) or (b) through Viability Gap Funding (VGF)/long-term soft loans extended to the Project SPVs which could in turn borrow on their own balance sheets or project recourse basis. The sources of funds were anticipated to be budgetary (both union and state government), international bilateral and multilateral funds and private investment for projects considered to be PPP-viable (DIPP 2007, pp. 10). The DMICDC was set-up as a joint venture private company with a paid capital of Rs. 10 crores, of which 49% was contributed by Government of India, 10% was held by Infrastructure Development Finance Company (IDFC) and 41% was held by IL&FS itself. Another crucial recommendation of the Concept Paper was the setting-up of a Project Development Fund (PDF), as a revolving fund which was to be used specifically for undertaking project development activities viz. identification of projects, preparation of feasibility reports, detailed project reports (DPRs), etc. and its cost was to be recovered from successful bidders (DIPP 2007, pg. 36). DMICDC acted both as a project planning and development agency, utilising the Project Development Funds provided exclusively by the Government of India and as a channelizing agency providing equity capital to Node/Project-level SPVs.[5] The responsibility of acquiring land required was to be borne by the state government and the cost incurred towards this would be treated as the equity of the state government/state nodal agency. Thus, the functions of project development as well as project financing were being discharged by NICDC.

A separation in these functions, as suggested by the Concept Paper, was brought about in September 2011 when the Cabinet gave approval for the setting-up of a Trust Fund called DMIC Project Implementation Trust Fund (DMIC-PITF) for financing the DMIC activities.[6] The function of investing in SPVs was transferred from DMICDC to DMIC-PITF. The DMIC-PITF was to be administered by a Board of Trustees chaired by Secretary, Department of Economic Affairs and Chief Executive Officer (CEO) & Managing Director (MD), DMICDC, as the CEO of the DMIC-PITF. Rs. 17,500 crores (@ Rs. 2,500 crores per city along the DMIC) were made available for DMIC as Project Implementation Fund which was to be channelized through DMIC-PITF. DMIC-PITF would provide equity and/or debt to SPVs for non-PPP infrastructure development as well as VGF for PPP-able projects. Additionally, a corpus of Rs. 1,000 crores was also made available to DMIC-PITF as Project Development Fund which was to be utilised for project development activities.[7] The Project Development fund was to be channelled to DMICDC as grant-in-aid and was to be used as a revolving

[5] See Annual Reports of DMICDC for years 2009-10 and 2010-11.
[6] The Trust Deed for DMIC-PITF was registered on 27th September 2012. See Annual Report of DMICDC for the year 2012-13.
[7] See Annual Report of DMICDC for the year 2011-12.

fund. The Trust was to leverage the resources provided by the Government of India to raise long term funding from financial institutions and also, after obtaining due approvals, raise Tax Free Bonds, Capital Gains Bonds, Credit Enhancement, etc. for supporting the development of these cities in and around the Delhi Mumbai Industrial Corridor.

The city-level SPVs for greenfield cities were allowed to raise long term debt finance through credit enhancement leveraging appropriate guarantees from the DMIC-PITF, so that it became viable for investment by insurance and pension funds. The DMIC-PITF could hold up to 50% equity in city/node-level SPVs and upto 100% equity in project/sectoral SPVs. The node/city level SPVs were to have the powers of a planning authority and a development authority. Such SPVs could also perform the role of a municipal body if an industrial city is notified as an industrial township under Article 243Q of the constitution of India.[8] Investments into the SPVs by Government of India were to be routed through DMIC-PITF so that all debt service payments by SPVs and proceeds from equity disinvestment from SPVs could be ploughed back into the corpus enabling DMIC-PITF to support the development of more industrial cities in future.[9]

The role assigned to DMICDC in this revamped institutional structure was limited to that of a project development agency which would undertake various pre-feasibility, feasibility, master planning and engineering studies for developing new greenfield industrial smart cities. DMICDC was mandated to act as the Project Development Partner/Knowledge Partner to DMIC-PITF and also to all SPVs and State Government agencies for the implementation of DMIC. It was decided that DMICDC would be converted from a private company to a deemed government company under Section 619B of Companies Act, 1956, with 49% Government of India equity and the rest 51% being held by various government and non-government financial institutions. The authorised capital of DMICDC was increased from Rs. 10 crores to Rs. 100 crores.[10] The stakes of the private infrastructure companies (IDFC and IL&FS) were bought out by IIFCL[11] and LIC yielding the following shareholding structure for DMICDC:[12]

1) GoI through Department of Industrial Policy and Promotion: 49%
2) Government owned Financial Institutions: 51%
    a) India Infrastructure Finance Company Limited (IIFCL): 41%;
    b) Life Insurance Corporation of India (LIC): 10%.

This change in the nature of ownership was made because both IDFC and IL&FS wanted to bid for projects under DMIC.[13] Subsequently, agreeing to the request of the Government of Japan for 26% equity participation in DMICDC in August, 2012,[14] the equity structure of DMICDC was modified[15] to the one shown in Figure 1.3 below and this structure continues till today.[16]

[8] Rajya Sabha Starred Question No. 126 dated 30.11.2011.
[9] Rajya Sabha Starred Question No. 1442 dated 15.03.2017.
[10] The increase in the authorised capital was effected on 27th September 2012. See Annual Report of DMICDC for the year 2012-13.
[11] India Infrastructure Finance Company Limited (IIFCL) is a wholly union government-owned company with an authorised capital of Rs. 1,000 crores and paid up capital of Rs. 100 crores.
[12] Annual Report of DMICDC for Year 2011-12.
[13] See, The Economic Times, 'Delhi-Mumbai Industrial Corridor to get Rs 18,500-cr boost', Sept 16, 2011. The Annual Report for DMICDC for the year 2009-1 shows that subsidiaries of IL&FS like IL&FS IDC and IL&FS ECOSMART Ltd. were granted contracts by DMICDC even when IL&FS was still a 41% stakeholder in DMICDC.
[14] Lok Sabha Unstarred Question No. 1404 dated 03.12.2012.
[15] Annual Report of DMICDC for Year 2012-13.
[16] Annual Report of DMICDC for Year 2020-21.

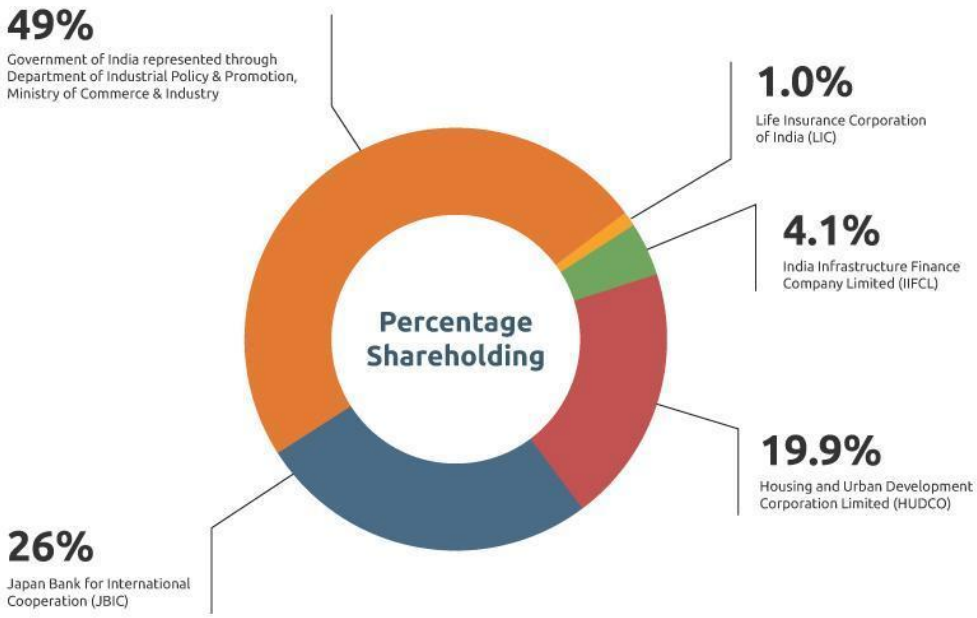

Figure 1.3: Shareholding Pattern of DMICDC/NICDC

Although the task of providing equity capital to node/city-level SPVs was transferred to DMIC-PITF, DMICDC continued picking up equity in project-specific SPVs.[17]

1.3 Present Institutional and Financial Framework

The financial and institutional framework developed for the DMIC was repurposed for the subsequent industrial corridors. In December 2016, the mandate of DMIC-PITF was expanded to include other Industrial Corridors across India, and the DMIC-PITF was renamed as National Industrial Corridor Development and Implementation Trust (NICDIT).[18] By this time, apart from DMIC, plans were afoot for Chennai-Bengaluru Industrial Corridor (CBIC), Bengaluru-Mumbai Economic Corridor (BMEC), Amritsar Kolkata Industrial Corridor (AKIC) and Vizag-Chennai Industrial Corridor (VCIC). These subsequent Industrial Corridors were to come under the administrative control of NICDIT. The approval for these corridors were to be obtained from the Cabinet by NICDIT based on plans developed with assistance with the DMICDC, which was renamed as National Industrial Corridor Development Corporation Limited (NICDC) in February, 2020 and was now designated as the knowledge partner of NICDIT and the newly formed SPVs till they appointed their own knowledge partners.[19]

[17] In the FY 2012-13 for example, DMICDC invested Rs. 2 crores in Dholera International Airport Company Ltd. See Annual Report of DMICDC for Year 2012-13. During the period 2013-16, funds from Government of India were channelized to DMICDC through DMIC-PITF as Project Implementation Funds which were used to make investments in Project-specific SPVs like DMICDC Neemrana Solar Power Company Ltd., which was created as a wholly owned subsidiary for implementing a Model Solar Project in Neemrana, Rajasthan in collaboration with NEDO, Japan. For several projects, the purchase cost of land was also funded out of the Project Development Funds provided to DMICDC, See, Annual Report of DMICDC for the year 2013-14, 2014-15 and 2015-16.
[18] Cabinet Note dated 24.11-.2016; Department of Industrial Policy and Promotion Government Order No. F.No. 11/1/2016-IC dated 22.12.2016; Lok Sabha Unstarred Question No. 681 dated 06.02.2017.
[19] Annual Report of DMICDC for Year 2016-17.

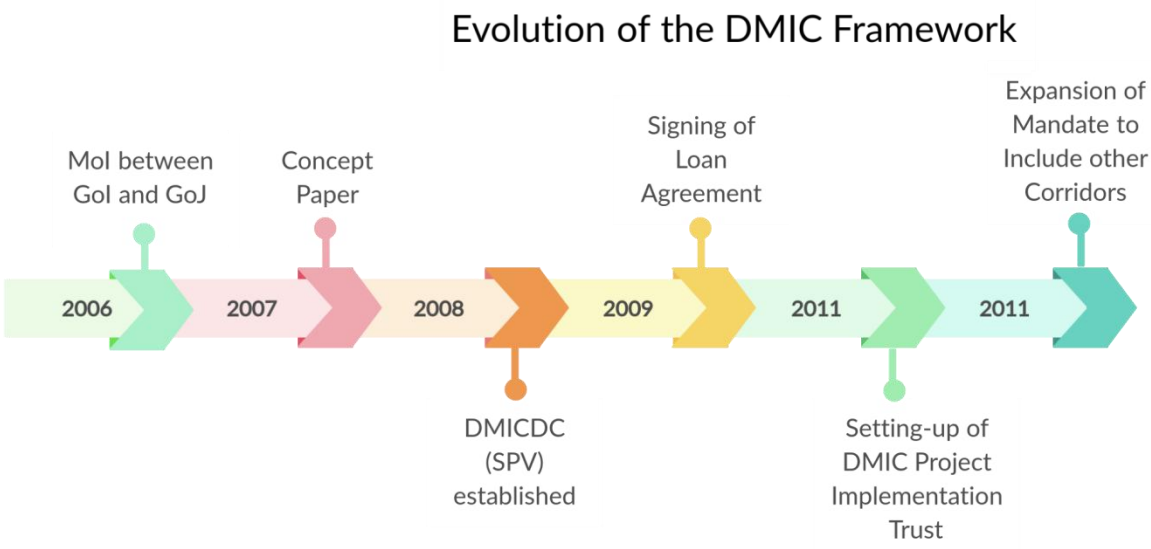

Figure 1.4: Evolution of the DMIC Framework

Apart from the unspent balance from the Rs. 18,500 crores allocated to NICDIT in 2011, a further sum of Rs. 1,584 crores were provided for project development activities of the four additional corridors and NICDIT's administrative expenses.[20] Subsequently, in December 2020, GoI approved the implementation of 11 Industrial Corridor projects (including 5 industrial corridors earlier approved) consisting of 32 projects, to be developed in 4 phases, under the industrial corridor programme, within the overall framework of National Master Plan for multi modal connectivity.[21] The current implementation framework under which development of Industrial Corridors is taking place is shown in Figure below:-

[20] PIB Press Release dated 07-12-2016.
[21] Annual Report of NICDC for the year 2020-21. The Master Plan was re-christened as PM GatiShakti-National Master Plan (NMP) for multimodal connectivity in October 2021. See, Press Information Bureau, 'Cabinet approval sets the implementation of PM Gati Shakti National Master Plan (NMP) in motion,' Oct 21, 2021.

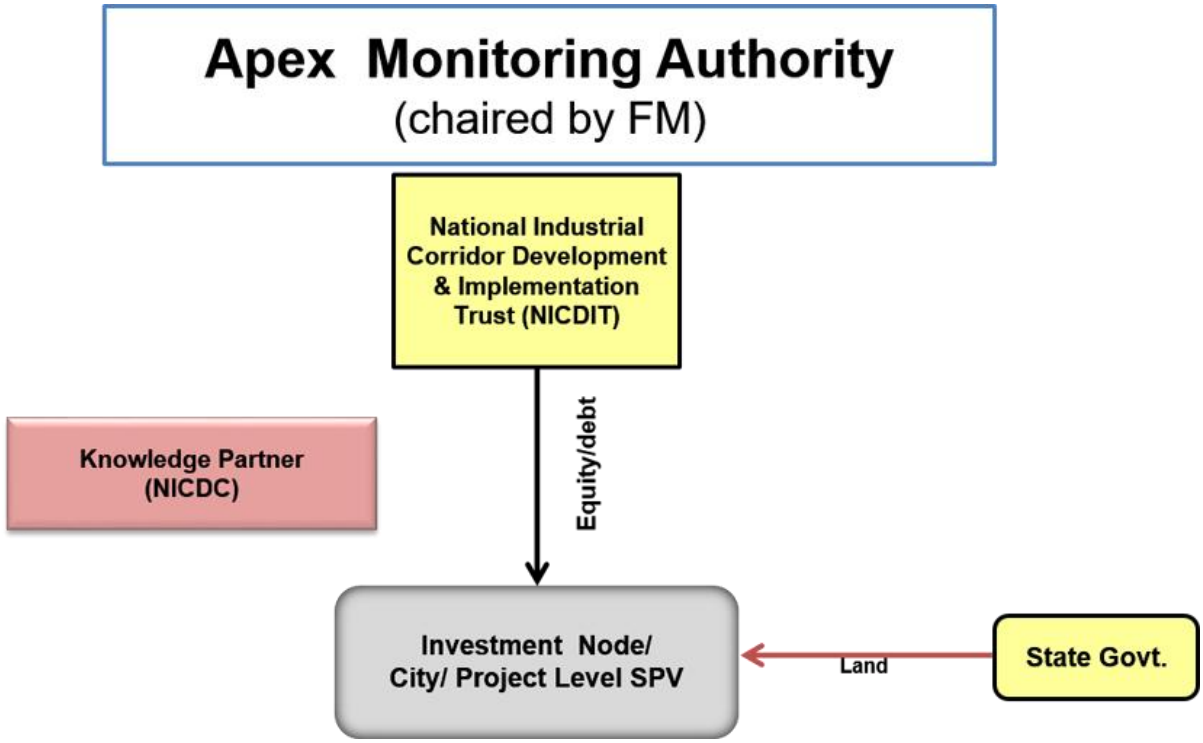

Figure 1.5: Implementation Framework for Industrial Corridor Development

This institutional structure is characterised by an extremely opaque, non-participatory top-down decision making process. The proposals for industrial corridors originate with state governments.The conceptualization and planning for the industrial corridors is done by the NICDIT with assistance from NICDC, and NICDIT then seeks approval from the Cabinet. NICDIT, which works under the administrative control of the Department of Industrial Promotion and Policy, is registered as a Trust. The Minutes of Meetings held by the NICDIT where decisions regarding the scope and the rationale for approving industrial corridors or the choice of particular nodes are not available in public domain and have not been disclosed even under the Right to Information Act 2005. The Apex Monitoring Authority which is supposed to provide oversight to the functioning of NICDIT has met only once in the 7-year period between 2016-2022.[22] After the proposals placed by NICDIT before the Cabinet are granted sanction, GoI enters into a Shareholders' Agreement (SHA) and State Support Agreement (SSA) with the state government/state nodal agency which defines the roles of various parties in implementing the project. Each project is being implemented through a Node/City/Project-level SPV set-up as a joint venture company under Companies Act with GoI represented through NICDIT and the respective state government/agency. The powers of Planning Authority and Development Authority would be delegated to the SPV by the state government. If the state government deems it necessary, the node can also be notified as an industrial township under Article 243Q of the Constitution of India, so that the SPV can discharge municipal functions. Making land available for the projects is the responsibility of the state governments/state nodal agencies and the costs incurred for acquisition of lands are treated as state entities' equity contribution while the remaining funds are provided as equity contribution of the union government through NICDIT.[23] It is only at the land acquisition stage that those affected by the projects are informed of the plans of the governments.

