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**INFRASTRUCTURE DEVELOPMENT
DEPARTMENT**

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ANNUAL REPORT

2017-18



GOVERNMENT OF KARNATAKA

**INFRASTRUCTURE DEVELOPMENT
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ANNUAL REPORT FOR THE YEAR 2017-18

1. INSTITUTIONAL FRAMEWORK:

The Infrastructure Development Department was established in September 1996. The Infrastructure Development Department is mandated with the works mentioned below:

- (a) Providing assistance to the Government Departments/Agencies in developing infrastructure projects on Public and Private Partnership (PPP) mode and mainstreaming PPP mode of implementation.
- (b) Developing Airports and Airstrips.
- (c) Coordinating with the Railway Department to implement railway projects in the State.

Infrastructure Development Department is a Secretariat Department. The Additional Chief Secretary is the head of the Department and is assisted by three Deputy Secretaries and two Under Secretaries. A PPP cell has been established with Technical Assistance from Asian Development Bank (ADB) under Department of External Affairs (DEA) programme for "Mainstreaming PPP in Infrastructure Projects". The Additional Chief Secretary, IDD is the State PPP nodal officer. The cell is headed by a Director and he is assisted by a Senior Programmer & two Assistant Directors.

The following development agencies are working under the Infrastructure Development Department :-

- (a) Karnataka State Industrial and Infrastructure Development Corporation (KSIIDC) which is the nodal agency for BIAL and GAIL matters.
- (b) Rail Infrastructure Development company (Karnataka) Ltd.,(K-RIDE)
- (c) Bangalore Airport Rail Link Ltd., (BARL) –nodal agency Light Rail Transit Project (LRT)

This Department provides appropriate advisory services for planning, procurement and execution of projects under PPP initiated/proposed by different Departments of the State Government and related agencies.

During 2017-18, Rs.78999.00 lakhs have been provided to the Infrastructure Development Department and vide re-appropriation, out of which Rs.77891.82 lakhs was the expenditure incurred. The last 3 years

Budget Performance of the department is mentioned below:

Financial Year	Budget Allocation (Rs. In Cr)	Expenditure (Rs. In Cr)	% of Expenditure
2015-16	633.64	607.03	95.80
2016-17	809.68	807.45	99.72
2017-18	789.99	778.92	98.60

2 KEMPEGOWDA INTERNATIONAL AIRPORT PROJECT (BIAP)

- 2.1 Kempegowda International Airport is the country's first green field international airport conceived in the PPP format, which became operational in May, 2008.
- 2.2. Both Government of Karnataka and Government of India totally hold 26% shares in the company and the balance 74% is held by the private promoters.
- 2.3. Presently, Kempegowda International Airport is the 3rd largest airport in the country with 22.88 million passenger traffic in 2017-18.
- 2.4. Civil works of the 2nd runway is in progress and the design for 2nd terminal building being prepared.

3. Minor Airports

3.1 Kalburgi Airport:

Completion of balance works of Kalburgi Airport has been entrusted to Public Works Department on 25-06-2015 which includes 3 Packages at an estimated cost of 109.48 Cr. and the revised estimate of Rs.175.75 Crore has been approved in 2017-18. Works under Package-I & II are in progress. Package-III works have been Tendered.

3.2 Vijayapura Airport

Airports Authority of India (AAI) has been requested to take up development of Vijayapura Airport under New Airport Policy. Reply from Ministry of Civil Aviation is awaited in this regard.

3.3 Hassan Airport:

This Airport is developed under PPP mode. Out of 760 Acres of land required, 530 acres has been acquired and handed over to the developer M/s. Axicades Aerospace Infrastructure Ltd,. Process of acquisition for balance 224 acres of land is under progress.

3.4 Ballari Airport:

Ballari airport is being developed on PPP basis and M/s Marg Sri Krishnadevaraya Airport Pvt. Ltd., has been selected as the developer. Out of, 900 acres of land required, 823 acres has been acquired and acquisition of balance land is in progress. The PDA and Land Lease Deed are being finalized for signing. The developer has been requested to take possession of the available 823 acres of land and commence construction works.

3.5 Shivamogga Airport

Around 662 acres of Land has been acquired for the development of this Airport. Since there was poor response in first bidding process of this airport under PPP basis, alternate methods of developing Shivamogga airport is being examined.

