



In the past, we have seen how the exemplary growth of western India has continually attracted investors and businessmen here. Those with a viable idea and a predisposition for perseverance have never turned back from cities like Ahmedabad and Mumbai empty-handed. Add to this the spectacular prospects in Goa, which ranks as the most competitive in India with respect to income, consumption and demographics.

Magnificent Maharashtra
Over the years, Maharashtra has continually upgraded its regulatory policies and infrastructure to retain the environment for growth in the state. For instance, to aid trade, many developments are in progress with the private sector such as the Mumbai-Delhi industrial corridor. Similarly, the construction of a six-lane 22-km Mumbai Trans Harbour Link project that is planned between Sewree and Nhava valued at Rs. 5,000 crore is expected to increase industrial productivity in Mumbai. The Mumbai Urban Infrastructure Project (MUIP) had also prioritised the development of two key roads to connect eastern and western suburbs; namely, Jogeshwari-Vikhroli Link Road and the Santa Cruz-Chembur Link Road. Maharashtra has three international

and five domestic airports. New airports are also planned at Yavatmal, Nanded, Latur, Osmanabad, Baramati, Kolhapur, Ratnagiri and Sindhudurg. Similarly, to reduce air traffic congestion at Mumbai's international airport, a supplementary airport will be developed at Navi Mumbai costing an estimated US\$ 2.1 billion. The state is expected to have another airport at Kolhapur by February 2012. According to Centre for Monitoring Indian Economy Pvt Ltd (CMIE), Maharashtra received investment in air transport to the tune of US\$ 5,314.9 million in March 2010.

Enterprising Gujarat
The Gujarat government is taking decisive strides in enhancing the state's infrastructure. For instance, in a move to facilitate business travel, it has set up the public company Gujarat State Aviation Company (GUJSAC). Gujarat boasts of 13 domestic airports, the highest in any state as well as an international airport at Ahmedabad, touted as India's eighth-busiest airport. Additionally, an international airport is planned at Fedra in Dholera, which is situated about 130 kms away from Ahmedabad. Gujarat has seen investments in airports soar at around US\$ 1,773.8 million, as reported by CMIE. To increase trade connectivity and

ease state administration, it is also taking measures such as developing the Ahmedabad Metro Rail link with Gandhinagar. Besides this, the Gujarat government also introduced the 'PragatipathYojana' in 2005, to develop nine high-speed corridors and widen highways to improve connectivity between rural and urban areas.

Opportune Goa
With a similar view to encourage growth, the Goa government has decided to take a fresh look at aviation and infrastructure in the state. In the state's 2010-11 budget, the Goa government announced a plan to develop infrastructure in the public private partnership (PPP) mode, comprising projects such as the maintenance and development of roads and a sea link connecting Panaji and Vasco.

Being a tourist destination, Goa sees tremendous travel traffic into and from the city. Connected to many Indian cities by air, the state is among the top ten in national air traffic. This is evident in the fact that according to Indian Brand Equity Foundation, the state witnessed the movement of 2.6 million passengers and 24,826 aircrafts in 2009-2010. Goa also has reasonably good international air connectivity, and chartered flights from Europe are common. However, with a view to boost global travel further, the Airports Authority of India has mulled an international airport renovation project at Dabolim, at a cost of US\$ 108.7 million.

In fact, the state government is also considering an international airport project at Mopa, expected to cost US\$ 326.1 million. There is also talk of a civilian airport at Mopa to be managed in the build-own-operate-transfer (BOOT) mode. Higher connectivity in Goa will enable increased tourism and lead to appreciation in real estate demand and consecutively, the quality of infrastructure here.

Given such developments, the future looks much brighter than before for those looking to conduct business in the western region of India.

A History of Corporate Success

Adi Godrej, Chairman, Godrej Group explains various aspects of infrastructure and real estate sector in western India to **Juhi Shrivastava**

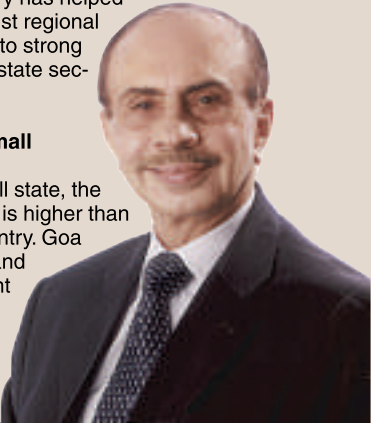
Western India is much better developed than other parts of the country. In terms of infrastructure, over the last century and even during the British era, the western region was far more developed than other parts of the country. Mumbai is the preeminent financial center for the last 30 to 40 years. All these factors has led to a higher per capita income and higher rate of development in the west.