[22] Information obtained under RTI Act 2005. The only meeting held during the period was on 7th July 2022.
[23] Annual Report of DMICDC for the year 2016-17.

Chapter 2

The Chennai-Bengaluru Industrial Corridor (CBIC): Overview and Status

After the announcement of the Delhi-Mumbai Industrial Corridor (DMIC), the Government of Tamil Nadu sent a letter to the Government of India in 2007, demanding a Chennai-Bengaluru Industrial Corridor along the lines of DMIC.[24] A meeting was held with the officials of State Governments of Tamil Nadu, Karnataka and Andhra Pradesh on 7 January 2008 where it was decided that a 'Concept Report/Paper would be prepared for Chennai-Bengaluru-Mumbai Industrial Corridor including industrial nodes/locations, industrial infrastructure and project schedules'.[25] Thus, initially a single industrial corridor stretching from Chennai to Mumbai via Bengaluru and nodes in united Andhra Pradesh was envisaged. The proposed Chennai-Bengaluru-Mumbai corridor was subsequently renamed Peninsular Region Industrial Development (PRIDe) Corridor.[26] Subsequently, the Corridor was split into two different Corridors - the Chennai-Bengaluru Industrial Corridor (CBIC) and the Bengaluru-Mumbai Industrial Corridor (BMIC). The latter was taken up in collaboration with the British government while the planning and development of CBIC was undertaken with the assistance of the Government of Japan. During the visit of the Prime Minister of Japan to India on 28th December, 2011, it was decided to prepare a Comprehensive Integrated Master Plan for the Chennai Bangalore Industrial Corridor. Japan International Cooperation Agency (JICA) Study Team conducted a Preliminary Study and in their report submitted in December 2012, 26 priority projects across various sectors aimed at removing infrastructural bottlenecks along a 560 km corridor were identified.[27] The Terms of Reference (ToRs) for Phase II Study for the CBIC were finalised in consultation with the stakeholders. As per the Terms of Reference, JICA was required to prepare the Comprehensive Regional Perspective Plan for the CBIC region along with the Concept Master Plan and Development Plan for the identified Industrial Nodes.[28] In the Comprehensive Regional Perspective Plan submitted by the JICA study team (with PricewaterhouseCoopers and Nippon Koei) in October 2015, three nodes were identified between Chennai-Bengaluru (around 560 km) with NH-48 as the backbone for the corridor: Ponneri (Tamil Nadu), Tumkur (Karnataka) and Krishnapatnam (Andhra Pradesh). In this chapter, we begin with an overview of the Perspective Plan for the CBIC which lays out the stated rationale behind the choice of the alignment for the corridor and the nodes along it. Subsequently, overall financial and physical progress in terms of acquisition of land for the nodes is reported, followed by a brief description of each of the nodes, their extent and scope, stated employment potential and the current status of implementation.

2.1 The Perspective Plan for CBIC

The Comprehensive Regional Perspective Plan prepared by JICA covered a 20-year period of 2013-33, with an influence area spread over states of Tamil Nadu, Karnataka and Andhra Pradesh along a 560-km corridor between Chennai and Bengaluru (JICA 2015a, pg. 15). The Perspective Plan

[24] Lok Sabha Unstarred Question No. 1432 dated 27.11.2007.
[25] Lok Sabha Unstarred Question No. 925 dated 04.03.2008.
[26] Lok Sabha Unstarred Question No. 1588 dated 30.11.2009.
[27] DIPP (undated), Prioritised Projects identified in the Preliminary Study by JICA, Government of India, New Delhi
[28] Lok Sabha Unstarred Question No. 604 dated 09.12.2013.

included 17 districts across the 3 states under the corridor influence area, which roughly comprised 2.9% of the area of the country and 3.93% of the total population of the country.

According to the Perspective Plan, the key driver of investment in the CBIC region was to be the large market, especially the middle-class, offered by India (JICA 2015a, pg 36-37). The relatively higher level of per capita income in the three states of the CBIC especially in cities like Bengaluru and Chennai, promised markets with high purchasing power capacity (JICA 2015a, pg 41). Although Bengaluru and Chennai were top 3rd and 4th destination in terms of Foreign Direct Investment (FDI) flows behind Mumbai and New Delhi, but Mumbai was receiving four-times the FDI flows as compared to both Chennai and Bengaluru and this, the Perspective Plan argued, made CBIC as 'one of the promising global investment destinations, but currently lagging far behind the domestic rival, DMIC' (JICA 2015a, pg 41).

Apart from pointing out gaps in the infrastructural needs, the Perspective Plan also commented on several policy issues pertaining to the 'investment climate' and 'ease of doing business'. For example, one of the issues that was raised forcefully by the Perspective Plan was the rate of direct and indirect taxation. Comparing taxation rates in India in general and CBIC region in particular it stated that: *"The environment of paying tax in CBIC is at the worst level in all over the world. The corporate tax, which is particularly important for foreign investors, is at a very high level, i.e. 30% for domestic and 40% for foreign companies. In addition, V.A.T., dividend remittance tax and other taxes are also expensive"* (JICA 2015a, pg 45). It thus advocated for normalisation of tax rates '*through setting competitive tax rates in order to attract high valued global companies*'. The Perspective Plan also pointed at environmental regulations as hindrances, for example, industries related to metal plating and coating being categorised as 'Red' industries was considered as a hurdle for industries to form automobile clusters near Chennai and Bengaluru (JICA 2015a, pg 55). Complaining that '*environmental assessment takes too much time, i.e., 3-4 months on average*' and '*Approvals for new projects, such as approvals of State's high level committee and issues of official approval letters are taking too much time*' it recommended for simplification of procedures and that '*Industrial waste management facilities should be pre-installed to industrial parks rather than strictly imposing ZERO emission and EIA policy*' (JICA 2015a, pg 64).

Not limiting itself to recommendations related to infrastructural needs only, it ventured to offer policy advice on regulatory aspects as well: *"In order to develop CBIC to a truly world best investment destination, the Government of India and the related State Governments, i.e., Tamil Nadu, Karnataka and Andhra Pradesh, are recommended to decrease, shorten, simplify and clarify the procedures for approval and authorization. The Government's efforts for clarification of procedure rules through written documents, setting target periods for the procedures, improving one stop service and utilising online systems will contribute to the improvement"* (JICA 2015a, pg 62).

The comparative advantages for the CBIC region identified by the Perspective Plan included access to vast domestic markets; locational advantages like proximity to shoreline on the eastern (Andhra Pradesh and Tamil Nadu) side having 4 operational ports, presence of 1 domestic and 2 international airports, and road infrastructure built as part of the Golden Quadrilateral; low labour wages (both in terms of absolute level and in terms of rate of increase in recent years) and openness towards foreign investments as reflected in FDI policies and state industrial policies. In terms of 'difficulties alienating' foreign investors, the Perspective Plan states that on account of 'low quality' of existing industrial parks, '*the foreign manufacturers newly invested in CBIC are facing serious problems, e.g., shortage of water, lack of stable power supply, delay of planned road construction, and deferral of the Government permission*' (JICA 2015a, pg 53). The Perspective Plan made a case for privately-

governed Industrial Townships with plug and play infrastructure services made available by pointing out that: *"At many of (the) industrial parks in CBIC, the tenant must build and maintain by themselves, basic infrastructures such as water, electricity, draining facilities and surrounding roads. An agreement on the construction of infrastructure between the tenant and the Governmental corporations managing the industrial park was not realised in many cases in the past. This happens partly because many of the industrial parks in CBIC are still under public operation. While successful industrial parks in the world were operated by private developers. In order to solve those serious problems, the tenant has to report the problems and negotiate with each line ministry by their own risk and through time consuming process"* (JICA 2015a, pg 56).

The selection of the nodes along the corridor was based on a shortlist of areas provided by the state governments based on their existing industrial development plans, of which availability of land was the biggest factor. These zones were then classified into following two categories based on presence of existing city development plans/urban master plans; distribution of existing industrial development; accessibility to regional trunk road infrastructure and proposed land acquisition plans for future industrial development:-

1. **Category A**: High priority regions with the potential to provide faster return on investments.

2. **Category B**: Regions with low potential to provide faster return on investments.

For the Category A areas, further analysis at taluka-level was carried out for 49 talukas/mandals (12 *talukas* from Karnataka, 25 *mandals* from Andhra Pradesh, and 12 *talukas* from Tamil Nadu). These *talukas* were assessed based on the following criteria: 1) Accessibility to regional trunk roads; 2) Existence of protected/restricted areas; 3) Government land availability and availability of proposed industrial development areas; 4) Water availability; 5) Assessment of urban planning strategy; 6) Existing and planned industrial areas; 7) Accessibility to major transport facilities (port and airport) and 8) Accessibility to electricity network. Based on this analysis and further discussions with the state governments, following candidates for the nodes were identified: Ponneri *taluka* (4,200 ha) and Hosur *taluka* (2,700 ha) in Tamil Nadu; Kolar/Mulbagal NMIZ (7,000 ha), Kanchugaranahallikaval Industrial Area (Bidadi) (4,200 ha), Vasanthanarasapura Industrial Area (600 ha) and Tumkur NIMZ (4,800 ha) for Karnataka and Hindur Industrial Park (3,200 ha), Pileru NIMZ (5,200 ha) and Krishnapatnam (3,100 ha) for Andhra Pradesh as shown in Figure 2.1.

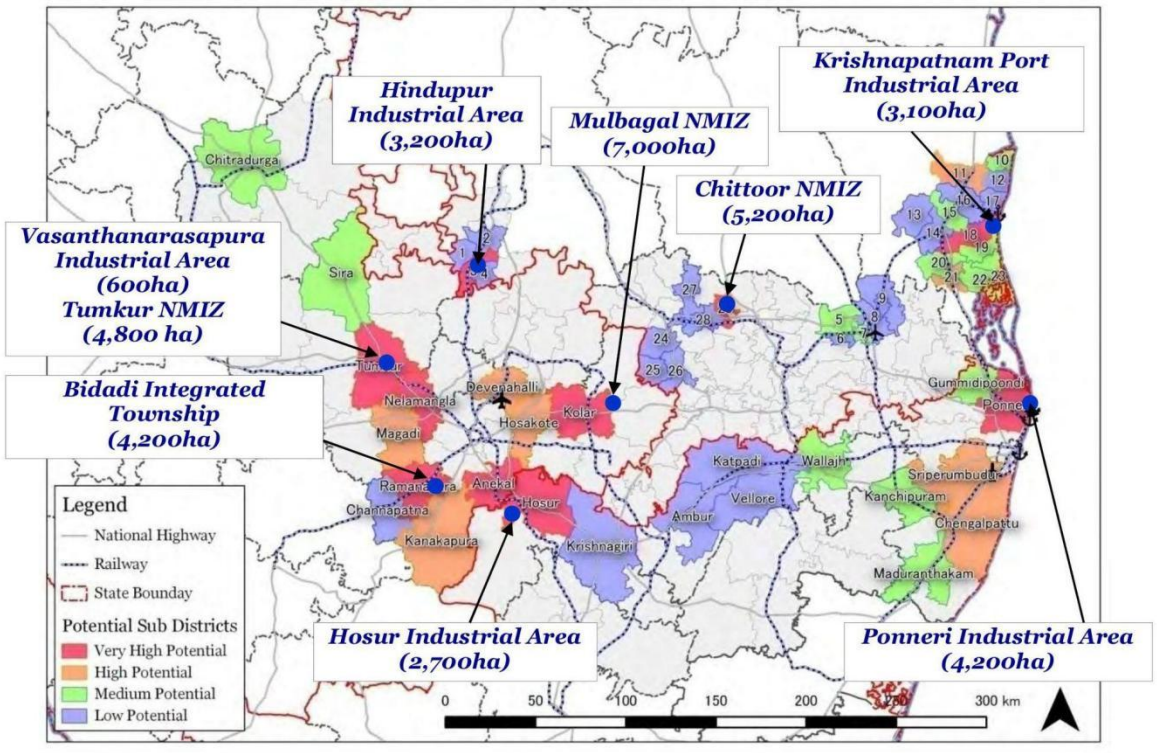

Figure 2.1: Map showing potential industrial nodes for CBIC

Eventually, from these potential areas, following nodes were identified for development planning (see Fig 2.2):-

1. **Ponneri Industrial Area (Tamil Nadu)**: The Tamil Nadu government already had an area of 4,200 ha in their possession in Ponneri, and hence the choice of this project site posed the least hurdles in terms of land acquisition. It also had the locational advantage in terms of being located close to Bay of Bengal and having access to Kattupalli port apart from being accessible from Chennai. At the same time, over 50% of the area is at medium to high risk of floods, and thus required 'development to fill up the site, development of dyke and other equipment investment (e.g. reservoir to control flooding, pumping system) are necessary from viewpoints of foreign investors' (JICA 2015a, 186).

Figure 2.2: A Map showing the three selected nodes of CBIC and associated infrastructure

2. **Tumakuru (Karnataka)**: Tumkur National Industrial Manufacturing Zone (NIMZ) had the advantage in terms of accessibility to regional trunk roads as well as access to NH-7, connecting Bangalore and Chitradurga and passing through the NIMZ. The area already had an industrial park (Vasanthanarasapura Phase 1-3). One-third of the planned site land had already been acquired by the government and the rest of the land was in the process of acquisition. A Master Plan for the NIMZ had already been prepared (JICA 2015a, 194).

3. **Krishnapatnam (Andhra Pradesh)**: Krishnapatnam Industrial Area had the advantage over other candidates in terms of railway and port accessibility, future power plant and water treatment plant development, cheaper land prices and large scale port development. It is located just south of Krishnapatnam port and Krishnapatnam Port Company Ltd had already finished Layout Planning of the area. Additionally, synergies were also expected between companies located in Sri City and the development of Krishnapatnam Industrial Area as a node (JICA 2015a, 194).

