
1 Introduction

Gujarat has been at the forefront of Industrial development in the country. As a conscious strategy to decongest the golden corridor as well as to bring the fruits of development to the other parts of the state, the Industries Department has been planning to set up industrial estates in Kutch and Saurashtra leveraging on the vast coastline. In the wake of the devastating Earthquake on 26th January 2001, Government of India and the Government of Gujarat have announced concessions to Industries in the form of excise duty concessions and sales tax exemptions for units operating in Kutch to bring about faster economic revival of Kutch.

In light of the above developments, the Industries department has proposed to establish a Chemical Industrial Estate in Kutch for which Tata Consultancy Services has been appointed to conduct a feasibility study.

1.1 BACKGROUND

Industries are growing at a fast pace in India. Industrial Estates have become an accepted model of facilitating industrial development in India. The rationale is to provide self-contained islands that meet all the infrastructure requirements of Industry.

High quality industrial parks offering international level of infrastructure and facilities is the need of the day. These parks shall offer value-added services, with a view to provide sustainable business advantages for the end users located there. Thus, there will be a perceived shift from the low value added industrial estates providing minimum infrastructure and service support to high value added industrial parks.

To encourage industrialization in selected areas and to curb unorganized growth of industries, industrial estates have been set up in different parts of the country. The objectives of setting up these industrial estates are:

- to provide sites with required infrastructure for a conglomeration of industrial units.
- to facilitate siting of complementary industries in the same premises and
- to encourage common system of some basic facilities like effluent treatment, thereby making them more affordable to smaller units which are unable to install and bear the costs of such facilities on their own.

1.2 SCOPE AND LIMITATIONS

The project examines the Feasibility of setting up of a Chemical Industrial Estate in Kutch in the wake of the tax exemptions. Demand Estimation is done through Stratified Random Sampling among Chemical Industries only, predominantly spread over Gujarat. Attempt is made at identifying the best site location in Kutch for the Estate. However, the site selected need not be perfect in terms of all the parameters. An Initial Environmental Examination is done and the site is found suitable, however, an Environmental Impact Assessment is needed before the final approval.

1.3 APPROACH AND METHODOLOGY

The project is divided into four modules. Module I deals with Demand Estimation, Project Sizing and Selection of Location. Module II comprises of Infrastructure Requirements, Infrastructure Provisions and Site Development. The Environmental Requirements are addressed in Module III and an IEE is done. Financial Feasibility and Project Structuring are dealt with in Module IV.

A review of the chemical industries and the scenario was done based on secondary data sources such as the iNDEXTb, GIDC, GIDB, CMIE, Trade bodies, various industry associations and TCS databases.. A primary survey was done among selected chemical industries to understand the willingness, expectations and perceptions on the proposed development. Also personal interviews were conducted among facilitatory stakeholders like Industrial Associations etc. The demand was assessed and the project sizing done. Land Potentiality analysis was done based on siting guidelines and certain key parameters to identify and shortlist potential locations for a Chemical Industrial Estate in Kutch. The site for the Estate was decided based on the Land Suitability and SWOT analysis for the shortlisted locations.

The status of the current physical and social infrastructure available in the site and surroundings were examined. The infrastructure requirements were arrived upon based on the standards for the estimated project size, the perceptions of the potential investors and facilities available in other competitive estates. The gaps in the existing facilities were identified and physical infrastructure facilities proposed with details of provisions, technology and quantity. Social infrastructure facilities required are broadly recommended. A zoning plan is prepared based on the land, infrastructure, site development and environmental parameters.

The environmental requirements for the Industrial Estate and the clearances required are reviewed. An initial environmental examination was carried out. The existing environmental scenario was examined and the possible scenario and impacts during the operational phase assessed. Broad mitigative measures are recommended.

The broad total cost of setting up of the Estate and the benefits were calculated. Attempts to examine whether or not the huge investment proposed in the infrastructure development is financially feasible was carried out. Also the financial statements and balance sheets were prepared. Broad Recommendations on structuring of the project are given.

The detailed framework adopted is described in the respective sections.

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