4. Airports owned by Airports Authority of India (AAI)

4.1 Mysuru Airport

State Government has borne the entire land acquisition cost for acquisition of 175 acres of land required for development of 1st stage and handed over to AAI. Development of the airport is completed and operationalized on 1.10.2010. AAI is conducting studies through IIT, New Delhi, regarding feasibility for construction of under pass near NH-212, to extend the runway of this airport for operation A.320 type of Aircraft.

4.2 Hubballi Airport:

This airport belongs to AAI and has been upgraded by AAI for operation of A.320 type of Aircraft. As per the MoU signed with AAI on 23.01.2013, 588 acres of land has been handed over to AAI. Upgradation works have been completed and commissioned on 12/12/2017.

4.3 Belagavi Airport

This airport belongs to AAI is being upgraded by AAI for operation of A.320 type of Aircraft. State Government has handed over 370 acres of land to AAI as per MoU signed with AAI on 19.01.2012. Upgradation works have been completed and commissioned on 14/09/2017.

4.4 Mangaluru Airport.

This airport is owned by AAI. As agreed by GoK, the cost of land acquisition for new terminal building, second runway and rehabilitation has been borne by the State Government. Proposal of further extension of runway is under consideration of AAI.

4.5 Bidar Airport:

This airport is owned by Ministry of Defence. State Government has constructed new Terminal building in 3 acres of land adjacent to the airport. MOCA was requested to issue NOC to start civil operations in the airport but AAI has not issued NOC in view of the agreement with M/S. G.M.R. Hyderabad International Airport Limited for not providing develop of any new airport within 150 Km. Action is being taken by AAI to operationalise Bidar airport under Regional Connectivity Scheme of New Civil Aviation Policy of Ministry of Civil Aviation.

5. Devanahalli Business Park

Bengaluru Signature Business Park is being developed under PPP model in 408 acres of land adjacent to Kempegowda International Airport. Consortium of Stantec Consulting Pvt. Ltd., Ahmedabad & Jones Lng Lasalle Property Consultants (India) Pvt. Ltd., Ahmedabad, have been appointed as consultant to prepare Master Plan for this project.

6. Bengaluru International Convention Centre (BIC-3)

International Convention Centre is being developed with a seating capacity of 6000 seats in 35 acres of land, out of 408 acres of land adjacent to Kempegowda International Airport which includes Exhibition Hall, Food Court and other necessary facilities. Salient features of the Project are as follows:

- (i) Development of main convention hall, exhibition hall and food court under EPC model .
- (ii) Structuring the Operation and Management of the ICC and setting up of other allied/supporting facilities such as 5/4/3 Star category hotels, service apartments, theme park(s) etc and other necessary infrastructure on PPP mode and invite private sector participation for the same.
- (iii) KSIIDC has been appointed as nodal agency to take up the implementation/development of this project. Government has accorded approval to appoint design Consultants of world standards to provide concept Architecture / Designs & PMC Services. M/S. Populous Designs Private Limited have been appointed to provide concept design and architecture / design services.

- (iv) Cabinet has accorded approval for Green House concept & Garden City Theme. Suggestions & comments of Bidders was obtained in the Round Table conference held on 20.02.2017 & alternate methods for implementing this project are under the consideration of Government.
- (v) The approvals accorded vide G.O No: IDD 44 DIA 2011, dated 04.12.2017 for providing upto 100% VGF by Government of Karnataka (around Rs.440.00 crore) for the development of the ICC and Exhibition hall(not including the hotel costs) on the least VGF required basis.

7. DABHOL – BENGALURU (BIDADI) GAS PIPELINE:

Gas Authority of India Limited (GAIL), a Govt. of India undertaking, has completed laying of Trunk pipelines for transporting gas from Dabhol to Bengaluru during February 2013. The pipeline passes through nine districts in Karnataka viz., Belgavi, Gadag, Dharwad, Ballari, Davanagere, Chitradurga, Tumakuru, Bengaluru and Ramanagara. Natural Gas is being supplied to certain industries located on the pipeline route.

