



INFRASTRUCTURE NEWSLETTER

Infrastructure Finance Secretariat
Department of Economic Affairs
Ministry of Finance

Vol. XIV
FEBRUARY – MARCH 2024





In – Focus

Hon'ble Finance Minister presented the Interim Union Budget for FY 2024-25

India has been fast-tracking on high-growth trajectory to achieve its development targets. The Interim Union budget 2024-2025 has **envisioned 'Viksit Bharat' by 2047** to achieve all round, all-pervasive and all-inclusive development. As per advance estimates of National Income of FY 2023-24, India's Real **GDP is projected** to grow at **7.3 per cent**, which is in line with the revised growth projections by RBI for FY2023-24. As per IMF's World Economic Outlook, India is currently the fifth largest economy and is **likely to become the third-largest by 2027**. The vision of Viksit Bharat can be achieved through development of modern physical, digital and social infrastructure.



Honorable Union Minister of Finance and Corporate Affairs, Smt. Nirmla Sitharaman presented the Interim Budget for Financial Year 2024-25

Building on the massive tripling of **capital expenditure outlay** in past 4 years, the outlay for FY 2024-25 has been **increased by 11.1% to 11.11 lakh crores**, which would be 3.4% of the GDP. In addition, the scheme of fifty-year **interest free loan** for capital expenditure to states has been continued with a total outlay of **Rs 1.3 lakh crore**. Government has indicated its **infrastructure focus** with major **development plans** such as (i) Implementation of 3 major railway corridor programmes under PM Gati Shakti-to improve logistics efficiency and reduce cost, (ii) Expansion of existing airports and comprehensive development of new airports under UDAN scheme and, (iii) Promotion of urban transformation via Metro rail and NaMo Bharat.

The government has also provisioned focused measures towards **India's net-zero commitments** by 2070, including VGF support for wind energy projects, augmentation of Coal gasification and liquefaction capacity and **Rooftop solarization** for 1 crore households. To promote housing for middle class, government has planned to **subsidize construction** of 30 million **affordable houses** in rural areas. To address the growing aspirations of the middle class towards travel and tourism, government aims to promote port connectivity projects and **tourism infrastructure** on Indian islands.

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KEY INFRASTRUCTURE INDICATORS

Capital Expenditure

Up to February 2024 –
Rs. 8,05,613 Crore

36% higher than capex in corresponding period (up to February 2023)

Source: CGA

NIP progress update (March 2024)

Overall Projects	9,451
Completed Projects	1,943

Source: IIG

INFRASTRUCTURE POLICY ENABLEMENT

Ministry of Coal launched Coal Logistics Plan and Policy

Govt. has been taking several initiatives towards enhancing efficiency in coal transportation to help India meet its energy demand of 1.5 billion tons by 2030. Launch of the Coal Logistics Plan & Policy marks a significant milestone in the journey towards modernizing coal transportation, enhancing efficiency, and promoting sustainability. The plan proposes a strategic shift towards a railway-based system in First Mile Connectivity (FMC) projects with the aim to achieve 14% reduction in rail logistic costs & annual saving of Rs 21,000 cr.

To make India self-reliant in the coal sector, several initiatives are being taken such as integrated Rail-Sea-Rail (RSR) transportation, critical railway projects aligned with PM Gati Shakti to meet the future coal evacuation demand and address multimodal connectivity gaps.

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Government of Goa and PFC join hands to pioneer subnational Blended Finance Facility for Climate Action

Government of Goa is in the process of setting up a sub-national Blended Finance Facility in partnership with the World Bank, with the aim to foster low-carbon, climate-resilient development. Power Finance Corporation (PFC), India's largest renewable energy financier has extended support to Govt. of Goa for funding key climate projects such as renewable energy, green hydrogen, electric vehicles, waste-to-wealth technology, and nature-based solutions, thus contributing to Energy Transition.

Under this initiative, Government of Goa will facilitate development of a pipeline of climate projects, promote policy decisions and enable stakeholder collaboration, whereas PFC will lend its financial expertise to drive climate initiatives and catalyze energy transition through emerging technologies.

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National benchmarking guidelines launched to measure logistics performance of Indian Ports

The “[Sagar Aankalan](#)” guidelines would facilitate mapping and benchmarking of Indian Port's based on their logistics performance and efficiency, enable harmonization of standards, definitions and performance with global benchmarks and help improve the competitiveness, efficiency, and overall performance of the port sector with focus on improvement, productivity, sustainability and customer satisfaction.

These guidelines have been developed on the lines of globally adopted procedures, for assessing Logistics Port Performance Index (LPPI) for inter-port comparison based on their operational performance to help achieve sustainable growth in the maritime sector.

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NTPC joins hands with MAHAGENCO to develop Renewable Energy Parks in Maharashtra

The company to be set up under the joint venture will develop GW-scale renewable energy parks in Maharashtra and undertake projects of this scale in a phased manner. The agreement aligns with NTPC's green energy objectives of attaining 60 GW of renewable energy capacity by the year 2032.