After the submission of the Regional Perspective Plan and Node Development Plan in October 2015, the institutional and financial structure of the industrial corridor development programme was revised in December 2016 by expanding the mandate of DMICDC and DMIC-PITF. The work on CBIC began in earnest only after the signing of Shareholder's Agreement (SHA) and State Support

Agreement (SSA) with the respective state governments.[29,30] In the next section, we take a look at the progress that has been made in implementation of the CBIC at the chosen Node locations.

2.2 Progress and Status of Implementation of the CBIC

2.2.1 Financial Progress

The Japan International Cooperation Agency (JICA) was involved with the preparation of the overall perspective plan of CBIC and initial master plan for the identified nodes.[31] Subsequent expenditure has been met out of the Project Development Funds of NICDC/NICDIT while NICDIT has contributed the equity for the formation of the SPVs. The break-up of funds spent on the Chennai-Bengaluru Industrial Corridor (as on 16.03.2022) by type (equity/project development) and year is shown in Table 2.1 below. The cost of acquisition of land has been borne by the state governments while the Government of India has contributed an equivalent amount as equity (via NICDIT).

Table 2.1: Funds spent by NICDC/NICDIT for CBIC (Rs Crore)

Sl.No.	Project	Purpose	2018-19	2019-20	2020-21	2021-22	Total
1	Krishnapatnam Node (Andhra Pradesh)	Equity	2.50	0.00	450.72	68.88	522.10
		PDF	7.26	1.93	0.23	0.00	9.43
2	Tumakuru Node (Karnataka)	Equity	2.50	0.00	584.24	0.00	586.74
		PDF	1.93	4.49	1.31	0.16	7.86
3	Ponneri Node (Tamil Nadu)	Equity	0.00	0.00	2.50	0.00	2.50
		PDF	0.00	0.03	0.48	0.00	0.51
	Total		**14.19**	**6.45**	**1,039.38**	**69.04**	**1,129.1**
4	Dharmapuri (Tamil Nadu)	Equity					0.00
		PDF					0.79
5	Ponneri (Tamil Nadu)	Equity					0.00
		PDF					0.68
	Total						**1.47**

Source: Rajya Sabha Unstarred Question No. 536 dated 23.07.2021; Rajya Sabha Unstarred Question No. 1336 dated 30.07.2021; Lok Sabha Unstarred Question No. 2353 dated 16.03.2022.

2.2.2 Land Acquisition

As per the institutional and financial structure approved by the Government of India of industrial corridor projects in the country, State Governments are to make land available for the projects as their equity. State Governments have been allowed to adopt various mechanisms like land pooling; negotiated purchase; through LARR (Land Acquisition, Rehabilitation and Resettlement) Act, etc. for land acquisition required for the projects.[32] The lands thus acquired have to be transferred to the SPV for the release of the equity contribution of the Government of India. Table 2.2 below shows the status of land acquisition for CBIC for various nodes.

[29] Business Standard, 'Chennai Bengaluru Industrial Corridor project on fast track in AP', 30 November 2017.
[30] Deccan Herald, 'State fast-tracks Chennai-Bengaluru Indl Corridor', December 15, 2018.
[31] Lok Sabha Unstarred Question No. 5050 dated 24-07-2019.
[32] Lok Sabha Unstarred Question No. 3768 dated 11-12-2019.

Table 2.2: Details of the Status of Land Acquisition for CBIC

S.No.	Node	Land Required (acres)		Status of Land Acquired (acres) *	Land Transferred to SPV
		Total	Phase-1		
1.	Tumakuru, Karnataka	8,484.15	1,736.20	1,736.20	1,668.30
2.	Krishnapatnam, Andhra Pradesh	12,662.00	2,139.20	2,139.20	1,814.51
3.	Ponneri, Tamil Nadu	4,000.00	4,000.00	3,375.00	-
4.	Palakkad, Kerala	1,878.00	1,878.00	-	-
5.	Dharmapuri, Tamil Nadu	1,773.00	1,733.00	-	-

*Source: Lok Sabha Unstarred Question No. 5050 dated 24-07-2019; Lok Sabha Unstarred Question No. 608 dated 20-11-2019; *Lok Sabha Unstarred Question No. 3768 dated 11-12-2019; *Rajya Sabha Unstarred Question No. 1336 dated 30.07.2021; Rajya Sabha Unstarred Question No. 1490 dated 23.09.2020, Annual Report of NCIDC for the year 2020-21; Lok Sabha Unstarred Question No. 2353 dated 16.03.2022.*

Land has been made available for development of the Phase-I of the Tumakuru Node and the Phase-I of the North Node of the Krishnapatnam Node in Andhra Pradesh. The development of these is expected to be finished by 2026.[33]

2.2.3 Progress and Status of Implementation of the CBIC

Krishnapatnam Node (Andhra Pradesh)

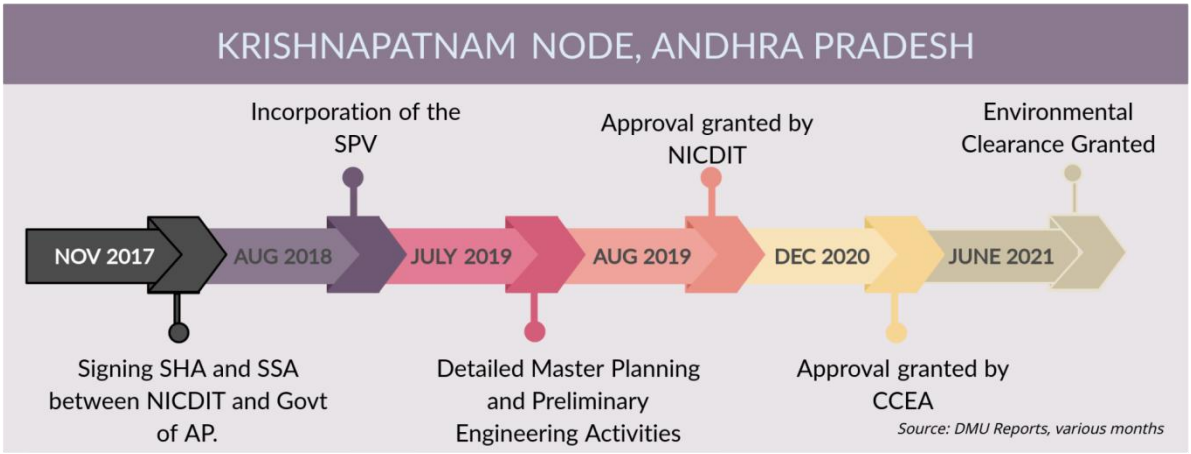

Figure 2.3: Timeline of Developments related to the Krishnapatnam Node

The Krishnapatnam Node has made the most rapid progress among the three nodes selected for the CBIC. The Shareholder's Agreement (SHA) and State Support Agreement (SSA) were signed between NICDIT and the Government of Andhra Pradesh in November 2017. The State Government also enacted the Andhra Pradesh Industrial Corridor Development Act, 2017 (notified in January 2018) establishing the Andhra Pradesh Industrial Corridor Development Authority (APICDA) to which powers and functions of planning, development, maintenance and regulation of the corridors and nodes notified under the Act were transferred from local authorities. A Joint Venture Company by the name 'NICDIT Krishnapatnam Industrial City Development Limited' was incorporated in August 2018 with 50:50 equity ownership of NICDIT and Andhra Pradesh Industrial Infrastructure Corporation (APIIC).[34] A Project Proposal of Rs. 2,139.44 crores

[33] Lok Sabha Unstarred Question No. 2353 dated 16.03.2022.
[34] Annual Returns of NICDIT Krishnapatnam Industrial City Development Limited for the year 2018-19.

(inclusive of cost of the land) for the first phase of development was approved by NICDIT in its meeting held on 30th August, 2019, and the Cabinet Committee on Economic Affairs (CCEA) accorded its approval to the project on 30th December, 2020.[35] Detailed master planning and preliminary engineering works have been completed for implementation of the project. Equity of Government of India amounting to Rs. 522.10 crore has been released to the SPV of the project. As per the Draft Master Plan notified by APICDA in April 2021, the Node would be divided across two sites which are about 60 km apart, i.e. North Node and South Node as shown in Figure 2.4. The North Node is located along the coastline south of Krishnapatnam Port in SPSR Nellore District with an overall site area of 12,315.9 acres of which 6,833.3 acres is in the possession of APIIC. The South Node is situated 10 km Northeast of Srikalahasti with a site area of 1,567.0 acres (NICDC and APIIC, 2019, pg 3-1). The North Node would have linkages with parts of Visakhapatnam Chennai Industrial Corridor (VCIC) and is currently accessible through NH16 connecting Visakhapatnam to Chennai.[36] Tirupati International Airport, Renigunta is at a distance of ~72 km and Anna International Airport, Chennai is at a distance of ~120 km. Buckingham canal which is recognized as National Waterway (NW4) is passing through the North Node.

Figure 2.4: Map showing the North and the South Node of Krishnapatnam Node along CBIC

The Expert Appraisal Committee (EAC) of the Ministry of Environment, Forest and Climate Change has granted 'in-principle' approval for the North Node (see Figure 2.5).[37]

[35] Lok Sabha Unstarred Question No. 3981 dated 18.03.2020.
[36] See, Brief Project Summary submitted for grant of Terms of References for Environmental Impact Assessment.
[37] Rajya Sabha Unstarred Question No. 536 dated 23.07.2021.

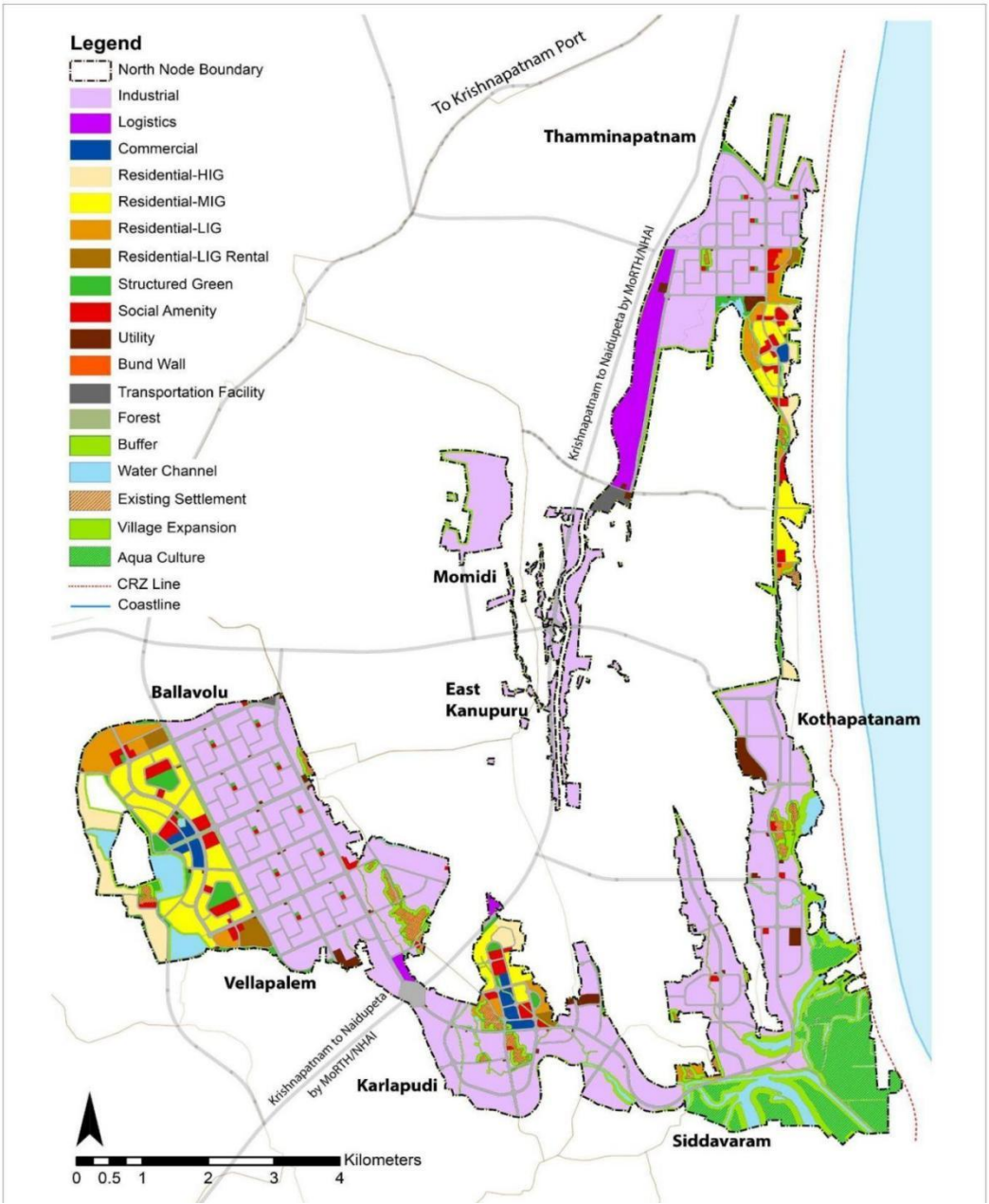

Figure 2.5: Master Plan for the North Node of Krishnapatnam Node of CBIC

The North Node has been further subdivided into three phases of development: Phase 1, Phase 2 and Phase 3. The development of Phase 1 of North Node (2,139.1 acres) is being undertaken currently which would be followed by other phases of North Node and subsequently South Node (see Figure 2.5 showing the North Node). Tender notice for Engineering, procurement, and Construction (EPC) contract with an estimated cost of Rs. 1,190 crore for trunk infrastructure etc. has been issued on 23rd September 2021.[38] The overall project cost is estimated to be Rs. 5,733.84 crores for the development of the North part of the Node (NICDC and APIIC, 2021, pg 2-57).

As per the proposal cleared by the CCEA, on completion of the first phase of development the estimated employment generated is claimed to be around 98,000 (direct/indirect), out of which about 58,000 persons are claimed to be employed at the site itself.[39,40] As per the Pre-feasibility

[38] Rajya Sabha Starred Question No. 217 dated 17.12.2021; Lok Sabha Unstarred Question No. 2353 dated 16.03.2022.
[39] Rajya Sabha Unstarred Question No. 1336 dated 30.07.2021.

Report, once the whole North Node is complete and operation of industries begin, it is expected to bring in an investment of Rs. 37,500 crores and generate direct employment for 3.25 lakh persons (including 1.26 lakhs resident jobs) and indirect employment for 1.9 lakh persons (NICDC and APIIC, 2019, pg 3-7). In the Environmental Impact Assessment Report, a different set of numbers have been mentioned: 2.96 lakh direct employment including 1.81 lakh resident workforce and 1.71 lakh of indirect employment (NICDC and APIIC, 2021, pg 8-2). None of these documents reveal the basis on which these numbers have been arrived at. The development of the North Node is expected to be complete by 2040 (NICDC and APIIC, 2021, pg 2-56), subsequent to which operation of industries may take another 3-4 years. Hence, a realistic assessment of these projected numbers can only be conducted by 2043-44.

Table 2.3 shows the existing land use of the area which would be utilised for the North Node of the Krishnapatnam Node. A population of 14,788 persons lives in the 8 villages which comprise the project area. A large part of the area which would be acquired supports primary means of livelihoods like agriculture, both field cropping (34.94%) and plantation (4.63%) and fishing (12.82%). Apart from this, animal husbandry is also a significant source of income for the residents (NICDC and APIIC, 2021, pg 3-7). A significant portion of land is also classified as 'wasteland' consisting mainly of scrublands (9.57%) and sandy land (17.66%).

