

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

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Cabinet approves development of Trunk Infrastructure Components for Integrated Multi Modal Logistics Hub known as "Freight Village" at Nangal Chaudhary in Haryana under Delhi Mumbai Industrial Corridor Project

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi has given its approval to the following proposal of the Department of Industrial Policy and Promotion:-

- i. Development of Freight Village, an Integrated Multi Modal Logistics Hub (IMLH), Nangal Chaudhary, Haryana on 886.78 acres of land to be implemented by the project Special Purpose Vehicle (SPV) in two phases.
- ii. Financial sanction of Rs. 1029.49 crore for development of Phase I and in principle approval for development of Phase II of the project. Expenditure on Phase I comprises cost of entire land at Rs. 266 crore including cost of the land to be used for development of Phase II.
- iii. Investment of Rs. 763.49 crore by National Industrial Corridor Development and Implementation Trust (NICDIT) which includes of Rs. 266 crore as equity and Rs. 497.49 crore as debt in the SPV; and
- iv. Bidding for trunk infrastructure development by SPV on EPC basis;

Impact:

The project has enormous economic value in terms of direct and indirect benefits and multiplier effects on the economy. The economic benefits of the project will include creation of employment, reduction in fuel costs, boosts to exports, reduction in vehicle (trucks) operating cost, reduction in accident related costs, increase in collection of taxes by the State Government, reduction in pollution, etc.

The proposed development of a Freight Village as Multi Modal Logistics Hub is estimated to generate over four thousand direct and six thousand indirect employment. Job creation will not be limited to core logistics facilities but would also entail opportunities for entire logistics supply chain.

Details:

- The construction of trunk infrastructure will be undertaken in two phases. Phase I will be implemented by financial year 2020-21.

- The award of various construction packages will be made in a manner so that the entire construction of trunk infrastructure gets completed simultaneously.
- Phase-II of the project will be reappraised in 2028 or earlier, if so required, for suitable financial sanctions.
- For implementation of proposed Freight Village, an SPV has been incorporated as a 50:50 Joint Venture of Government of India through NICDIT and Government of Haryana through HSIDC under the name "DMIC Haryana Multi Modal Logistic Hub Project Limited".

The Freight Village will be connected through Western Dedicated Freight Corridor (DFC) at Dabla, which is at a distance of approximately 10 kms. This logistics hub integrated with the DFC would have the following components:

- i. High speed connectivity to key ports and Industrial Centres;
- ii. Lower cost of supplying goods - faster freight operations & removal of multiple handling costs;
- iii. Improved service quality;
- iv. Real time freight tracking and data analysis;
- v. Single-point solution to all logistics need like loading/aggregation/packaging/ storage;
- vi. Speedy access to ports from hinterland;
- vii. Economy of scale in supply chain operations with reduced cost and time of operations;
- viii. Last mile gateway port connectivity from the hinterland;
- ix. Contain unorganized growth of container freight stations.

Background:

Government of India (Gol) is developing the Delhi Mumbai Industrial Corridor, as a global manufacturing and investment destination around 1,504 km long Western Dedicated Freight Corridor (DFC) as the backbone. Investment Regions and Industrial Areas have been identified for development in this corridor, across six States namely Gujarat, Haryana, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh.

Haryana is a major industrial and trading hub in North India. Potentially high rate of industrial development has to be supported through additional infrastructure to handle the transport of raw material and manufactured goods. Haryana is expected to witness container traffic of about 10 Million Twenty Foot Equivalent Unit (TEUs) by 2025. Hence, development of a Freight Village in Mahendragarh district of Haryana has been considered necessary to achieve the following objectives:

- i. Improving efficiency of operations of existing industries in the region as well as attractiveness of the region as an investment destination for various categories of industries, warehousing and logistics operators;
- ii. Tapping potential traffic along the Western DFC and of Northern states which is likely to galvanise rail-based freight movement with high-end operational features of faster and high-capacity freight trains. It will serve as a world-class multi modal facility that provides for efficient storage/transitioning of goods to/from DFC, thereby catering to the escalated freight traffic;
- iii. Offering an attractive destination to freight companies and customers to boost industrial development in the region and creating economic opportunities. The facility will not only house standard container handling activities but will create various value added services.

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