8. CITY GAS DISTRIBUTION:

- Consequent to laying of Gas Pipeline from Dabhol-Bengaluru by GAIL and as per the MOU signed between IDD, GoK and GAIL, to establish a Joint Venture company being established for developing gas distribution infrastructure in cities / towns and industrial areas.
- The name of the Company has been proposed as "Karnataka Natural Gas Limited (KNGL)". Registration of the company is under progress and the business plan for the company has been prepared.
- In order to supply natural gas to various categories of consumers such as industries, transport, domestic household etc necessary infrastructure has to be created. Petroleum and Natural Gas Regulatory Board, Govt of India, selects the developer through tendering process for implementing the projects in different districts. Accordingly, work order has been issued to M/s GAIL Gas Ltd in respect of Bengaluru Urban and Rural districts; M/s Megha Engineering & Infrastructure Ltd in respect of Tumakuru and Belagavi districts and Indian Oil-Adani Gas Private Ltd in respect of Dharward district. The selected agencies have to complete the projects in a period of five years. The agencies have commenced the work of pipeline route survey, obtaining necessary permissions from the concerned local authorities under the applicable Acts/Rules.

In Bengaluru 1397 inch km pipeline has been laid; 21400 PNG connections are completed (gas being supplied to 2600 houses); CNG stations at Prem Nagar (Beggar's colony) is established. Gas is being supplied to BEL, Jindal colony, HSR layout, Yeshwanthpur & Malleshwaram.

9. Rail Infrastructure Development Company(Karnataka) Ltd(K-Ride)

The Rail Infrastructure Development Company(Karnataka) Ltd, K-RIDE was set up as a joint venture between the Ministry of Railways & Government of Karnataka to identify & undertake implementation of Railway projects in Karnataka.

10. Cost Sharing Projects of Governemnt of Karnataka:

10.1 Ramanagara –Mysuru Railway Doubling Project:

Ramanagara – Mysuru Railway Doubling Project was taken up on cost sharing basis in 2/3:1/3 ratio by Government of Karnataka & Ministry of Railways. Rs.503.14 Crores of budget has been released for this project. The shifting of 1.5 Kms of Tippu Aurmoury is completed. 93 Kms of this line except 1.5 kms of Tippu Aurmoury area has been commissioned. Electrification of this line has been completed and the double line has been commissioned on 26/12/2017 with electrification.

10.2 Bidar –Gulbarga New Railway Line Project:

110 Kms of Bidar-Gulbarga New railway line is being implemented on 50:50 cost sharing basis with Ministry of Railways. Out of Rs.844.15 Cr of estimated cost of the project, Rs.422.00 Cr has already been released. 38 Kms of this line is open for traffic, while engine rolling is carried out in 64 Kms of this line. Railway board has accorded approval for 2nd time for the revised estimate of Rs.1542.41 cr (out of which State Share : Rs.771.205 cr) for the Bidar-Kalburgi New Railway line, GoK has also accorded the administrative approval for the same & has released Rs.77.00 Cr towards construction. This project has been completed and commissioned on 29/10/2017.

10.3 Bengaluru-Hassan New Railway Line Project:

Government of Karnataka has taken up balance work of Bengaluru-Hassan New Railway line on cost sharing basis in 2010 where-in Ministry of Railway share is Rs. 872.71 Cr & State share is Rs.467.21Cr. Out of which Rs.435.17 Cr has been released to the project. This railway line project has been completed & commissioned on 26/03/2017.

10.4 Munirabad-Mehaboob Nagar New Railway Line Project:

170 Kms of Munirabad-Mehaboob Nagar New Railway Line is implemented on 50:50 cost sharing basis with Ministry of Railways. As per the revised estimate for this project, submitted by Ministry of Railways, cost of the project has been escalated to Rs.1350.91 Cr. Out of this, State share of Rs.345.00 Cr has been already released. An extent of 1200 acres of land has been handed over to South Western Railway. Alignment of railway lines between Gangavati-Chikkabenakal is completed & Ginigera-Chikkabenakal section was opened for traffic on 31.03.2017.

10.5 Tumkur-Rayadurga Railway Line Project:

State Government has accorded approval to take up 102.63 Kms of Tumkur-Rayadurga Railway Line on 50:50 cost sharing basis with Ministry of Railways at an estimated cost of Rs.479.59 Cr. Till date, State Government has released Rs.170.00 Cr out the its share of Rs.239.80 Cr. Land acquisition process is under progress.

10.6 Bagalkot-Kuduchi New Railway Line Project:

Implementation of 144 Kms of Bagalkot-Kuduchi New Railway Line is taken up on 50:50 cost sharing basis with Ministry of Railways along with land free of cost. Out of Rs.816.14 Cr of estimated project cost, Rs.122.02 Cr of State share has been released to Railways for construction and Rs. 177.82 cr is released towards acquisition of

required land for this project. Works in 30kms of Bagalkote-Khajjidoni section is completed & shall be opened for traffic at the earliest.