Table 2.3 Existing Land Use of the Project Site for Krishnapatnam North Node

Class		Area (acres)	Area (%)
Built-up	Rural	137.45	1.24
	Mining	63.22	0.57
Agricultural	Agricultural plantation	513.79	4.63
	Crop land	3876.74	34.94
	Pisciculture	1422.52	12.82
Waterbodies/ Wetlands	Lakes/Ponds	1019.49	9.18
	River/Canals	1041.33	9.38
Wastelands	Sandy Land	1959.09	17.66
	Scrubland	1062.26	9.57
Total		**11095.90**	**100.00**

Source: NICDC and APIIC (2021, pg 3-4)

Table 2.4 and Figure 2.5 above shows the proposed land use at the project site. Over 43% of the land site has been reserved for industrial purposes. Apart from residential space, land has been allocated for social amenities, utilities, green spaces etc.

[40] Lok Sabha Unstarred Question No. 1998 dated 03.07.2019.

Table 2.4 Proposed Land Use at the North Krishnapatnam Node

S.No.	Land Use	Area (Acres)				Total (%)
		Phase 1	Phase 2	Phase 3	Total	
1	Industrial	1020.3	1881.7	1949.6	4851.7	43.73
2	Logistics	270.1	14.3	7.5	291.9	2.63
3	Residential	298.4	697.9	151.8	1148.1	10.35
4	Commercial	9.8	37.9	37.5	85.2	0.77
5	Social Amenity	74.9	126.4	47.1	248.4	2.24
6	Utility	25.2	31.3	70.1	126.7	1.14
7	Transportation Facility	31.0	4.5	-	35.5	0.32
8	Road	318.1	681.9	496.4	1496.4	13.49
9	Existing Settlement	14.1	61.9	69.8	145.8	1.31
10	Green areas/Open space	410.1	373.7	747.8	1531.5	13.80
11	Water Body	18.0	221.1	284.0	523.1	4.71
12	Aqua Culture	-	-	611.6	611.6	5.51
Grant Total		**2489.8**	**4132.8**	**4473.3**	**11095.9**	**100.00**

Source: NICDC and APIIC (2021, pg 2-17)

Tumakuru Node (Karnataka)

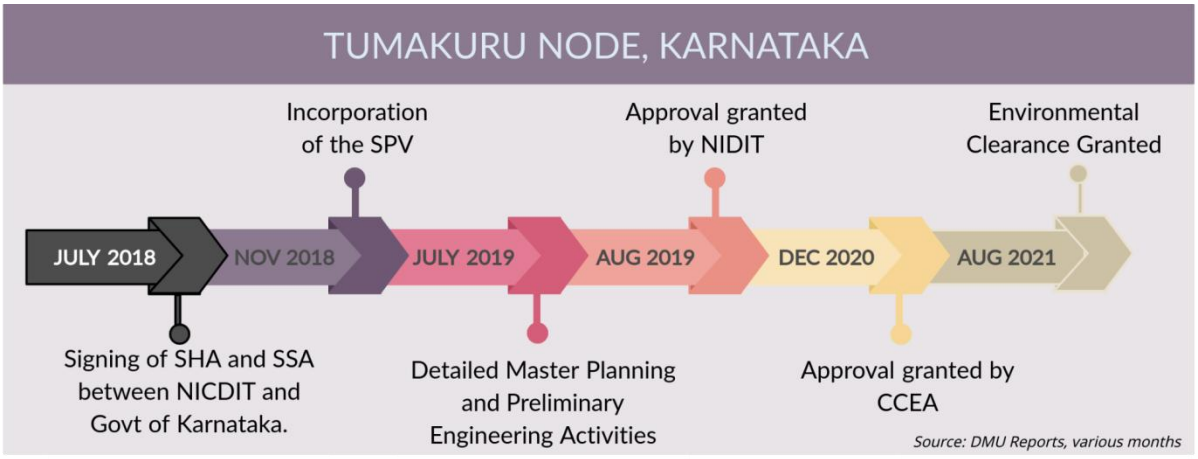

Figure 2.6 Timeline of Developments related to the Tumakuru Node

The Shareholder's Agreement (SHA) and State Support Agreement (SSA) were signed between NICDIT and the Government of Karnataka in July 2018 and a Special Purpose Vehicle - Tumakuru Industrial Township Limited - was incorporated between NICDIT and the Government of Karnataka (represented by Karnataka Industrial Area Development Board (KIADB)) in November 2018.[41] The project proposal for the first phase of development with an outlay of Rs. 1,701.81 crore (inclusive of the cost of the land) was approved by NICDIT in its meeting held on 30 th August, 2019.[42] The Government of India had approved the development of the first phase of the project on 30th December, 2020. Detailed master planning and preliminary engineering have been completed for implementation of the project over an activation area of 1,736 acres out of which 1,722 acres of land is under possession of the Government of Karnataka. 1,668 acres of land has been transferred to Project SPV. Equity of Government of India amounting to Rs. 586.74 crore has been released to the SPV of the project. Tender for Engineering, Procurement & Construction (EPC) for the trunk infrastructure works was issued on 26th February, 2021.[43] But due to inadequate response to the initial tender notices, the process was annulled and the tender was reissued on 27th September, 2021.[44] The Environmental Clearance for the project was granted in August 2021. The Tumakuru Node is discussed in detail in the next section. The development of the Tumakuru Node has been analysed in detail in the next Chapter.

[41] Annual Returns of Tumakuru Industrial Township Limited for the year 2019-20.
[42] Lok Sabha Unstarred Question No. 3981 dated 18.03.2020.
[43] Rajya Sabha Unstarred Question No. 536 dated 23.07.2021.
[44] Rajya Sabha Starred Question No. 217 dated 17.12.2021.

Ponneri Node (Tamil Nadu)

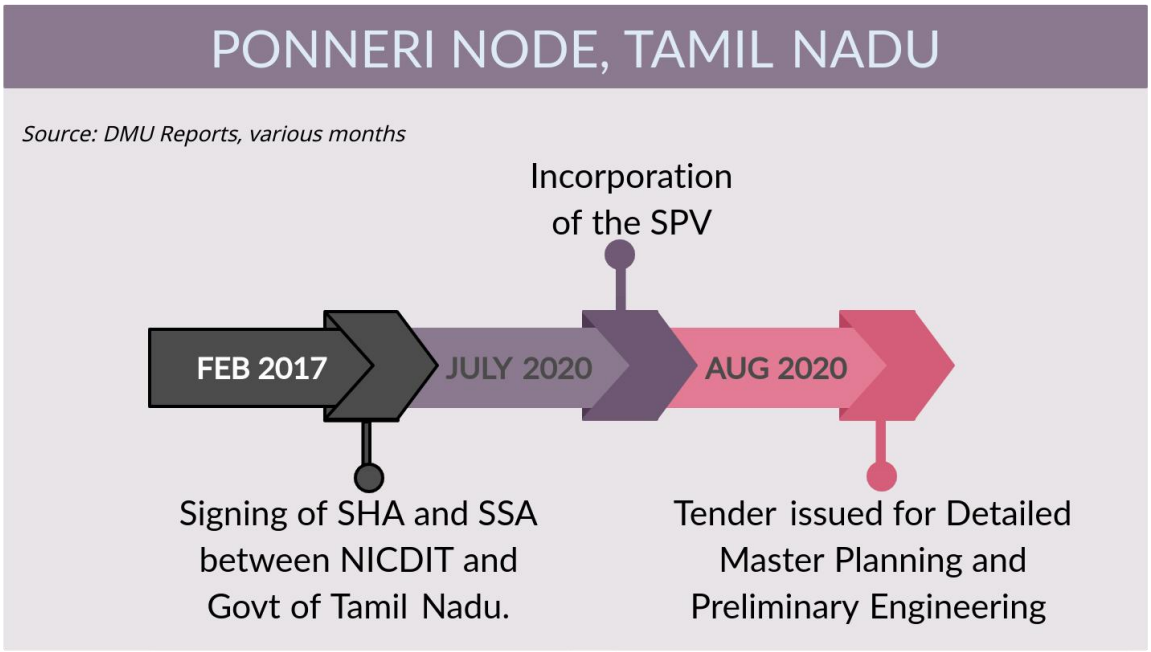

Figure 2.7 Timeline of Developments related to the Ponneri Node

The Ponneri Node has been the slowest in terms of progress despite the fact that the land chosen for the Node was in the possession of the State government even when the site was chosen for the Node. The Shareholders' Agreement (SHA) and State Support Agreement (SSA) was signed in February, 2020 and Special Purpose Vehicle (SPV) -CBIC Ponneri Industrial Township Limited - was incorporated on 13th July, 2020 with 50:50 equity of NICDIT and Tamil Nadu Industrial Development Corporation Ltd. (TIDCO). The Ponneri Industrial Area comprises ten villages in the Ponneri *taluka* of Tiruvallur district covering a total area of about 21,966 acres, which would be developed over multiple phases. Out of this, close to 4,000 acres of land has been demarcated for development of the Industrial Node. The Tamil Nadu Government has already notified about 3,375 acres of land as Ponneri Industrial Area.[45] Out of this, 1,366.11 acres of land owned by the state government and TIDCO in five villages of Ponneri Taluk has been notified as Ponneri Industrial Township Area.[46] A planning and development authority called Ponneri Industrial Township Area Development Authority (PITADA) has been constituted under Sec 3 of the Tamil Nadu Industrial Township Area Development Authority Act, 1997 for the area notified as Industrial Township. Consultants have been appointed for Master Planning and Preliminary Engineering activities in Sept, 2020 for the identified areas spread over 4,000 acres.[47] Figure 2.10 shows the overall Ponneri Industrial Area that is planned for development over several phases. In the first phase the area marked by the red line is being prioritised for development.

[45] Rajya Sabha Unstarred Question No. 1336 dated 30.07.2021.
[46] G.O. (Ms) No.1, Industries (MIE.1) Department dated 6.01.2020.
[47] Lok Sabha Unstarred Question No. 3478 dated 17.03.2021; Lok Sabha Unstarred Question No. 2353 dated 16.03.2022.

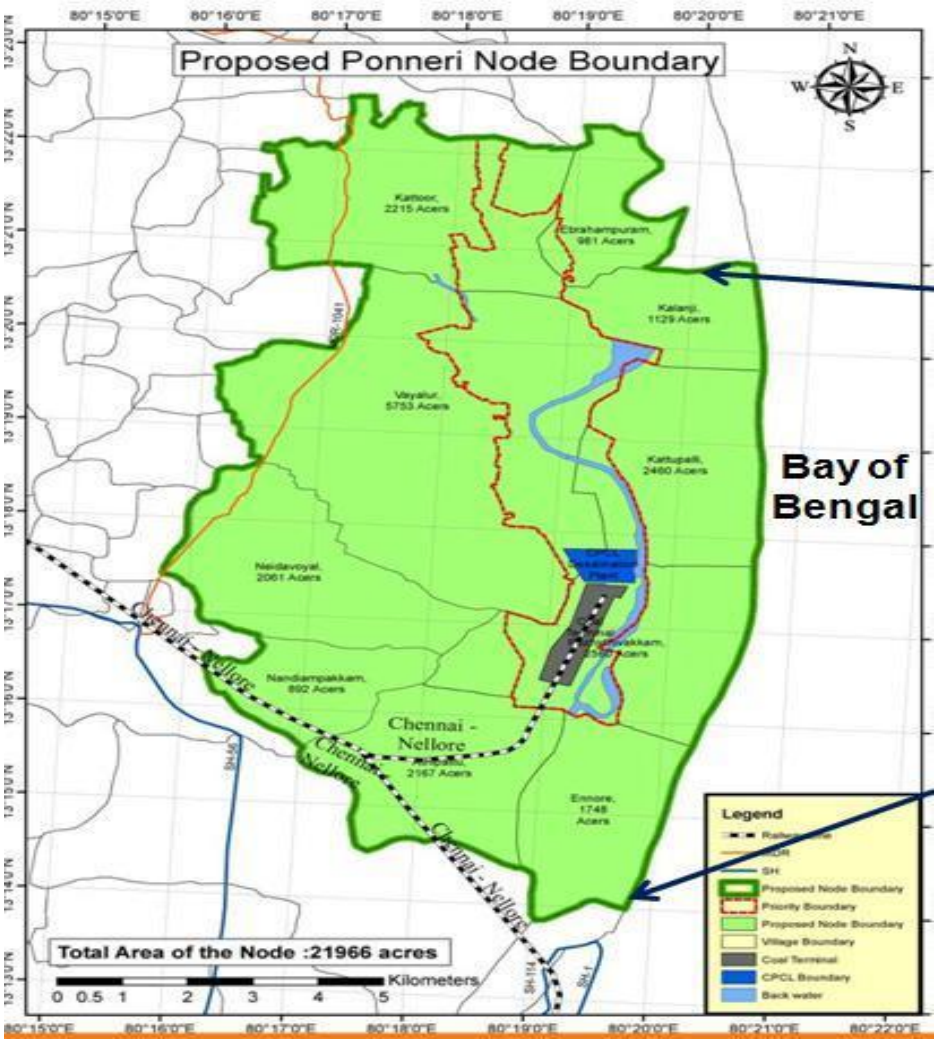

Figure 2.8: Map showing the Ponneri Industrial Area

Extension of CBIC to Kochi (Kerala) via Coimbatore: In 2017, the Chief Minister of Kerala wrote to the Government of India, asking for the extension of the CBIC to Kochi.[48] The proposal was appraised by NICDIT and an extension of the CBIC to Kochi via Coimbatore in August 2019.[49] Shareholder's Agreement (SHA) and State Support Agreement (SSA) were executed with Govt. of Kerala on 22 October, 2020.[50] The SPV for the project was incorporated in April, 2021. Rs. 2.5 core has been released for incorporation of the SPV of the project as initial equity of GoI.[51] Consultants have been appointed for detailed master planning and preliminary engineering of the Integrated Manufacturing Clusters (IMCs) at Palakkad/Thrissur (Kerala) and Dharmapuri/Salem (Tamil Nadu).[52] The corridor is being planned along National Highway 544 as its spine.

[48] Lok Sabha Unstarred Question No. 1153 dated 24.07.2017.
[49] Lok Sabha Unstarred Question No. 1382 dated 27.11.2019.
[50] Lok Sabha Unstarred Question No. 3478 dated 17.03.2021.
[51] Rajya Sabha Starred Question No. 217 dated 17.12.2021.
[52] Rajya Sabha Unstarred Question No. 1336 dated 30.07.2021.

