

**O.I.H.**

**GOVERNMENT OF INDIA  
MINISTRY OF HOUSING AND URBAN AFFAIRS  
RAJYA SABHA  
UNSTARRED QUESTION NO. 1829  
ANSWERED ON 09/03/2026**

**PROGRESS OF THE SATELLITE TOWNS DEVELOPMENT IN GUJARAT UNDER  
VIKSIT BHARAT INITIATIVE**

**1829. SHRI GOVINDBHAI LALJIBHAI DHOLAKIA:**

**Will the Minister of *Housing and Urban Affairs* be pleased to state:.**

- (a) the strategic vision being worked upon by Government for the development of Tier-2 and Tier-3 cities to achieve the goal of Viksit Bharat by 2047 and to accelerate the holistic development of all the States;
- (b) whether satellite towns are being developed under the said vision to make these cities vital hubs of economic activities; and
- (c) the details of the satellite towns identified for development in the State of Gujarat and the progress made so far in the development of these identified satellite towns?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN AFFAIRS  
(SHRI TOKHAN SAHU)**

(a) to (c): As per 12th Schedule of the Constitution of India, urban planning including urban development, satellite towns development is the function of Urban Local Bodies (ULBs)/ Urban Development Authorities. Government of India supplements the efforts of the States through schematic interventions/ advisories.

To achieve the goal of Viksit Bharat by 2047 and accelerate the holistic development, Ministry of Housing and Urban Affairs has launched a Sub Scheme on Formulation of GIS based Master Plans of Class-II towns with population of 50,000 to 99,999 under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0. As on date Final Base Map of 93 cities are prepared, draft Master Plan of 55 cities and Final Master Plan of 65 cities are formulated and approximately 2575 officials have been trained in 30 training programmes.

To boost the urban infrastructure sector including in Tier-II and Tier-III cities, in the Budget 2025-26, Government has announced setting up of an Urban Challenge Fund (UCF) of ₹1 lakh crore to implement the proposals for 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and 'Water and Sanitation'. Cabinet has granted approval for UCF on 13 February, 2026. UCF finances up to 25 per cent of the cost of bankable projects with a stipulation that at least 50 per cent of the cost is funded from bonds, bank loans, and Public Private Partnership (PPP). Under UCF, to facilitate access to market finance to Tier-II & Tier-III cities, a Credit Repayment Guarantee Scheme with corpus of ₹5,000 crore has been approved for all Cities of North-eastern & Hilly States/UTs and smaller cities (<1,00,000 population) in other States/UTs. Under this sub scheme, in addition to the Central Assistance for UCF projects, Central guarantee for the loans availed by the cities for projects will be provided. The guarantee will be of up to ₹7 crore or 70 per cent of the loan amount (whichever is lower) for first-time loans and, ₹7 crore or 50 per cent of the loan amount (whichever is lower) for subsequent loans.

As informed by the State of Gujarat, in the state budget 2025-26, the government of Gujarat announced to develop five satellite towns near major cities of the state. In State Budget, ₹ 50 crores was allocated for this purpose. Subsequently the Urban Development and Urban Housing Department of the State has declared five towns – (1) Kalol (Ahmedabad) (2) Sanand (Ahmedabad) (3) Savil (Vadodara) (4) Bardoli (Surat) and (5) Hirasar (Rajkot) to be developed as satellite towns.

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