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Ministry of Ports, Shipping and Waterways to establish India's First Gati Shakti Research Chair at IIM Shillong

The Chair aims to spearhead high-quality academic research on multimodal logistics activities in the North-East region. This would foster stronger collaboration between the government and academia, leading to the development of high-quality public research in integrated, multi-modal logistics, and supply chain resilience.

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IREDA and PNB join hands to Co-Finance Renewable Energy Projects

The MoU aims at advancing renewable energy projects through various financing initiatives such as joint lending, loan syndication and underwriting & management of Trust and Retention Account (TRA) for IREDA borrowers.

This partnership would provide robust financial support to a diverse range of Renewable Energy projects, fostering sustainability, environmental awareness and accelerating growth of renewable energy in the country.

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INFRASTRUCTURE POLICY ENABLEMENT

Cabinet approves signing of MoU between India and Bhutan on co-operation in the field of Energy Efficiency and Energy Conservation Measures

India aims to assist Bhutan in enhancing energy efficiency of their household sector by promoting star labeling programme developed by Bureau of Energy Efficiency. This initiative envisages creation of a pool of energy professionals at Bhutan by institutionalizing training of energy auditors. It would also facilitate training of retailers in dissemination of energy efficient products.

The MoU will enable exchange of Information, data and technical expertise related to Energy Efficiency and energy conservation between India and Bhutan. It will help analyze energy efficiency policies and cooperation in the field of energy efficiency research and technology deployment.

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MNRE issues scheme guidelines for pilot projects on use of green hydrogen in Transport, Shipping, & Steel sectors

In the Transport sector, the guidelines will support pilot projects based on use of Green Hydrogen as fuel in Buses, Trucks, and 4-wheelers and support development of hydrogen refueling stations infrastructure. In the Shipping sector, the guidelines thrust upon retrofitting existing ships to run on Green Hydrogen and development of bunkering and refueling facilities in ports.

In the Steel sector, the guidelines aim to gradually substitute Fossil Fuels with Green Hydrogen and use of Hydrogen in Direct Reduced Ironmaking and Blast Furnace. It also encourages development of necessary infrastructure for use of Green Hydrogen in the Iron & Steel industry. These pilot projects would be implemented by respective line ministries and implementing agencies nominated under the scheme.

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Cabinet approves Scheme for installing Rooftop Solar (RTS) in One Crore households

Under the scheme, financial assistance would be provided by the Centre for setting up residential rooftop solar system along with access to collateral-free low-interest loan for installation of residential RTS systems up to 3 kW. The scheme would additionally provide payment security for renewable energy service company-based models as well as a fund for innovative projects in RTS.

Households will be able to save electricity bills as well as earn additional income through sale of surplus power to DISCOMs. The scheme will enable job creation for ~17 lakh direct jobs in manufacturing, logistics, supply chain, installation, O&M and other services.

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NHAI raises highest ever monetization value of Rs. 15,625 crores through InvIT mode

The monetization involves 10 stretches with the aggregate length of about 890 km. With this, MoRTH and NHAI's Total Asset Monetization Program has crossed Rs.1 lakh crore (comprising Rs. 42,334 crores through Toll Operate Transfer (TOT) mode, Rs. 26,125 crores through InvIT and Rs. 42,000 crores through Securitization)

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10 New Waterways projects worth Rs 645 crore approved on Brahmaputra River in Assam

The projects would be developed under the Sagarmala programme with 100% financial assistance from the central government to enhance terminals and riverine infrastructure along Brahmaputra River (National Waterway 2). The proposed projects will enhance transportation efficiency and stimulate industrial development and trade in the region.

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Cabinet approves 6 multi tracking projects across Indian Railways

The proposed multi-tracking projects will ease operations and reduce congestion, enabling infrastructural development on the busiest sections across Indian Railways. The projects would be implemented at an estimated cost of Rs 12,343 crores with 100% funding from the central government.

The projects would provide capacity augmentation of 87 MTPA in freight traffic and would generate employment for 3 crore man-days in 18 districts across 6 States.

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INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

DEA represented India during the meeting of BRICS Task Force on PPP and Infrastructure

The BRICS Task force on PPP and Infrastructure has been effectively providing technical inputs for policy making since 2018. Key reports developed by the Task force include development of an Integrated Digital Platform (Data Room) to encourage infrastructure investment (2020), Social Infrastructure Financing and use of Digital Technologies (2021), PPP for sustainable development (2022), PPPs and other blended finance solutions and Use of Green Finance and a programmatic approach in development of Infrastructure (2023).

Key focus area of this year's task force on PPP and Infrastructure is “**Infrastructure Project Blended Finance**” under the larger theme of “*Strengthening Multilateralism for Equitable Global Development and Security*”. Three meetings of the task force have been planned for year 2024 to enable preparation, review and approval of the technical report, along with discussion on outcomes, key learnings and recommendations.