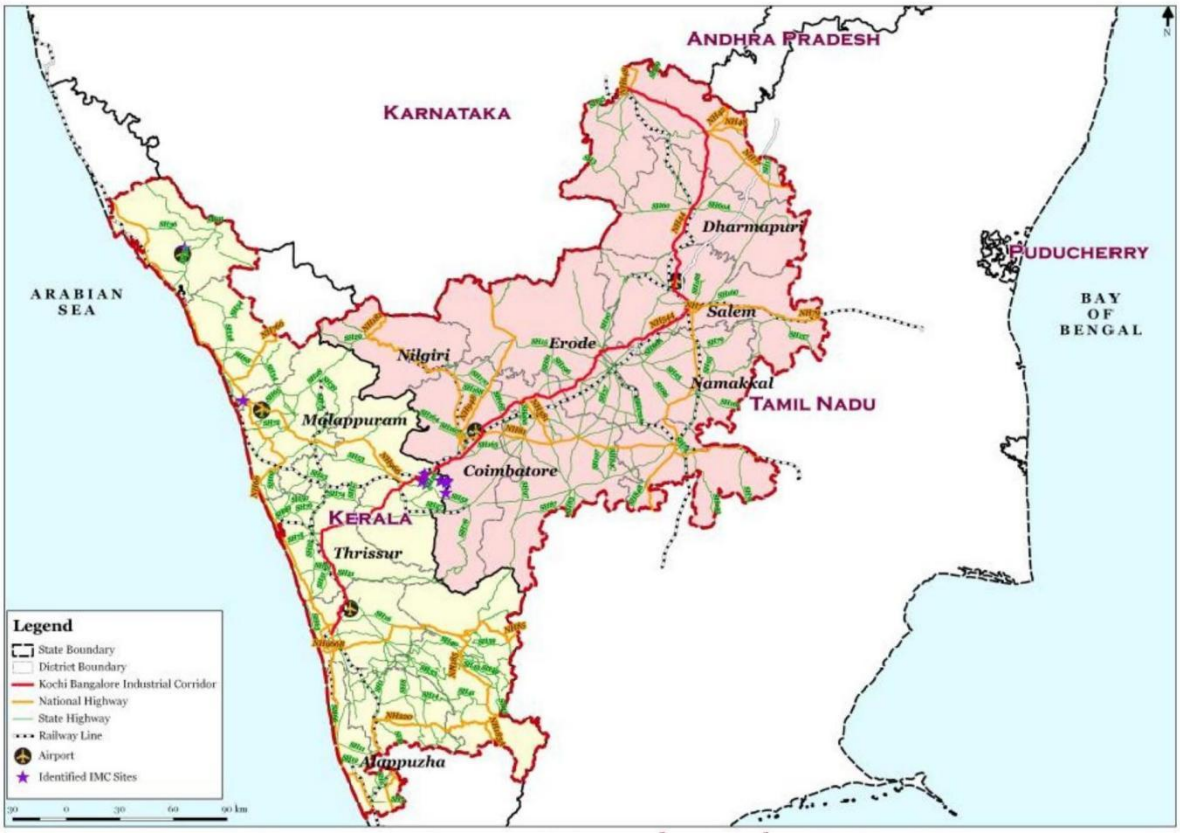

Figure 2.9: Map showing the proposed extension of CBIC to Kochi via Coimbatore

Chapter 3

The Tumakuru Node of CBIC

In this chapter, we take a closer look at the emergent issues arising out of the ground-level implementation of the Industrial Corridor programme by focusing on the Tumakuru Node of the CBIC. We have chosen the Tumakuru Node here for a deeper analysis of the processes associated with the development of CBIC like land acquisition, environmental impact assessment, etc. because of the centrality of this Node for the CBIC (JICA, 2015b) in terms of its proximity to a metropolis like Bengaluru and to Tumakuru city which is being developed as a Smart City. Based on the interviews conducted with the residents of the villages affected by the Tumakuru Node, we examine three broad emerging issues: the process of land acquisition, livelihood concerns and the environmental concerns raised by the residents.

3.1 Origins and Overview of the Tumakuru Node of CBIC

The origins of the Tumakuru Node of the CBIC lies in a National Investment and Manufacturing Zone (NIMZ) proposed by the Government of Karnataka in Tumakuru. The Government of India had granted 'in-principle' approval for a NIMZ at Vasanthanarasapura in Tumakuru district under the National Manufacturing Policy (NMP) in 2012. Subsequently, this project was considered for 'final approval' in the meeting of High Level Committee (HLC) under NMP held in June 2015 wherein the Government of Karnataka had informed that the final notification had been issued for 1700 acres of land and about 7900 acres of land was then at acquisition stage which would take another 3 to 4 months.[53] The HLC directed the State Government to acquire the total land required for the project and to transfer it to the industrial development authority which would form a SPV for the development of the NIMZ. Pending the acquisition of the complete land required for the project, the project was not accorded 'final approval'. 1736 acres of the land acquired for the Vasanthanarasapura NIMZ was subsequently repurposed for the Tumakuru Node of the CBIC. Next to the proposed NIMZ, Vasanthapura Industrial Area Phase I (782a 22g)[54], II (1263a 31g) and III (1832a 10.12g) have come up towards the east side of National Highway 48 (Mumbai-Pune-Bengaluru-Chennai stretch of the Golden Quadrilateral).

The complete Node is spread over about 8484 acres and is planned to be developed over 3 phases: Phase A, B and C as shown in Figure 3.1. The three phases of the Node are spread over Tumakuru and Sira taluka of Tumakuru district. The land acquisition for Phase A has been completed, while the acquisition of land for Phase B and C is yet to begin. The tender for development of the trunk infrastructure for Phase A of the Tumakuru Node was re-issued in September 2021 and an EPC contractor has been appointed for undertaking development of the trunk infrastructure.[55] The project site is located at a distance of 72 km from Bengaluru and 16 km from Tumakuru town which is being developed as a Smart City (Joshi, 2021). In terms of connectivity, the 6-lane National Highway 48 passes through the node. Kempegowda International Airport is located at a distance of 120km from the node connected via NH48 and NH648. Tumakuru railway station is located at a distance of 25 km from the site connected via NH48 and urban roads of Tumakuru town.

[53] See, Record of the Discussions of the First Meeting of the High Level Committee under the National Manufacturing Policy, Department of Industrial Policy & Promotion, GoI, dated 09.06.2015.
[54] A,g, a unit of measurement of area, refers to acres and guntas. One acre comprises 40 guntas.
[55] Lok Sabha Starred Question No. 466 dated 05-04-2023.

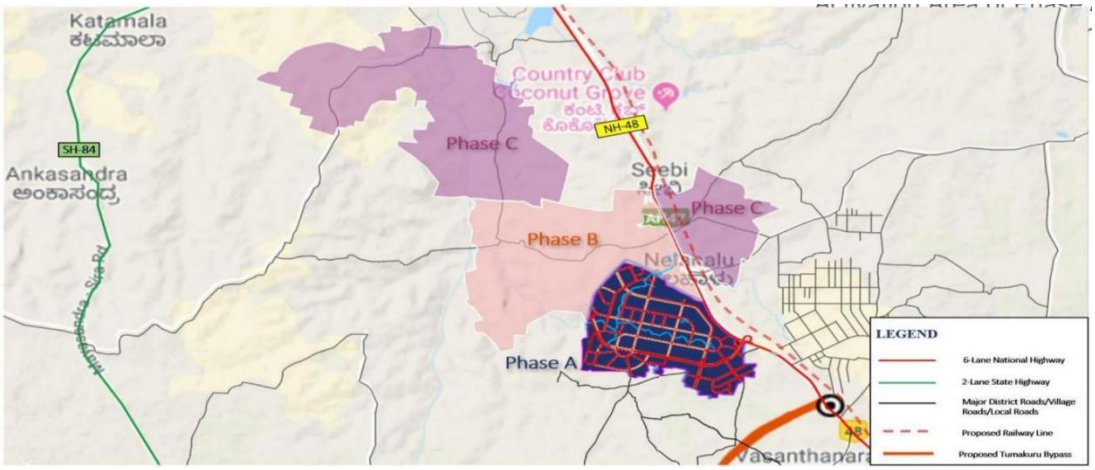

Figure 3.1 Map Showing the three proposed phases of the Tumakuru Node of CBIC

Table 3.1 and Figure 3.2 below shows the existing land use for the site which would be converted to the greenfield industrial node as part of the CBIC. Over 85% of the total area is under private cultivation, either under field crops or plantation crops or left as current fallow. Around 13.67% of the area falls under the category of 'wastelands' mainly comprising gullined and scrubland. Rest of the area is under water bodies or is village built-up area.

Table 3.1: Existing Land Use at the site chosen for Tumakuru Node of CBIC

Class		Area (acres)	Area (%)
Built-up	Rural	4.84	0.057
Agricultural	Agricultural plantation	2112.69	24.90
	Crop land	4625.45	54.51
	Fallow land	524.46	6.18
Waterbodies/ Wetlands	Lake/Pond/Reservoir	17.26	0.20
	River	38.74	0.45
Wastelands	Inland wetland	58.69	2.24
	Gullied land	190.71	10.74
	Scrubland	911.30	0.69
Total		**8484.14**	**100**

Source: KIADB and Ramky Group (2019, pg 35).

The detailed master planning of the whole Node has been completed but the Master Plan is yet to be notified. The Land Use for the complete Node and for the three phases of the Activation Area as proposed in the Master Plan has been shown in Table 3.2 and Figure 3.3 below. About 4,000 acres has been demarcated for industrial use for prevalent and sunrise industries, followed by those for roads and transport and open spaces. Out of the 1736.2 acres being developed under Phase A, over 940 acres would be for industrial use.

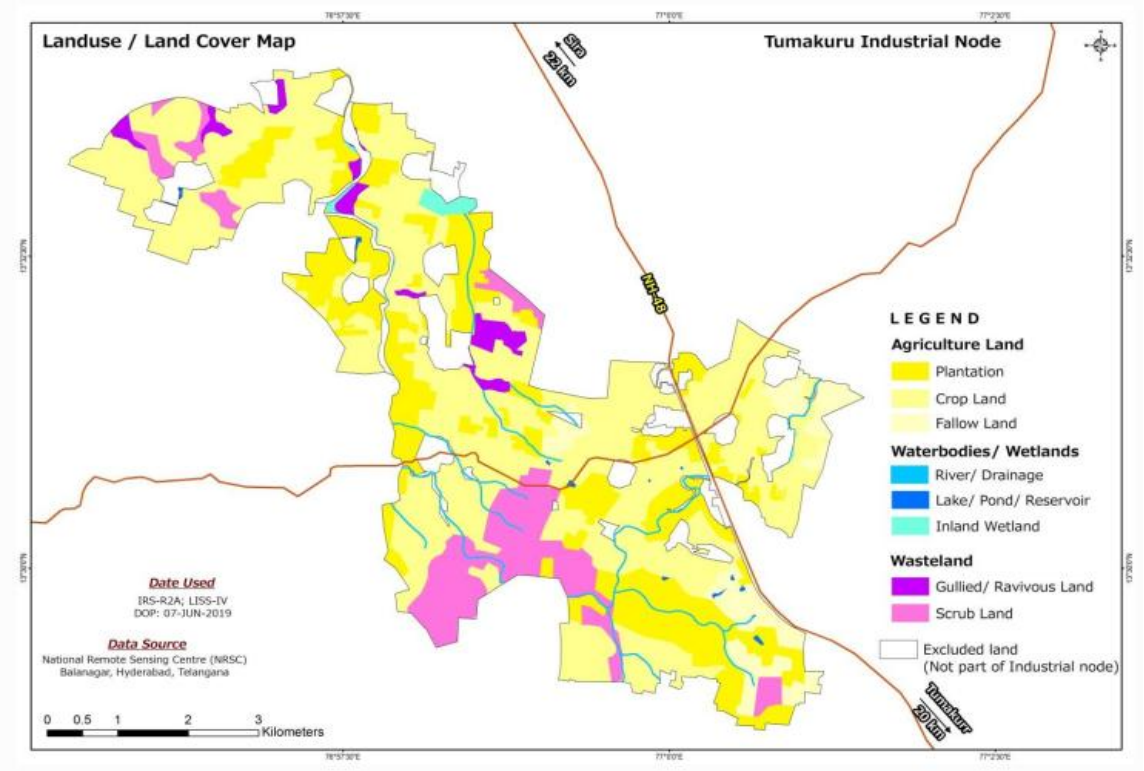

Figure 3.2: Map showing the existing land use at the site chosen for Tumakuru Node of CBIC

Table 3.2 Land Use as per the proposed Master Plan

Land Use	Tumakuru Node		Phase A		Phase B		Phase C	
	Area (acres)	Area (%)	Area (acres)	Area (%)	Area (acres)	Area (%)	Area (acres)	Area (%)
Industrial Area	4006.92	47.2	943.91	54.4	1246.54	48.25	1832.97	44.00
Residential Area	753.94	8.9	146.71	8.5	183.35	7.09	426.69	10.25
Commercial Area	242.73	2.9	47.81	2.8	82.82	3.20	106.88	2.57
Amenities and Utilities	433.88	5.1	65.97	3.8	154.92	5.99	180.53	4.34
Open Space	1446.13	17.0	204.12	11.8	522.17	20.23	722.09	17.34
Road+Transport	1599.39	18.9	327.52	18.9	393.69	15.24	895.49	21.50
Total	**8484**	**100.0**	**1736.2**	**100.0**	**2583.49**	**100.00**	**4164.66**	**100.00**

Source: Letter No. KIADB/JDTP/FN: 38/12747/2019-20 dated 11.12.2019 sent to Expert Appraisal Committee.

After the completion of all the three phases, the area is estimated to have a population of 1,85,300 (KIADB and Ramky Group, 2019, pg 57). Therefore, space has been planned for residential housing along with social amenities, recreational activities, commercial buildings and social infrastructure like schools, hospitals etc.

Approximately 5% of the site area has been kept for developing a logistics zone comprising a logistics hub and a truck parking which would serve not only the greenfield Tumakuru Node but the brownfield industries at Vasanthanarasapura Industrial Area. The logistics zone would facilitate exchange of cargo between the nearest rail, road, air and ship routes.

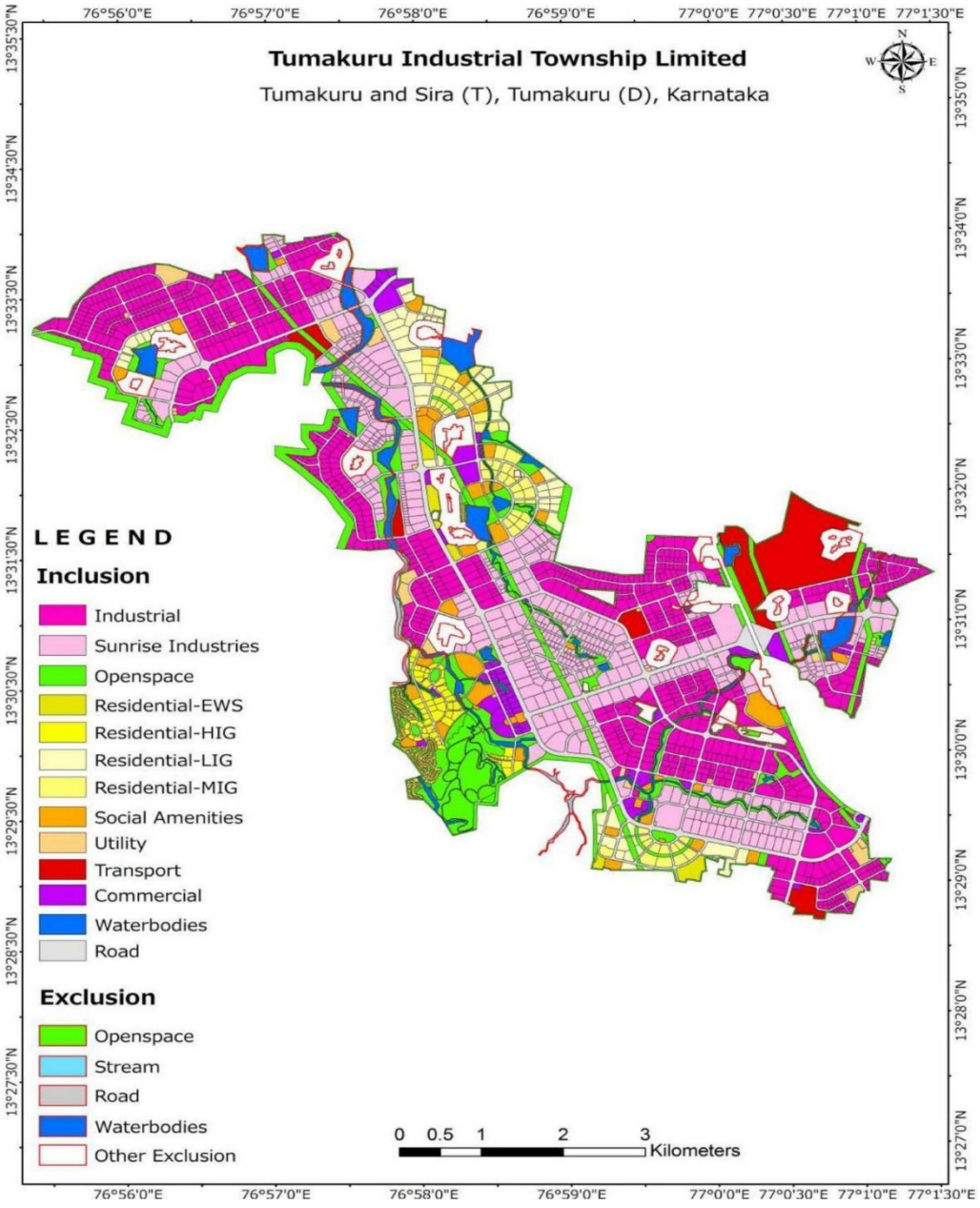

Figure 3.3: Map showing the Detailed Master Plan for Tumakuru Node of CBIC

The projected cost estimate for the development of whole node was Rs 8,000 crores at the pre-feasibility study stage (KIADB & Ramky Group, 2019, pg 63), which had shot-up to Rs 8725 crores by 2021 with the following sub-components:-

Table 3.3 Project Cost Summary for Tumakuru Node of CBIC

Description	Estimate (Rs. crore)			
	Phase A	Phase B	Phase C	Total
Roads, Utilities and Area Landscaping	1362.69	1956.76	3284.54	6603.99
Water Treatment Plant	13.14	19.30	36.52	68.96
STP, CETP and Solid Waste Management	79.90	115.48	188.00	383.38
Information Communication & Technology	145.20	170.24	179.85	495.29
Project Construction Cost	1600.93	2261.78	3688.91	7511.62
O&M Cost (4 years) for Civil, Pipeline and Roads Works	96.06	135.71	221.33	453.10
Sub-Total	1696.98	2397.49	3910.24	8004.71
Other Costs	152.73	215.77	351.92	720.42
Total Project Cost (Project Construction Cost+O&M Costs+Other Costs)	**1849.71**	**2613.26**	**4262.16**	**8725.14**

Source: KIADB & Ramky Group (2021, pg 2.55).

