

INFRASTRUCTURE NEWSLETTER

Infrastructure Policy & Finance (IPF) Division, Department of Economic Affairs



सत्यमेव जयते



KEY DATA AND INDICATORS

GST Collection

Period	GST Collection (In Rs Lakh crore)
Aug 2020	0.87
Sept 2020	0.95
Oct 2020	1.05
Nov 2020	1.05

Source: [DEA](#)

Foreign Investments (₹ Crore)

Period	FDI	FPI
H1 2019	182,000	38,917
H1 2020	224,613	55,778

Source: [DIPP](#) and [NSDL](#)

CPI & WPI Inflation (%)

Period	CPI	WPI
June '20	6.1	-1.8
July '20	6.7	-0.3
Aug '20	6.7	0.4
Sep '20	7.3	1.3

Source: [Office of The Economic Advisor](#)
[and MOSPI](#)

IIP (Base Year 2011-12)

Month	Aug 20	Sept 20
Mining	83.7	87.6
Manufacturing	118.3	125.3
Electricity	162.7	166.4
General	116.9	123.2

Source: [MOSPI](#)

In – Focus

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Finance Minister announces Atmanirbhar Bharat Package 3.0



In continuation with series of Atmanirbhar Package aimed at providing impetus to economy, Finance Minister announced schemes to incentivise job creation and credit line for stressed sectors.

Net Stimulus provided by this announcement will be INR 2.65 Lakh Crore. The Key announcement includes:

1. Aatmanirbhar Bharat Rozgar Yojana: EPF-registered organisations would get benefits on recruiting new people;
2. Emergency Credit Line Guarantee Scheme for MSMEs, businesses, MUDRA borrowers and individuals (loans for business purposes);
3. Production Linked Incentive to 10 champion sectors;
4. Additional outlay of ₹ 18,000 Crore for PM Awaas Yojana – Urban;
5. Relaxation in Earnest Deposit Money & Performance Security on Government Tenders to Support Construction & Infrastructure sector;
6. ₹ 65,000 Crore of subsidised fertilizers to support farmers;
7. Income tax relief for developers and home buyers;
8. R&D grant for COVID Vaccine etc.

Total stimulus announced by GoI and RBI till date to tide over COVID 19 induced crisis works out to be ₹ 29.87 Lakh Crore, which is 15% of GDP.

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INFRASTRUCTURE POLICY ENABLEMENT

MeitY's draft data centre policy assigns Infrastructure status to Data Centre sector

Ministry of Electronics and Information Technology (MeitY) has drafted a Data Centre policy to benefit the Data Centre park developers/Data Centre operators as well as the allied ecosystem of Data Centre sector. The policy intends to ensure sustainable and trusted Data Centre capacity within the country. The draft centre policy recommends "Infrastructure Status" for the Data centre sector, at par with other sectors like Railways, Roadways and Power.

The status will help the sector avail long term credit from domestic and international lenders at easier terms and will give a boost to the investments.

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MoRTH modifies Model Concession Agreement (MCA) of Hybrid Annuity Model (HAM) Projects

HAM is a mix of EPC (Engineering, Procurement and construction) and BOT (Build, Operate, Transfer) models. On behalf of the Government, National Highway Authority of India (NHAI) releases 40% of the total project cost (TPC) and balance 60% is arranged by the concessionaire.

Among the measures taken to make HAM more attractive, MCA has doubled the frequency of upfront construction support (40% of TPC) to 10 from 5 earlier which will ease liquidity for developer. For the remaining 60% of TPC, interest rate has been linked to Marginal cost of funds base lending rate (MCLR) which was earlier linked to Interest rate of RBI. It will ease cost pressure on developer.

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INFRASTRUCTURE MARKET NEWS

Nations first Commercial Coal Mining Auction Concluded

This was first auction open to all the bidders for commercial mining of coal without "End use" Criteria. 38 mines were offered in this round of bidding. 19 Mines received financial bid translating to success rate of 50% which is higher than 30% success rate received in 10 earlier auctions. The auction had good response with participation of 42 companies (40 Private and 2 PSUs). The highest premium touched 66.75 % while average premium remained at 29%.

Out of the 19 mines successfully auctioned 11 are open cast, 5 are under ground and remaining 3 are a mix of underground and open cast mines. These mines have consolidated Peak Rated Capacity (PRC) of 51 Million Tonnes per Annum (MTPA).