Factors Leading to Prosperity in the West
There are many reasons for the better development of western region. People here are traditionally more enterprising. The education level has been high in the west. The state governments here are also very supportive for development. Government policies have been particularly beneficial in Gujarat. Gujarat's infrastructure development has been the best in the country. The development rate in Gujarat has been very high. Having done reasonably well compared to other parts of the country, Maharashtra is developing well particularly as a result of the entrepreneurship of its people. Also being the financial hub of the country has helped its development. The robust regional economic growth has led to strong development in the real estate sector of these regions.

Goa: Good Things in Small Packages
Despite being a very small state, the per capita income of Goa is higher than any other state in the country. Goa is doing reasonably well and infrastructure development in Goa in my mind is reasonably good. In real estate development, all the states in the western region have done reasonably well since per capita income is good, leading to high demand for housing and commercial space.

Prospect of Real Estate and Infrastructure Development
Real estate development in the west has been good but it could be much better. There is a huge prospect for infrastructure and real estate development in western India, but policies need to be up-to-date and development-oriented. Few important policies need to be changed, particularly in the west. The regulatory approval should be given fast. Too many approvals should not be required.

The FSI is very low here. With certain exceptions it can go up to 4. Higher FSI will improve the efficiency as fewer infrastructures would be required. Urban development can improve with higher FSI. Thus, there is tremendous opportunity for improvement in these fields. Real estate demand, especially residential demand for middle and low income groups, is vast. Government policies should be framed to see that the demand can be met with more than adequate supply so that it is met at a reasonable price. Property and real estate developers should make their profits from volume and not price. For all this, government regulations involving quick approvals and adequate FSI need to be attended.



Expanding Scope For IT

Western India's IT prowess is evident in the companies that prospered here. **Aditya Sekhar, CSO, Micro Technologies (I) Ltd** elaborates it to **Mitali Saha**

Until now, IT and security system-manufacturing companies have marked their presence only in the metro cities. But today, semi-urban and rural sectors of western India have been emerging with productive infrastructural competence and financial assistance. Expedient availability and accessibility of resources in these regions and also presence of rich untapped human resource talents with cost effectiveness makes them equivalently proficient like metro cities. Western India has been commercially favourable to the industry, accelerating growth more rapidly compared to other regions.

The western region of India has been commercially lucrative to most IT and IT security system companies like Mumbai-based Zicom and Navi Mumbai-based Micro Technologies (I) Ltd. The latter is making rapid strides in the area of Location-based Services (LBS) that can improve disaster survivability by providing information to people in the proximity of a disaster impact zone with their Micro Emergency Response System. This region constitutes a diverse segment of customers that need personal security solutions for their vehicles, mobiles, laptops, homes and 'corporates' demanding an end-to-end solution for their organisations in terms of surveillance, access controls. The western state governments have welcomed the presence of more IT and IT security companies to contribute in these regions with gratification, which are enhanced by certain policy amendments in terms of investment-based policies and tax benefits.

This mindset towards IT/ITeS is clear in the Goa Government's range of fiscal and policy incentives for businesses under the Industrial Policy, 2003. As of 2010, the state of Goa has also approved special economic zones (SEZ) covering knowledge-based industries like IT/ITeS located at Verna and Bardez. Additionally, the state government has given special attention to proposals from companies involving investments more than US\$ 10.9 million or those which create employment of 1,000 and 1,500 or more in the case of IT and ITeS companies respectively. In addition, the government is also looking at business incubation for technology start-ups; reimbursement of stamp duty when purchasing or leasing land or a building from the Goa Industrial Development Corporation (GIDC), subsidy on power and water, among other facilities.

In Maharashtra, the Maharashtra Industrial Development Corporation (MIDC) and City and Industrial Development Corporation of Maharashtra Limited (CIDCO) has developed 36 IT parks in addition to the 70 operated by the private sector. According to Indian Brand Equity Foundation, these have attracted investments amounting to US\$ 219 million and have created 138,000 jobs. Similarly, the Maharashtra IT/ITES Policy, 2009 provides fiscal benefits to IT and ITeS firms including supply of power at industrial rates applicable under the Maharashtra Electricity Regulatory Commissioner's tariff orders and exemption of 90% of stamp duty payment for mergers, de-mergers and reconstruction of firms. With such incentives in place, more than 30% of India's total software exports successfully emerge from Maharashtra's 1,200 software units.