The Phase A area is spread over 6 villages - P. Golahalli, Gowdanahalli, Puradakunte, Lingenahalli, Giriyenahalli, and Sorekunte - falling under Tumakuru *taluka* as shown in Figure 3.4. To understand the impact of the development of the Tumakuru Node of the Chennai-Bengaluru Industrial Corridor on the ground and on the communities living in and around the areas of the corridor, field work was conducted during the last week of November 2021 in three villages, namely, P. Golahalli, Puradakunte and Sorekunte. The lands in these three villages had only partially been acquired while in the rest of the three villages, the lands have been acquired more or less completely. Apart from private lands, government lands have also been transferred to KIADB for the project in Sorekunte (275a-23g), Gowdanahalli (103a-10g), P. Gollahalli (45a-08g) and Purudukunte (28a-10g).[56]

[56] See Land Transfer Letter, Office of Tehsildar, Tumakuru Taluka bearing No L.S.D/CR/02/2019-20 dated 03-10-2019.

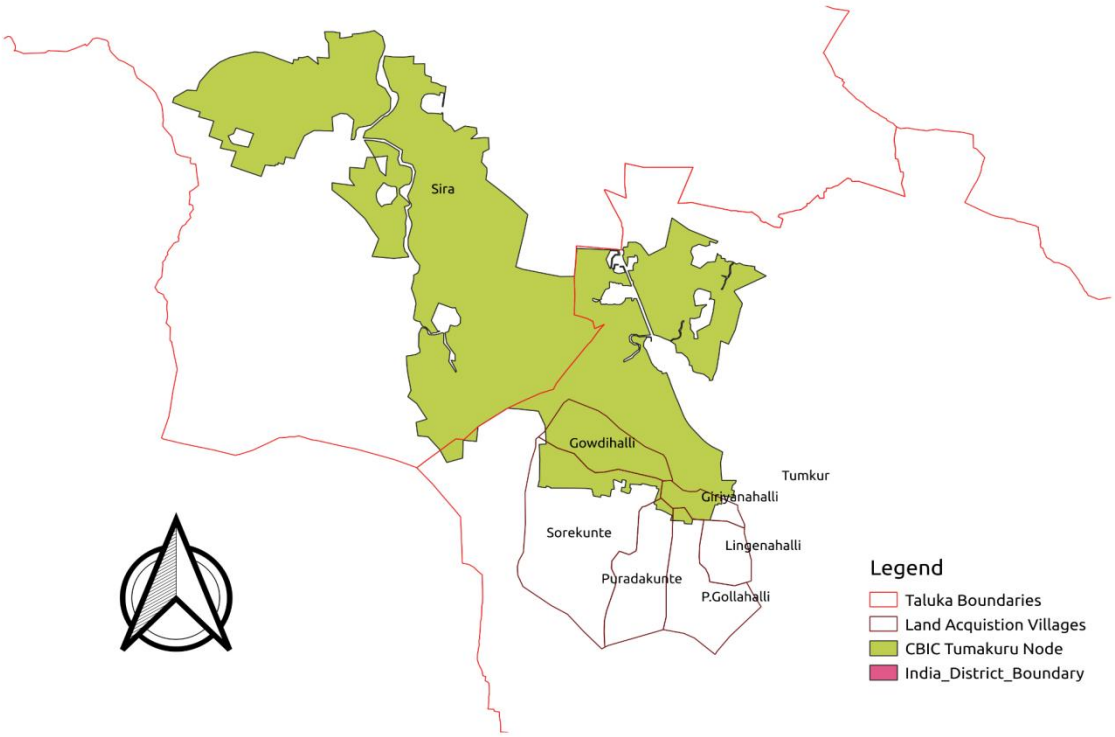

Figure 3.4 Map showing the boundary of the Tumakuru Node and the villages falling under Phase A of the Node

Tables 3(a-e) show the caste-category wise land ownership profiles of the five villages (except Giriyenahalli for which data was not available). Puradakunte village has the highest mean land holding size (6.13 acres) followed by Sorekunte (3.41 acres), P Golahalli (2.21 acres), Gowdanahalli (1.89 acres) and Linenahalli (1.55 acres). Sorekunte is a Lingayat dominated village, both in terms of number of households and in terms of ownership over land. Lingayats comprise 42.71% of the village households but hold 48.76% of all the lands in the village. The Gowdas and Nayaks (ST) are some of the other big land owners. About 40% of the lands in the village have been acquired. Dalits (both Cheluvadi and Madiga) households comprise 26.88% of the total households of the village but own only 12.30% of the lands in the village as shown in Table 3.4a below.

Table 3.4a Caste-category wise Land Ownership in Sorekunte Village (2015)

Category	Percentage of Total Households	Mean Land Holdings (Acres)	Percentage of Total Agricultural Land
SC	26.88	1.56	12.30
ST	10.05	4.04	11.92
OBC	63.07		75.19
1	4.27	2.49	3.13
2A	10.30	3.28	9.90
3A (Vokkaliga)	5.28	8.66	13.41
3B (Lingayat)	42.71	3.89	48.76
OTH	0.50	4.00	0.59
Total	**100**	**3.41**	**100**

Source: Based on Data collected as part of Survey (2015) carried out by Karnataka Backward Classes Commission, provided by Prof Deepak Malghan, IIM Bangalore.

Puradakunte is again a Lingayat village with 92.31% of the total households belonging to Lingayats, who also own 94.98% of the lands in the village. The average landholdings in the village are bigger than all other villages impacted by land acquisition as shown in Table 3.4b below.

Table 3.4b Caste-category wise Land Ownership in Puradakunte Village (2015)

Category	Percentage of Total Households	Mean Land Holdings (Acres)	Percentage of Total Agricultural Land
SC	2.56	7	2.93
OBC	97.44		97.07
1	5.13	2.50	2.09
3B (Lingayat)	92.31	6.31	94.98
Total	**100**	**6.13**	**100**

Source: Based on Data collected as part of Survey (2015) carried out by Karnataka Backward Classes Commission, provided by Prof Deepak Malghan, IIM Bangalore.

P Golahalli is also a Lingayat dominated village both in terms of number of households and land ownership. Lingayats comprise 41.14% of the total number of households in the village and they own 56.63% of the total agricultural lands of the village. About 30% of the lands in the village have been acquired for Phase A of Tumakuru Node of CBIC. The average size of the landholdings in the village is 2.21 acres. Most of the farmers fall under the small and marginal farmer category. Dalits (both

Cheluvadis and Madigas) comprise 18.35% of the households in the village and own 13.62% of the lands with mean landholding size of 1.64 acres, which is lower than the average for the village, indicating greater incidence of landlessness in the village as shown in Table 3.4c below. Nayakas (ST) and Kurubas (OBC-1) are the other major groups present in the village.

Table 3.4c Caste-category wise Land Ownership in P Golahalli Village (2015)

Category	Percentage of Total Households	Mean Land Holdings (Acres)	Percentage of Total Agricultural Land
SC	18.35	1.64	13.62
ST	10.13	2.03	9.29
OBC	71.52		77.08
1	26.58	1.64	19.73
2A	0.63	0.50	0.14
2B (Muslims)	3.16	0.40	0.57
3B (Lingayat)	41.14	3.05	56.63
Total	**100**	**2.21**	**100**

Source: Based on Data collected as part of Survey (2015) carried out by Karnataka Backward Classes Commission, provided by Prof Deepak Malghan, IIM Bangalore.

The landholding sizes in Gowdanahalli village are relatively small, with an average of 1.89 acres as shown in Table 3.4d below.

Table 3.4d Caste-category wise Land Ownership in Gowdanahalli Village (2015)

Category	Percentage of Total Households	Mean Land Holdings (Acres)	Percentage of Total Agricultural Land
SC	7.78	1.29	5.30
ST	18.89	1.45	14.53
OBC	73.33		80.18
1	68.89	2.17	79.29
2B (Muslims)	1.11	0.00	0.00
3A (Vokkaliga)	3.33	0.50	0.88
Total	**100**	**1.89**	**100**

Source: Based on Data collected as part of Survey (2015) carried out by Karnataka Backward Classes Commission, provided by Prof Deepak Malghan, IIM Bangalore.

Lingenahalli is a Nayaka dominated village. Nayakas comprise 85.94% of the population of the village and own 88.64% of the lands in the village. The landholdings in the village are relatively small with an average size of 1.55 acres, the lowest among all the villages affected by the land acquisition as shown in Table 3.4e below.

Table 3.4e Caste-category wise Land Ownership in Lingenahalli Village (2015)

Category	Percentage of Total Households	Mean Land Holdings (Acres)	Percentage of Total Agricultural Land
SC	3.13	0.31	0.63
ST	85.94	1.60	88.64
OBC	10.94		10.73
1	0.78	4.00	2.02
2A	3.91	1.00	2.52
2b (Muslims)	1.56	0.00	0.00
3A (Vokkaliga)	1.56	0.00	0.00
3B (Lingayat)	3.13	3.06	6.18
Total	**100**	**1.55**	**100**

Source: Based on Data collected as part of Survey (2015) carried out by Karnataka Backward Classes Commission, provided by Prof Deepak Malghan, IIM Bangalore.

3.2 The Process of Land Acquisition

Non-government lands have been acquired for the larger Vasanthanarasapura Industrial Area over several phases, the details of which have been provided in Table 3.2. The first phase of the land acquisition took place in 2007. As per the interviews conducted during our field work, the average compensation rates during this phase were around Rs 4-4.5 lakhs per acre.

The second round of acquisitions were carried out for Phase 2, 3 and 4 of the Vasanthanarasapura Industrial Area during which the average compensation rates were Rs 16-16.5 lakhs per acre depending on the distance from National Highway 4. The lands which are being utilised for the Tumakuru Node of the Chennai-Bengaluru Industrial Corridor were acquired during the 4th phase of the acquisition and were bought at an average compensation rate of Rs 16-16.5L/acre. In the subsequent phases of acquisitions for the Tumakuru Node, the negotiated rates have gone up to as high as Rs 30-40L/acre. The final notification of the 4th Phase of land acquisitions was issued on 30th October 2014, over a year after the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (LARR) Act 2013 had been notified.[57]

The lands for the fourth and subsequent phase have been acquired under Section 28 of the Karnataka Industrial Areas Development Act 1966. The continued reliance of the 1966 Karnataka Industrial Area Development Act for acquisition despite the enactment of the LARR 2013 Act was challenged at the Karnataka High Court by several farmers. While a single judge bench of the Karnataka High Court in its interim order said that after the enactment of LARR Act 2013, the KIADB has to follow the provision of the 2013 Act, this interim order was set aside by a division of the High Court in its judgement in August 2021.[58] This judgement of the Division Bench of the Karnataka High Court has been challenged at the Supreme Court which is still pending. While the subject was pending at the Karnataka High Court, KIADB continued to acquire land under the 1966 Act, wherein the compensation rates were decided based on negotiations between the Deputy Commissioner and the farmers whose lands are notified.

From the interviews conducted with farmers and landless families in the three villages, it appears that there was no organised opposition to the land acquisition in the area. Through the field work, we

[57] It may be pertinent to note here that the National Democratic Alliance government that came to power in 2014 tried to exempt industrial corridors from the consent and social impact assessment requirements as part of an unsuccessful attempt to amend the LARR Act 2013 in 2015. See, The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Second Amendment) Bill, 2015.
[58] See S. Jalaja and Others vs Union of India Others (WA 1105/2019).

didn't come across any farmer, who has approached the courts against the notification of their lands for acquisition. The reason appears to be the fact that most of the area is under rain-fed farming and because of proximity with Tumakuru and after the setting-up of Vasanthanarasapura Industrial Area, labour shortages have become a big issue.

Table 3.5 Details of Land Acquisition for the Vasanthanarasapura Industrial Area

Sl. No.	Name of the Project	Name of the Villages	Date of Preliminary Notification u/s 28(1)	28(1) Extent (A-G)	Date of Preliminary Notification u/s 28(4)	28(4) Extent (A-G)
1	Vasanthanarasapura IA 1st Phase	Kempana Dodderi, Thimmarajanahalli, Nagenahalli, Giriyanahalli	31-07-2006	100-30	27-02-2007	782-22
2	Vasanthanarasapura IA 2nd Phase	Yaladadiu, Nagenahali	01-12-2009	1435-00	06-07-2010	1242-19
3	Vasanthanarasapura IA 3rd Phase	Vasanthanarasapura, Kempana Dodderi, Bathsandra, Kenchenahalli, Sangenahalli, Thippedasarahalli, Bahujanhalli, Kempadahalli, Doddanapalya	01-12-2009	1711-16	23-07-210	1492-16 - 1/2
4	Vasanthanarasapura IA 2nd & 3rd Phase (additional)	Kenchenahalli, Sangenahalli, Kempadalihalli, Yaladadlu	01-12-2009	149-11	03-08-2012	149-11
5	Vasanthanarasapura IA 4th Phase	Sorekunte, Gowdanahalli, P. Golahalli, Puradakunte, Giriyanahalli, Linganaalli	19-07-2010	1725-32	30-10-2014	1722-30
6	Vasanthanarasapura IA 5th Phase	Hunjanalu, Mallenahalli, Nelhalu, Chikkasheebi	10-03-2015	3174-25.19		6761.45
7	Vasanthanarasapura IA 6th Phase	Sheebi, Thippanahalli, Borasandra, Kempadallihalli, Somasagara, Nelhalu, Chikkasheebi	10-03-2015	4731-09-1/2		
8	Vasanthanarasapura IA Japanese Industrial Township/Park (JIT)	Sangenahalli	06-04-2017	68-39	02-11-2017	68-04
9	Vasanthanarasapura IA KPTCL 220KV	Kodithimanahalli, Nandhihalli, Sangenahalli, Kenchenahalli, Bathsandra, Bempanadodderi, Vasanthanarasapura	23-03-2017	95-25	11-09-2017	95-14
			Total	**14902-27-1/2**		**12314-45-1/2**

Source: Information received under RTI Act 2005

As one Lingayat farmer in P Golahalli village, part of whose lands have been acquired, who has planted arecanut trees on the remaining lands, said

> *"The maximum wage rate we can offer is Rs 500 per day, but in the Industrial Area, people get Rs 600 per day. Earlier we used to get some migrant workers from nearby panchayats, but after the industries opened in the area, even those workers have stopped coming. That is the biggest issue, otherwise if you have land it's a source of permanent income."*

As shown in Table 3.3, occupational diversification out of agriculture had already begun in some of these villages around the 2011 census enumeration period. Villages like Sorekunte, Giriyanahalli, Puradakunte, and Lingenahalli had over one-third of their working population not employed in agriculture at all.