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Capital Infusion into NIIF Infrastructure Debt Financing Platform approved

Government will infuse Rs 6000 crores in NIIF Debt Platform sponsored by National Investment and Infrastructure Fund (NIIF). It is expected that well-capitalized, well-funded and well-governed NIIF debt Platform can play a major role in infrastructure financing and development of Bond Market in India by acting as a AAA/AA-rated intermediary between the bond markets and infrastructure projects and companies.

With the fresh infusion of equity by the government, besides the equity already infused by NIIF Strategic Opportunities Fund (SOF) and potential equity participation from the private sector, the debt platform is expected to raise enough resources to extend debt support of Rs.1,10,000 crore to projects by 2025.

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Railways complete RFQ evaluations for PPP in Passenger Train Operations

Ministry of Railways (MoR) had received 120 applications from 15 firms. Out of these 102 applications have been found eligible for Request for Proposal (RFP) stage. MoR will privatise operations of passenger train in 12 clusters comprising 140 Origin- Destination pair of routes through introduction of 151 modern trains.

Highest number of applications was received for Mumbai Cluster (11 Applications) followed by Delhi Cluster (10 Applications). The Project is expected to entail private sector investment of about Rs 30,000 crores.

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CABINET APPROVALS ON INFRASTRUCTURE

Cabinet approves continuation and revamping of Viability Gap Funding (VGF) for PPP in Infrastructure Projects

The scheme supports infrastructure projects undertaken through Public Private Partnership (PPP) mode that are economically justified but commercially unviable due to large capital investment requirements, long gestation periods etc.

The revamped scheme includes two sub schemes. Sub Scheme-1 will cater to social sectors such as Wastewater treatment, Water supply, Solid waste management, Health and Education sector. Central Government will provide maximum 30% of total project cost (TPC) with states having option to provide support up to 30% of TPC. Sub scheme-2 will support demonstration/ pilot social sector projects from Health & Education sector. The Central Government and the State Governments together will provide up to 80% of capital expenditure and up to 50% of Operation & Maintenance (O&M) costs for the first five years.

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Cabinet approves Luhri Stage- I Hydro Power Project

The decision will lead to an investment of Rs. 1810 crore for 210 MW HPP located on River Satluj in Shimla & Kullu districts of Himachal Pradesh.

This project is being implemented by Satluj Jal Vidyut Nigam Limited (SJVNL) on Build-Own-Operate-Maintain (BOOM) basis. This project will generate 758.20 million units of electricity annually leading to reduction of 6.1 lakh Tons of carbon dioxide from environment annually. The construction activities of the project will result in direct & indirect employment to around 2000 persons and will contribute to overall socio-economic development of the State. The Project will be commissioned in a time span of 62 months.

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Cabinet approves PLI Scheme to 10 Key Sectors

The approval is in addition to already notified performance Linked Scheme (PLI) for Mobile Manufacturing, Pharmaceutical Ingredients and Manufacturing of Medical Devices. Key sectors covered are Electronic/Technology Products, Automobiles & components, Food Products, Textile, High Efficiency Solar PV Cells, Specialty Steel etc. with total outlay of Rs. 1,45,980 crore over next five years.

Coverage of PLI scheme to new sectors will help enhancing India's Manufacturing capabilities and enhancing exports Supporting PM's clarion call of Aatma Nirbhar Bharat.

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Cabinet approves FDI in ATC Telecom Infrastructure

The cabinet approved FDI proposal for acquisition of 12.32% of the equity share capital (on a fully diluted basis) by ATC Asia Pacific PTE limited. ATC Telecom Infrastructure has existing FDI approval up to 86.36 % and with this approval it will rise to 98.68% (on a fully diluted basis).

The approval will lead to Foreign Direct Investment inflow of Rs 2, 480.92 crore. Cumulative FDI in ATC Telecom Infrastructure will be Rs 5,417 crore considering previous approvals.

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PPPAC undertakes proposal of PPP in Bharat Net

Bharat Net is a flagship project under Digital India initiative of the Government of India (GoI), funded by Universal Service Obligation Fund (USOF), Department of Telecommunications (DoT) with an aim to provide high speed broadband connectivity to all Gram Panchayats (GP) and now proposed to be extended to all inhabited villages across India. The proposed PPP Project covers 16 States in 9 packages (comprising of 3.38 lakh villages out of which 1.33 lakh are GPs).

PPPAC meeting considered proposal of Department of Telecommunications (DoT) for Development (Creation, Upgradation, Operation & Maintenance and Utilization) of Bharat Net through Public Private Partnership (PPP).

The estimated cost of project will be Rs 29,199 crore.