10.7 Kadur-Chikmagaluru-Sakaleshpura Railway Line Project:

Rs.25.49 cr has been released to concerned Deputy Commissioners to acquire the required land for 46kms of Chikkamahalur-Sakaleshpura railway line & Rs.25.00 Cr has been released to SouthWestern Railways for construction.. Land acquisition process is in progress.

10.8 Gadag-Wadi Railway Line Project:

During 2013-14, 252 Kms of Gadag-Wadi Railway Line Project was taken up on 50:50 cost sharing basis with Ministry of Railways at an estimated cost of Rs.1922.14 Cr. State Government has accorded approval to provide required land free of cost for this project.

Rs.152.54 cr has been released to KIADB & Rs.50.28 cr has been released to Railways towards construction. Land acquisition process is in progress.

10.9 Hejjala-Chamarajanagara New Railway Line Project:

Administrative approval has been accorded to take up Hejjala-Chamarajanagara New Railway Line on 50:50 cost sharing basis with Ministry Railways along with land free of cost vide Government Order dated:03.03.2014. In the PMG meeting held on 21.02.2018, the subject has been discussed and decision is pending.

10.10 Tumkuru- Davangere New Railway line Project:

Administrative approval has been accorded to take up Tumukuru-Davangere new railway line project on 50:50 cost sharing basis with Ministry of Railways along with land free of cost vide Government order dated:22.06.2016 at an estimated cost of Rs.1801.00 Cr. Karnataka Mining Environment Restoration Corporation (KMERC) to bear the entire amount of 50 % of the State share of the construction cost of the land as part of the environment plan of KMERC and the same has been included in their action plan which has been submitted to Hon'ble Supreme Court.

Provision has been made in the action plan of KMERC for laying of Tumkuru-Chitradurga-Davangere Railway line by the Ministry of Railway at an estimated cost of Rs.2500.00 Cr (Railway share: Rs.1000.00 Cr & KMERC Share: Rs.1500.00 Cr) with the objective to ensure that bulk of iron ore will move on Railways/ conveyor belt system rather than on roads & also railway sub-lines in Tumkur & Chitradurga districts can be of use only when Tumkur-Davangere new BG line is constructed.

Hon'ble Supreme Court vide judgement dated 21.03.2017 has directed State Government & CEC to submit a detailed proposal with regard to implementation of the scheme of construction of conveyor belt system in respect of existing leases & details of the project relating to construction of railway sidings & railway sub-lines to the Hon'ble Supreme Court.

10.11 Kolar Coach Factory:

The estimated cost of setting up of Kolar Coach Factory in Kolar district, by State Government and Ministry of Railways on 50:50 cost sharing basis is Rs. 1461 Cr. An extent of 1118 acres of land is provided free of cost to Railway. MoU has been signed with Railways in this regard. DC, Kolar has identified 1120.33 acres of land in Kolar, out of which 830.21 acres is private land & 290.12 acres is Government land. In the letter addressed to Hon'ble Prime Minister dated:25.03.2017, Hon'ble Chief Minister has requested to direct the concerned Railway officials to expedite action in this regard.

10.12 Yadgiri Fiat Rail Coach Manufacturing Factory:

150 acres of land has been handed over to Railways to establish Fiat Coach Manufacturing factory at Yadagiri district of Karnataka. Construction work of the factory is completed & inaugurated on 18/08/2017.

10.13 Hubballi –Ankola New Railway Line Project:

In the year 1997-98 the Ministry of Railways had sanctioned the construction of a broadgauge railway line from Hubli to Ankola for around 168 kms linking Hubli with the existing Konkan railway line. This will provide a direct rail link from North Karnataka hinterland to the west coast of Karnataka. The initial work on a stretch of about 40 kms from Hubli to Kalghatgi has been done and an amount of Rs 117.00crores spent by the Railways. The foundation stone for this project was laid by the then Prime Minister Sri Atal Bihari Vajpayee. Subsequently, the work could not be under taken since the line passes through forest area and an appeal was filed before the Central Empowered Committee, set up by the Hon'ble Supreme Court.