Table 3.6 Demographic and Occupational Profile of the Villages under Phase A of Tumakuru Node of Chennai-Bengaluru Industrial Corridor (2011)

Name	Percentage of Population belonging to		Percentage of Working Population	Percentage of workers classified as		
	SC	ST		CL	AL	OTH
Sorekunte	26.01	10.15	52.22	64.61	3.99	28.83
Giriyanahalli	30.77	0.00	23.08	33.33	33.33	33.33
Puradakunte	0.00	0.00	51.80	63.89	0.00	36.11
P.Gollahalli	18.48	8.80	48.68	68.07	15.96	14.46
Lingenahalli	1.37	95.11	32.68	62.87	4.79	32.34
Gowdanahalli	7.76	14.37	47.70	56.02	27.11	16.87

Note: CL: Cultivators; AL: Agricultural Labourers, OTH: Others; The figures include both Main and Marginal workers

Source: Census 2011

Another farmer from Puradakunte village gave the following reason for people's willingness to part with their lands

"In 2010, when the lands were notified, 85% of the people here were poor and the prices that were being offered for the lands (Rs. 16-16.5/acre) were very tempting for us. People like us who used to think twice before spending two rupees, were now being offered money in lakhs, we started feeling that we have become rich overnight. But we had seen the fate of those whose lands were acquired in the first phase, so we negotiated hard and got good prices for our lands. We should have received more. But most people here have not used the compensation money for wasteful expenditures like buying cars etc. They have invested in lands elsewhere."

The farmers whose lands were acquired during the 1st phase and who received Rs 4-4.5 lakh as compensation had tried to oppose the acquisition process, but the opposition didn't yield any results. Since each subsequent phase of acquisition has been at much higher rates of compensation, the main

grouse of the farmers whose lands have been acquired has been the rates of compensation. Each group feels that their lands should have been compensated at the rates which have been offered in subsequent rounds of acquisitions. The farmers said that the initial rounds of negotiations were not effective for the farmers because of lack of unity among the farmers. The farmers hadn't appointed anyone among them as representatives for the negotiations. During the negotiations, the administration was able to convince a small section to agree at lower rates, and thus forced the others to also agree at such lower rates. Since the acquisition was carried out under the 1894 Act, no consent was sought from the farmers. The impression that farmers and the Gram Panchayat members had, at the time of first notification and even now, is that once the lands were notified, they didn't have the right to object to their lands being acquired. Apart from the farmers whose lands were acquired in the first phase and who received Rs 4-4.5 lakhs per acres as compensation, most other farmers have used the compensation money to buy lands or sites elsewhere. For example, a 56-year old farmer, a Ganiga resident of Sorekunte village, who was member of Sorekunte Panchayat during the process of acquisition, received around 32 lakhs for his 2 acre land in 2016 and has purchased 1 acre near Dabaspete (located on Bengaluru-Tumakuru route) and is building a house in Bengaluru on a site owned by his son. Most of the farmers have bought lands near Gubbi, Kalambela and Madhugiri where the land rates have ranged from Rs 10-20 lakhs depending on the location and the time period when the lands were brought.

The farmers we interviewed reported rampant speculation spawned by the acquisition process. A group of Madiga (Adi-Dravida) women in Sorekunte village, who work both as agricultural workers in the fields and also go to the industrial area for work, mentioned that most of them owned only small pieces of land which they had sold to private persons from Bengaluru and Tumakuru much before the acquisition process started. Others informed us that by the time Phase 4 of land acquisition began, around 100 acres in Sorekunte and Puradakunte had already been bought by private individuals from Bengaluru and Tumakuru, most of whom didn't ever cultivate those lands. This also caused issues during the compensation negotiations with the government since these individuals were unwilling to join hands with the farmers during the negotiations and struck an early deal with the government. Apart from this, once farmers in these villages started buying lands in the nearby areas, the speculative activities increased in the nearby villages. Several individuals including media persons, police officials, revenue officials bought up land in nearby villages anticipating a steep hike in land prices. As per the group of farmers we spoke at the village centre in Bommegowda Palya (part of Puradkunte village) said

> *"In 2006, the going rate in our village for agricultural land was Rs 1.5 Lakh/acres. In 2010, just before the first notification was issued, the lands were being sold at Rs 75k/gunta (30L/acre). About two years back, the going rates were Rs 3L/gunta (1.2 crores/acre). Now, within a 10 km radius of our village you won't be able to buy any land from Rs 3L/gunta."*

Since the construction has not yet begun on the acquired lands even after 7-8 years of acquisition (as of December 2022), the farmers have continued to cultivate crops on the lands (see Figure 3.4).

Figure 3.5: Land in Sorekunte village which has been acquired but is still under cultivation

The farmers we interviewed across the three villages also informed us that there is extensive litigation going on within families because of contestation over the rightful claimant for the compensation money. In most instances, the money has been deposited by the KIADB with the court pending resolution of the intra-family civil disputes. The non-updation of land records and the claims by female members of the family was cited as the biggest reasons for the civil disputes. Some of the lands which have been acquired are still in the name of deceased forefathers and the mutation of the land has not been done, leading to disputes over the share in cash compensation.

Most of the farmers we spoke to weren't aware that the EPC Tender for trunk infrastructure work had been issued and that the work may start soon. Many of the farmers who still haven't received compensation either because of difficulties in being able to produce the documents required, or because of ongoing litigation, expressed worries that if the site is fenced off, then they would no longer be able to cultivate the lands which they have continued to farm, and in absence of compensation, especially in those cases where civil disputes would take a long time to conclude, they won't have any alternative source of livelihood.

3.3 Environmental Concerns

The other concern expressed by the farmers across the three villages was the impact of the development work on their lands and environment. Several farmers, especially in P. Golahalli reported that the foul-smelling effluents are discharged in the air from the industries in Vasanthanarasapura Industrial area, which affects the arecanut plants adversely. Now that the works

for Tumakuru Node are about to begin, this may have an even greater impact on the crops (arecanut and finger-millet largely).

Secondly, farmers in Puradakunte and Sorekunte informed us that toxic effluents are being discharged into the water stream (see Figure 3.5) that passes through these villages and meets the Kallambella lake in Sira. The farmers whose lands are located along this stream used to earlier utilise this water for cultivation but after the plants started dying because of the pollutants being discharged in the stream, the farmers have stopped this water. As one farmer, part of whose lands located near the stream have been acquired told us

> *"I planted ragi (finger millet) about 2 years ago and irrigated the fields using the water from this stream; all the plants died. Since the last two years, the colour of the water in the stream has been dark black and it has a foul smell."*

The farmers say that effluents from the industrial area are being discharged into the lakes surrounding the area including Doddakere, Aralakere, Hosakere and Nelahalu lake, whose polluted water is then carried by this stream. This issue was raised during the public hearing for the project held at Sorekunte village on 25-09-2020 for the purpose of Environmental Clearance. Sh. Siddalingaiah, ex-gram panchayat member from Nelhaal, after registering his protest that no wide publicity was given to the public hearing, stated that, "in the existing industrial area (Vasanthanarasapura) illegal disposal of solid and liquid wastes to the surrounding area" was noticed.[59] He further added that, "Some of the industries are disposing the liquid waste to the nearby water tanks," and "burning the wastes in open dumps." With respect to the Node, he warned that, "the proposed project area is falling in the catchment area of Kellambella tank which is one of the major water source of the surrounding villages." Similarly, Kodihalli Jagdish, a member of the Karnataka Rajya Raytha Sangha, also reported that, "there was illegal disposal of effluent to the outside of the industry in Vasanthanarasapura industrial area, resulting in sheep kill." Sri Deviraju, member of Krushika Samaja, B G Palya demanded "stringent action on polluting industries in the Vasanthanarasapura area".

[59] See, Proceedings of the Environmental Public Hearing in connection with the proposed Development of Tumakuru Industrial Township Limited within Chennai-Bengaluru Industrial Corridor (CBIC) by Karnataka Industrial Areas Development Board and National Industrial Corridor Development Board, New Delhi.

Figure 3.6: The polluted stream that passes through Sorekunte and other villages

The documents submitted by KIADB to Expert Appraisal Committee (EAC) for grant of Environmental Clearance state that the total water requirement for the industrial township is estimated to be 133.6 MLD, of which 67.9 MLD is fresh water requirement and 65.7 MLD is treated water requirement.[60] The fresh water requirements are proposed to be met through the Yettinhole project which would channel water to Sorekunte Lake. Yettinhole Project is an inter-basin river water transfer project, as part of which around 24 TMC of water is sought to be transferred annually from the Netravati river basin in the coastal part of Karnataka (towards the west) to the dry regions of Kolar and Chikkaballapura (in the east) across a distance of 873 kms. It has been marketed as a drinking water project to bypass the requirements of environmental clearance for the project.[61] As per the Pre-Feasibility Report for Tumakuru Node, 1.2 TMC from Yettinhole project was to be allocated for the Industrial Township.[62] There are serious questions regarding the extent of "surplus" flows in the basin available for transfer to other regions.[63] Eventually, only 0.300 TMC water has been re-allocated from Yettinhole project for the Tumakuru Node of CBIC.[64] The rest of the water demand was proposed to be met from allocations from Hemavathi Lower Bank Canal (LBC) and additional re-allocations from Yettinhole project were sought. But till the Environmental Clearance (EC) was granted, no firm commitment on any of these water sources was obtained. Thus, the availability of water remains a question mark.

We had visited Sorekunte lake during the end of November 2021 when the Bengaluru-Tumakuru-Kolar had witnessed record rainfalls. The lake was brimming with water (Figure 3.6) but the farmers

[60] See, KIADB & Ramky Group (2021, pg TOR.2).
[61] See, 'Yettinahole Diversion: An imprudent, Rs.100 Billion proposition', SANDRP, September 13, 2018.
[62] KIADB and Ramky Group, 'Pre Feasibility Report For Environmental Impact Assessment Study -Chennai Bengaluru Industrial Corridor - Tumakuru Industrial Township Limited (KIADB)', November 2019, pg 22.
[63] See, Meghna Krishnadas and Suman Jumani, 'Why Diverting Yettinahole River is Both Ecologically Damaging and Economically Unsound', The Wire, Jan 24, 2017.
[64] See, Unauthorized Note from CM Office bearing No. WRD 14 WBM 2019 dated 29/01/2020.

said that this was the first time that the lake has filled completely in the last 15-20 years. Usually the lake runs dry by this time. The residents of the village had been hearing of plans to transfer water to the lake from Yettinhole project so that it can function as a perennial water source for piped drinking water supply to the villages. The fact that the needs of the farmers would have to compete with the needs of the industrial area was a cause of concern expressed by the farmers.

In terms of the energy requirement, the power requirement for the whole Township is estimated to be 700 MVA. For Phase A, external power would be arranged through Vasanthanarasapura Substation but for the whole Node, a permanent arrangement through PGCIL Substation is proposed. The PGCIL Substation in-turn is being grid-linked to the 2000MW Pavagada solar park being run by Karnataka Solar Power Development Limited.[65]

Figure 3.7: The Sorekunte Lake which would be used as the water source for the Tumakuru Node

3.4 Livelihood Concerns

When the first phase of the development of Tumakuru Node was granted approval by the CCEA, the total projected employment generation from the first phase was projected to be 88,500 persons, out of which 17,700 persons would be directly employed at the site.[66] The Pre-feasibility Report for the project claims that after the completion of the whole Node, it would bring in an investment of Rs. 34,500 crores, generating overall employment for 3,66,900 persons (KIADB & Ramky Group,

[65] See, KSPDCL, Tender for carrying out Maintenance of 220kV lines, 66kV line, 220/66kV, 220/33kV &66/11kV sub stations, 11kV UG cables, RMUs, ODs, 11kV DTC and LT Lines in 2000MW Pavagada solar park, Pavagada Taluk, Tumkur Dist. For a critical look at Pavagada Solar Park, See Rao (2021).

[66] Rajya Sabha Unstarred Question No. 1336 dated 30.07.2021.

2019, pg 17). The Environmental Impact Assessment Report projects this number to 4,45,900 as shown in Table 3.6 below.

Table 3.7 Predicted Manpower at TITL

Phase	Industrial Manpower	Residential Population
Phase A	82,900	33,300
Phase B	145,900	25,500
Phase C	217,100	126,500
Total	**445,900**	**185,300**
**Residential Workforce expected within the Township: 79,600*		

Source: KIADB & Ramky Group (2021, pg 2.46)

There is no way to check the veracity of these numbers, since these numbers are quoted without providing any basis. Phase A of the Tumakuru Node is expected to be complete by 2026, while the whole Node is expected to be complete by 2040 (KIADB & Ramky Group, 2021, pg 2.9). Only after this, would the allotment of industrial plots begin, followed by realisation of investments, and then only would manufacturing activities commence. Thus, it could be another decade before an assessment of actual investment and employment can be made.

Apart from the questions of the extent of employment being created by the project, the nature of the employment and the ability of the locals to avail the employment created is a question that came up both in our interviews with the farmers and during the public hearing. For example, Kodihali Jagdish, member of Ryata Sangha, had requested the administration "to arrange training programmes to the local unemployed youths, so that in future they can be used for the employment in the projects".[67] In a similar vein, Kambada Rangaiah, stated that "they don't require any other facility except jobs to the surrounding youths" and urged that "thousands of unemployed youths i.e ITI, Diploma and Degree holders are available in the surrounding villages" who can be provided employment based on their skills.

These concerns arise from the experience that the residents of these villages have had with the existing Vasanthanarasapura Industrial Areas (Phase I, II and III). As one resident from B G Palya, who had worked as a security guard at one of the Food and Beverages company at Phase I of the industrial area said,

> *"The top officials, supervisors are all from outside. They all belong to the company. The company doesn't hire locals for those positions. Initially there was some employment for the local residents, mostly as floor workers, security guards, etc. but now they prefer North Indians for even those positions. They are willing to work without taking holidays. They take leave once a year and when they go they arrange replacements. Locals aren't like that. Locals would take holiday for festivals, marriages, family functions. So they stopped hiring us. These days most of the employment is contractual, daily-wage based work. If they need workers they would hire them, for a week, two-weeks. If the production is not there, they would tell workers not to come."*

[67] See, Proceedings of the Environmental Public Hearing in connection with the proposed Development of Tumakuru Industrial Township Limited within Chennai-Bengaluru Industrial Corridor (CBIC) by Karnataka Industrial Areas Development Board and National Industrial Corridor Development Board, New Delhi.