With so many incentives in this field as well as a sturdy foundation in skilled human resource, the region is poised for massive growth.

Major Projects in Goa				
Project Name	Promoter	Industry	Cost (Rs.Crore)	Commissioning Date
International	Government of Goa Airport (Mopa)	Airways (Aviation Infrastructure)	3,000.0	31-Dec-14
Breakwater Terminal (Mormugao)	Mormugao Port Trust	Shipping Infrastructure	721.0	
International Airport (Dabolim) - Renovation	Airports Authority of India	Airways (Aviation Infrastructure)		
Sub-Transmission & Distribution (Goa)	Government of Goa	Power Distribution	176.3	
Road Upgradation (South Goa)	National Highways Authority of India	Roadways	130.0	
Road Upgradation (Goa)	Goa State Infrastructure Devp. Corpn.	Roadways	86.6	
Hospital (Margao)	Goa State Infrastructure Devp. Corpn.	Hospitals	85.3	
Bridge (Navelim)	Public Works Department, Goa	Roadways	49.4	
Major Infrastructure and Real Estates Projects in Maharashtra				
Project Name	Promoter	Cost (₹. Crore)	Commissioning Date	
Multi-Modal Corridor (Virar-Alibaug) Project	Mumbai Metropolitan Region Devp. Authority	12,000.0	31-Dec-14	
Charkop-Bandra-Mankhurd Metro Rail Project - Phase II	Mumbai Metropolitan Region Devp. Authority	12,000.0	31-Dec-14	
Mumbai Trans Harbour Link Project	Maharashtra State Road Devp. Corpn.	7,600.0	31-Dec-18	
International Airport (Pune) Project	Maharashtra Airport Devp. Co.	7,500.0	NA	
Mumbai Airport Project - Modernisation	Mumbai International Airports Pvt.	7,000.0	NA	
IV Container & Marine Chemical Terminal Project	Jawaharlal Nehru Port Trust	7,000.0	31-Dec-15	
Housing (Virar) Project	HDIL	6,500.0	31-Dec-15	
Multi-Product SEZ (Sinner) Project	Maharashtra Industrial Devp. Corpn.	5,264.0	NA	
Worli-Nariman Point Freeway Project	Maharashtra State Road Devp. Corpn.	5,100.0	30-Jun-14	
Nagpur Intl. Passenger & Cargo Hub Airport Project Phase I	Maharashtra Airport Devp. Co.	5,000.0	31-Dec-30	

Major Infrastructure and Real Estates Projects in Gujarat				
Project Name	Promoter	Cost (₹. Crore)	Commissioning Date	
Multi-Product SEZ (Valsad)	Gujarat Vittal Innovation City	15,000.0		
Ahmedabad - Gandhinagar Metro Rail	Metro Link Express	10,000.0		
Residential Township (Ahmedabad)	Godrej Properties	7,000.0		
Road Upgradation (Krishangarh-Udaipur -Ahmedabad)	National Highways Authority of India	5,700.0		
Western Region Grid Strengthening Scheme II	Power Grid Corpn. of India	4,800.0	30-Jun-11	
Multi Product SEZ (Anjar)	Indian Infrastructure Corpn. & Power SEZ	4,500.0		
Economic Zone (Bharuch)	Power Grid Corpn. of India	4,100.0	31-Oct-12	
Mundra Ultra Mega Power Transmission				
Positra Port	Gujarat Positra Port Infrastructure	3,335.0		
Dholera Port	Dholera Port	3,000.0		
Ship Building Complex (Kandla)	Kandla Port Trust	3,000.0		
Integrated Township (Ahmedabad)	Adani Townships & Real Estate Company	2,900.0		
Gujarat Gas Grid	Gujarat State Petronet	2,500.0		
Integrated Township (Jamnagar)	Jamnagar Vadinar Properties	2,500.0	31-Oct-13	
Road Upgradation (Ahmedabad-Vadodara)	National Highways Authority of India	2,381.0		
Simar Port Phase I	Gujarat Maritime Board	1,660.0		
Special Economic Zone (Panoli)	J B SEZ Pvt.	1,660.0	31-Mar-12	
Special Economic Zone (Jambusar)	Sterling SEZ & Infrastructure	1,600.0		
Virar-Ahmedabad	Western Railway	1,500.0		
Source: ProjectsToday.com				
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