It is emphasized that the Hubli – Ankola railway line is of utmost importance for the development of the back ward region of North Karnataka as it connects coastal Karnataka in the North to the hinter land. The Government of Karnataka is also seriously working at setting up a major port in the North of Karnataka at Belikeri or Tadadi with capacity ranging from 30 million tones cargo per annum and above. The railway line proposed between Hubli – Ankola becomes the most important feeder artery connecting the port to the industries being developed in the Northern and North Eastern Karnataka.

The significance of this railway line had been highlighted to the CEC who visited the spot in December 2013 and which has been acknowledged in their report. The road capacity of NH 63 between Hubli & Ankola is limited and is not a viable alternative and causes more pollution than a railway line. The development of the projects Seabird, Kaiga nuclear power project, NMPT'S thermal power plant etc., and other large industries coming up in this area will benefit a lot from this railway line.

The Government is committed to ensure minimal damage to the forest and will implement stringently all mitigation measures required as well as development of compensatory forest in this area.

The NGT, after a series of hearing has disposed of the matter and has asked the project proponent viz; Railways, to send a proposal to the State Government for further examination.

South Western Railway have re-examined and reduced the requirement of Forest area from 667 ha. to 595.64 ha in Karwar, Yellapur and Dharwad division and submitted the proposal through online mode to GoK on 12.05.2016. Forest Department has submitted a proposal to MoEF, GoI to obtain approval for diversion under section 2 of Forest (Conservation) Act, 1980.

Out of the total land required for the project of 996 Ha which included 595 Ha of forest land, in 2012, GoK has already handed over 255.84 Ha of private land to Railways so far. The balance 142 Ha private land required will be acquired immediately after receiving requisition from Ministry of Railways. 741.84 Ha of balance land will be handed over after clearance from MoEF & CC.

The State Government vide letter dated 9/11/2017 has requested the MoE & F, Wildlife Division, to accord Wildlife clearance for diversion of proposed forest land as per the recommendations of the REC, that the project is located in the Western Ghats Region, an important Bio-diversity hotspot required critical appraisal from the Wildlife conservation perspective. The recommendation of the State Government in Part-V was enclosed. The clearance from Wild Life Board is awaited.

11 Infrastructure Development Corporation (Karnataka) Limited

During the year 2017-18, Rs. 2.00 crore has been released to i-Deck as loan to provide project development & project advisory services to the Government Department/agencies including Infrastructure Development Department.

12 Initiatives of PPP Cell

12.1 PPP cell is organizing capacity building programs on implementation of PPP projects through the Bengaluru, i-Deck, Bengaluru and Administrative Training Institute, Mysuru to train the officers of various administrative departments/organizations. During

2017-18, thirteen (13) programmes were organized and 302 officers participated in these programmes. 65 officers were women.

12.2 PPP Cell in IDD assists the Government Departments and agencies during the PPP project development cycle as per the requirement in undertaking feasibility studies, selection of Transaction Advisor, evaluation of bids, assistance in obtaining grants from Government of India

12.3 Karnataka Infrastructure Development & Investment Plan has been prepared & the views of the different departments are being obtained.

13. Development of seaport at Tadadi

To give a fillip to the industrial development in Northern part of Karnataka, the State Government has felt the need for developing a sea port at Tadadi, Kumta taluk in Uttar Kannada District on PPP mode. KSIIDC is the designated Nodal Agency for the project. The Status of the project as on date is as below:

- Detailed Technical Feasibility Report has been finalized
- Draft Environmental Impact Assessment (EIA) report as been prepared
- A company viz., “Tadadi port Limited” has been incorporated.
- 1400 acres of land is available for this project. The draft EIA & CRZ study reports & detailed project reports are prepared. An approval is obtained from Ministry of Environment, Forest & Climate Change & additional studies are being carried out subject to the conditions of Ministry to implement the project.

14 Light Rail Transit System[LRT] :

Light Rail Transit System has been proposed to be implemented in two corridors of Bangalore City for a distance of about 41.90 KMs. The Detailed Project Report has been prepared.

Important features of the project are:

Corridor No.I	JP Nagar to Hebbal along the western Crescent of Outer ring road(31.30 Km).
Corridor No.II	Tollgate to peripheral Ring Road on Magadi Road (10.60 kms).
Corridor Type	Elevated via-duct of 9.50 Mts. width (Two ways).

Train consist	Three Coaches of 20 Mts. length each.
Stations	35 Nos. at an interval of about 1 KM (Elevated Stations).
Depot	Common Depot at the grade common to both corridors at the intersection.

The Government is examining the possibility of mobilizing the funds to the project through innovative land based financing mechanism