When the issue was forcefully raised by the attendees at the public hearings, the officials of KIADB promised that they would "discuss the issue of jobs with Senior Board Officials and arrange jobs to the local youths in the existing industries and proposed project." The Deputy Commissioner directed officials to conduct a survey for identification of available skilled and unskilled unemployed people in the villages and submit the list. A vocational training institute was also promised in earnest. But these turned out to be insincere promises. KIADB has no expertise or mandate to deal with employment issues at the Industrial Areas. The agreements that KIADB enters with companies when plots are allotted to industries doesn't provide for any mandatory local hiring. The promised vocational training institute or the survey never materialised. A big chunk of proposed industries at the CBIC Node is those of high-technology sunrise industries like pharmaceuticals and electronics and it is unlikely that the residents of the villages have the skills or are being provided the skills to become employable in these sectors.

Although land acquisition for all the three phases of the Tumakuru Node would extend to 15 villages across Tumakuru and Sira *talukas*, the eventual span of the government's plan for the area may be much wider. This was revealed in March 2022, when the State Government notified an area comprising 123 villages across Tumakuru and Sira *talukas* as a 'Chennai-Bengaluru Industrial Corridor' Local Planning area under Section 4 of the Karnataka Town and Country Planning Act 1961 and also constituted a Planning Authority for the notified area.[68] The total extent of the planning area is 89194.425 acres, which is over 10 times the area notified for the Tumakuru Node, and comprises a population of over 80,000 persons.

The notification of such a large area, which encompasses highly fertile multi-cropped land, has sparked protests in Tumakuru, since no consultations were held with the residents of these villages before the notification was issued. Already, land has either already been acquired or is being acquired in these villages outside the Tumakuru Node area, for projects like expansion of roads and highway and for railway lines, which appear to be projects allied to the CBIC and further plans of the government to acquire land for industrial use. The clandestine manner in which these activities are being done, without placing the large scheme before the people, has galvanised protest across the two *talukas*. A farmers' convention was held on July 14, 2022, following which a protest was organised in Tumakuru city on August 1, 2022 wherein a Memorandum was submitted to the Deputy Commissioner to withdraw the notification of the planning authority.[69] One of the farmers we spoke to during the protest explained the lack of any rationale behind the large scale acquisitions

> *"The land in the villages which fall under Phase B and C of the corridor are not like the ones near Vasanthanarasapura (Phase A). The lands of our villages are lush and green like the ones you see in Malenadu.[70] Most of the lands have orchards of arecanut and coconut. We have trees which are over 30-40 years old. You won't get such land anywhere else in the region. What is the logic behind acquiring such lands? Especially when already acquired lands are lying unused."*

The last point is borne out by facts. Based on the data provided under Right to Information Act (RTI) by the KIADB Zonal Office at Tumakuru, the land developed under various phases at Vasanthanarasapura is yet to be utilised fully as shown by Table 3.8 below:-

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[68] *See* Notification No. NaAE 60 BenRoPra 2020(E) dated 30.03.2022.

[69] See, Prajavani, 'ವಿವಾದದತ್ತ ಕೈಗಾರಿಕಾ ಕಾರಿಡಾರ್ (Industrial Corridor leads to controversy', July 13, 2022; Prajavani, 'ಪ್ರಾಧಿಕಾರ ರದ್ದತಿಗೆ ರೈತರ ಆಗ್ರಹ (Farmers demand withdrawal of the Planning Authority)', August 02, 2022; Prajapragathi, 'ಚರ್ಚೆ ನಡೆಸದೆ ಏಕಾಏಕಿ ಕಾರಿಡಾರ್ ಪ್ರಾಧಿಕಾರ (Corridor Authority constituted without consultation)', August 02, 2022.

[70] Malenadu refers to the central region of Karnataka which received high level of rainfall.

Table 3.8 Utilisation rates of land acquired for various Phases of Vasanthanarasapura Industrial Area

Phase	Date of Final Notification of Land Acquisition	Extent of Land Acquired (Acres-Guntas)	Land Allotted (Acres-Guntas)	Percentage of Utilisation (%)
I Phase	27-02-2007	782-22	517-20	66.16
II Phase	06-07-2010	1263-31	600-10	47.51
III Phase	23-07-2010	1832-10	333-08	18.19
IV Phase (CBIC)	30-10-2014	1722-30	NA	NA
Total		**3878-23**	**1450-38**	**37.40**

Source: Information obtained under RTI Act.

Figure 3.8: Protest against the Tumakuru Node of CBIC

Over 3,800 acres of land has been acquired between 2007-10 across 3 phases in Vasanthanarasapura located adjacent to the Tumakuru Node of CBIC. After a period of 10-15 years, only 37.4% of the land thus acquired have been allotted to industries. Over 2400 acres is still lying unallocated but despite that over 1722 acres have been acquired for Phase A of Tumakuru Node of CBIC.

3.5 In Conclusion

At a conceptual level, a cluster or enclave approach to promotion of industrial development is not new in India (Sampat, 2010; Cross, 2014; Jenkins et al, 2014).[71] The role of the state in promotion of industrial development in India went through a paradigm shift in the 1990s from that of investment planning to provisioning of infrastructure (especially land). As private capital (domestic as well as foreign) became the prime driver of industrial investments in the country, and since most of the infrastructure requirements fell in the domain of the state governments, various state

[71] The National Manufacturing Policy (2011) states that "Global experience of manufacturing has shown the advantages of clustering and agglomeration as it enhances supply chain responsiveness, provides easier access to market, talent and substantially lower logistics costs (GoI, 2011, pg 5)."

governments started competing with each other for investment of private capital, offering not just tax concessions but also easy access to land (through land banks) and priority access to water and energy resources. Within this framework, the Union government first adopted the Special Economic Zone framework (2005) and subsequently the National Manufacturing Policy (2011). The SEZ framework also adopted a cluster approach to industrial development, and access to existing infrastructure networks (rail, road, airport, ports) were strong factors guiding the citing of industrial clusters. How different is the idea of industrial corridors from this previous approach? What makes it a little difficult to answer this question is the fact that no policy framework has been articulated by the government beyond press releases outlining the broad objectives of the programme. While the National Manufacturing Policy (2011) speaks about establishing National Investment and Manufacturing Zones (NIMZ) as industrial townships, an idea that comes very close to the Nodes/Investment Regions being development under the National Industrial Corridor Programme, the policy was announced four years after the DMIC was conceptualised and has no mention of industrial corridors. In fact, without much loss of generality, each corridor can be looked at separately, and each corridor can be disaggregated to its constituent nodes which are more or less standalone industrial areas. In the case of Chennai-Bengaluru Industrial Corridor, for example, beyond the fact that the three nodes are located along the Golden Quadrilateral Road Network, no synergies are articulated between these nodes at the level of planning. Having said that, the emerging framework within which these nodes are being developed differ from existing industrial areas in two significant ways. Firstly, these nodes are envisioned as greenfield industrial areas comprising not only industrial sites but all allied services including residential areas, commercial facilities etc., which would be governed not by the jurisdictional local bodies like gram panchayats or municipalities but by industrial townships constituted under Article 243Q of the Constitution of India. Thus, 'zones of exceptions' are sought to be created under the guise of industrial development, and as we have seen in the case of Tumakuru Node, a much larger area than just the industrial area is sought to be brought within the ambit of these zones of exceptions.

Additionally, while in the existing industrial areas, the responsibility of waste management (both solid and liquid) and last mile infrastructure lies with the industry management, the nodes being developed under CBIC would provide already built trunk infrastructure (like treatment plants etc., power grids) to which the individual industrial units can plug into, which signals further socialisation of private externalities.

What the foregoing preliminary analysis shows is that the gains from such massive projects with such long project cycles are at best uncertain.[72] The socio-economic value of these projects are being justified based on projected figures of employment generation in the future. But as we saw above, different numbers in terms of potential employment generation are projected in different documents without providing any basis for such projections. There doesn't seem to be any process in place for evaluating whether the existing industrial parks have achieved their targets in terms of investment attracted or employment generated. Extent of acquisition itself seems not to be based on any needs assessment as we have seen in the case of Tumakuru Node where despite availability of unallotted land in industrial parks, further acquisition has been carried out in adjacent villages. Alongside the indiscriminate acquisition of land, the impact of the existing industries on the environment was clearly highlighted by the residents of the villages. The terms of the Environmental Clearance are being violated by the industries in the Vasanthanarasapura Industrial Area, and there is not just a complete absence of any mechanism either by KIADB itself or by KSPCB to monitor adherence to

[72] The point of the anticipated nature of the investment is also highlighted by Sampat (2015) in the case of Dholera Special Investment Region which is being developed as part of the DMIC.

these terms but even after complaints by the residents regarding this, the violations continue unchecked.

The opposition to these corridors has galvanised only after the emergence of sparse but definite signs of the expanse of the government's plan. Each phase of acquisition has been delinked from the previous and the subsequent phase of acquisition. The phase-wise acquisition of lands have not only fragmented the opposition to such large acquisition, it has also now created serious divergences and differentiation in the interest of the affected people. As it stands now, one set of people have largely reconciled themselves to the acquisition and are only aggrieved by the amount being paid to them or the delay in receiving compensation. Another set of farmers are involved in negotiations over the price for the next phase of acquisition, some of whom are willing to give the land to the government, some are opposed to it while a majority are undecided. Another set of residents who fall under the 123 villages which have been notified as falling under the jurisdiction of planning authority are unaware that the boundaries of the industrial corridor can engulf their lands also. This poses serious challenges for organisations which are trying to organise farmers against such large scale acquisitions. Aggregation of such varied interests into a coherent movement would be challenging to achieve but is also the need of the hour for a balanced development of both agriculture and industry.

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Annexure I: List of Industrial Corridors

	States	Corridors	Industrial Nodes/Industrial Manufacturing Cluster (IMC)	Projects
1.	Andhra Pradesh	1. CBIC: Chennai Bengaluru Industrial Corridor	Krishnapatnam	
		2. HBIC: Hyderabad Bengaluru Industrial Corridor	Orvakal	
		3. VCIC: Vizag Chennai Industrial Corridor	1. Koparthy 2. Visakhapatnam 3. Chittor	
2.	Bihar	AKIC: Amritsar Kolkata Industrial Corridor	Gaya	
3.	Gujarat	DMIC: Delhi Mumbai Industrial Corridor	Dholera Special Investment Region (DSIR)	Sanand- Multi Modal Logistics Park (MMLP)
4.	Haryana	1. DMIC: Delhi Mumbai Industrial Corridor		Nangal Chaudhary-Integrated Multi-Modal Logistics Hub (IMLH)
		AKIC: Amritsar Kolkata Industrial Corridor	Hisar	
5.	Jharkhand	AKIC: Amritsar Kolkata Industrial Corridor	Land parcel under finalisation	
6.	Karnataka	1. CBIC: Chennai Bengaluru Bengaluru	Tumakuru	
		2. BMIC: Bengaluru Mumbai Industrial Corridor	Dharwad	
7.	Kerala	Extension of CBIC to Kochi via Coimbatore	Palakkad	
8.	Madhya Pradesh	DMIC: Delhi Mumbai Industrial Corridor	Integrated Industrial Township – Vikram Udyogpuri (IIT-VUL)	
9.	Maharashtra	1. DMIC: Delhi Mumbai Industrial Corridor	1. Shendra Bidkin Industrial Area (SBIA) 2. Dighi Port Industrial Area	
		2. BMIC: Bengaluru Mumbai Industrial Corridor	Satara	
10.	Odisha	OEC: Odisha Economic Corridor	1. Paradip – Kendrapara- Dhamra-Subarnarekha 2. Gopalpur-Bhubaneswar -Kalinganagar	
11.	Punjab	AKIC: Amritsar Kolkata Industrial Corridor	Rajpura Patiala	
12.	Rajasthan	DMIC: Delhi Mumbai Industrial Corridor	1. Jodhpur Pali Marwar Industrial Area 2. Khushkhera Bhiwadi Neemrana Industrial Area	
13.	Tamil Nadu	1. CBIC: Chennai Bengaluru Industrial Corridor	Ponneri Industrial Area	
		2. Extension of CBIC to Kochi via Coimbatore	Dharmapuri	
14.	Telangana	1. HNIC: Hyderabad Nagpur Industrial Corridor	Zaheerabad	
		2. HWIC: Hyderabad Warangal Industrial Corridor	Hyderabad Pharma City	
15.	Uttar Pradesh	1. DMIC: Delhi Mumbai Industrial Corridor	Integrated Industrial Township -Greater Noida (IIT-GN)	Greater Noida- Multi Modal Logistics Hub (MMLH) & Multi modal Transport Hub
		2. AKIC: Amritsar Kolkata Industrial Corridor	Agra	
16.	Uttarakhand	AKIC: Amritsar Kolkata Industrial Corridor	Khurpia	
17.	West Bengal	AKIC: Amritsar Kolkata Industrial Corridor	Raghunathpur	

Source: Lok Sabha Unstarred Question 2876.

Annexure II: List of Projects under the proposed Industrial Corridors

Sl. no.	Corridor	No. of Projects	Project Name	Project Status
1	DMIC: Delhi Mumbai Industrial Corridor	10	Dholera Special Investment Region (DSIR), Gujarat Shendra Bidkin Industrial Area (SBIA), Maharashtra Integrated Industrial Township – Greater Noida (IIT-GN), Uttar Pradesh Integrated Industrial Township – VikramUdyogpuri (IIT-VUL), Madhya Pradesh Integrated Multi-Modal Logistics Hub – Nangal Chaudhary, Haryana	Under Implementation
			Multi Modal Logistics Hub & Multi Modal Transport Hub (MMLH & MMTH), Uttar Pradesh	Project has been approved on 30/12/2020
			Dighi Port Industrial Area, Maharashtra Multi Modal Logistics Park, Sanand, Gujarat Jodhpur PaliMarwar Industrial Area, Rajasthan KhushkheraBhiwadiNeemrana Industrial Area, Rajasthan	Project development activities underway
2	CBIC: Chennai Bengaluru Industrial Corridor	3	Krishnapatnam Industrial Area Tumakuru Industrial Area	Project has been approved on 30/12/2020
			Ponneri Industrial Area	Project development activities underway
3	Extension of CBIC to Kochi via Coimbatore	2	Palakkad Industrial Area, Kerala Dharmapuri, Tamil Nadu	Project development activities underway
4	AKIC: Amritsar Kolkata Industrial Corridor	7	Raghunathpur Industrial Park, West Bengal Hisar Integrated Manufacturing Cluster IMC, Haryana PragKhurpia Integrated Manufacturing Cluster IMC, Uttarakhand Rajpura Patiala IMC, Punjab	Project development activities underway
			Agra, Uttar Pradesh	Under Conceptualization
			New Bahri Node, Jharkhand Ghamariya IMC, Bihar	Land Details are awaited from the State Govt
5	HNIC: Hyderabad Nagpur Industrial Corridor	1	Zaheerabad Phase 1, Telangana	Project development activities underway
6	HWIC: Hyderabad Warangal Industrial Corridor	1	Hyderabad, Phase 1, Telangana	
7	HBIC: Hyderabad Bengaluru Industrial Corridor	1	Orvakal Industrial Area, Andhra Pradesh	
8	BMIC: Bengaluru Mumbai Industrial Corridor	2	Dharwad Node, Karnataka Satara Node, Maharashtra	Land Details are awaited from the State Govt.
9	VCIC: Vizag Chennai Industrial Corridor	3	Koparthy Industrial Area, Andhra Pradesh Visakhapatnam Industrial Area, Andhra Pradesh Chittoor Industrial Area, Andhra Pradesh	Project development activities underway
10	OEC: Odisha Economic Corridor	1	Paradip-Kendrapada-Dhamra-Subarnarekha, Odisha Gopalpur-Bhubaneshwar-Kalinganagar, Odisha	
11	DNIC: Delhi Nagpur Industrial Corridor	1	Detailed proposal is awaited from the State Government.	Under conceptualization
Total		32		

Source: Rajya Sabha Unstarred Question No. 1348 dated 12.02.2021.

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