The **first meeting** of the task force, held on 14th March 2024, was attended by Shri Baldeo Purushartha, **Joint Secretary (ISD)**, IFS, DEA. The task force deliberated on the work plan proposed by Russia Presidency. Highlighting the Terms of Reference of the task force, Shri Purushartha requested **inclusion of key learnings, way forward and outlooks** drawn from surveys/ questionnaire in the deliverables instead of making recommendations. Shri Purushartha highlighted successful **adoption of blended finance approach** in India through equity support under the VGF scheme to social sector Infrastructure projects being undertaken on PPP mode and grant support under Hybrid Annuity Model (HAM) to partially cover construction cost of infrastructure projects.

IFS organized workshop on PPP Project Structuring Toolkit for Ports and Water & Sanitation Sector



Shri Baldeo Purushartha, Joint Secretary (ISD), DEA addressing participants of workshop on PPP Project Structuring Toolkit

IFS has been conducting a series of workshops on **PPP Project structuring toolkits** for various infrastructure sectors to sensitize stakeholders on use of the web-based tools developed by DEA for project evaluation. A two-day workshop was organized during 26th-27th February 2024 through Hybrid mode to demonstrate the use of the web-based **toolkit for** evaluating projects in **Water & Sanitation sector**. The workshop was attended by **70+** representatives of Central & State/ UT government departments, private players & consultants who were explained the working of five integral components of the toolkit with the help of case studies for practical understanding & effective implementation.

Another two-day workshop was organized during 14th-15th March 2024 on use of the **toolkit for** evaluating projects in **Ports sector**. The workshop was attended by **45+** representatives of Centre and State/UT Government departments, private players, and major ports authorities. Additionally, the ‘**Contingent Liability Toolkit**’ developed by DEA was also showcased during these two workshops to give a hands-on approach to the PSAs for estimating their probable payouts which may arise due to occurrence of various contingencies. These toolkits can be accessed on [PPP-In-India website](#).



Group of participants who attended the PPP Project Structuring Toolkit for Ports Sector

Shri Purushartha highlighted the importance of infrastructure, its contribution to overall GDP growth and the need for creating a shelf of viable infrastructure projects to enhance uptake of PPP projects in Ports and Water & Sanitation sector.

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INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

Approved funding of TA cost under IIPDF scheme for developing LMRS in Visakhapatnam on PPP mode

The Approval Committee (in its 18th meeting under the chairmanship of Joint Secretary, ISD Division, IFS) granted approval to Andhra Pradesh Metro Rail Corporation (APMRC) for release of funds under IIPDF Scheme to hire Transaction Advisors for **development of Light Metro Rail System (LMRS) in Visakhapatnam** on PPP (DBFOT) mode.

The proposed project **alignment of 77 km** would span across 4 corridors and 54 stations. **Key features** of the projects include driverless operations, CBTC signaling system, 3rd Rail Power supply and connectivity to international airport. Stations of the project have been strategically placed to ease accessibility as well as improve efficiency and cost effectiveness.

Approved funding of TA cost under IIPDF scheme for development of Tuivai 210 MW HEP in Mizoram

Power & Electricity Department of Govt. of Mizoram had submitted a proposal for undertaking development of **Tuivai 210 MW Hydroelectric Power Plant** in the Saitul district of **Mizoram** on PPP (DBFOT) mode. This proposal was initially submitted during the 14th Approval Committee (AC) meeting but certain **revisions in the ToR** were proposed during the last meeting, which have now been **incorporated**.

The AC, in its 20th meeting, granted approval for release of funds under IIPDF Scheme to hire Transaction Advisors (TAs) for reviewing **project DPR**, preparing **financing plan**, finalizing timelines for PPP bid process and preparation of **bid documents** followed by contractual negotiations.

Seven Road Sector projects approved by PPP Approval Committee under chairmanship of Secy, DEA

Public Private Partnership Appraisal Committee (PPPAC) was setup by Govt. of India in year 2006 with the objective to streamline the **appraisal and approval mechanism for Central Sector PPP projects** by ensuring speedy appraisal of projects, eliminating project delays, and maintaining uniformity in appraisal mechanisms. Total **115 PPPAC meetings** have been convened till date and **358 projects worth over 6.5 lakh crores** have been appraised by the approval committee.

In the last three meetings held during February & March 2024, **7 road sector projects** with total **capital cost of ~Rs 47,000 crores** and **total length of ~890 km** have been recommended by the PPPAC under the chairmanship of Secretary, DEA. 3 out of 7 projects were proposed to be implemented on Built-Operate-Transfer - Hybrid Annuity Model (**BOT-HAM**) with combined length of 435 km, while 3 projects were proposed to be implemented on **BOT (Toll)** model with combined length of 332 km and remaining one on Design Built Finance Operate & Transfer (**DBFOT-Toll**) model having length of 121 km. These projects would span across the **states of Assam, Chhattisgarh, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, and West Bengal**.

Some of these proposed projects are being developed as **access-controlled greenfield** economic corridors under Bharatmala Pariyojana and aim to enhance connectivity to economic, social and logistics nodes in the states. The projects also entail capacity **augmentation of brownfield alignment**, including overlay/ strengthening and other road safety improvements works to ensure reduction in traffic congestion and travel time.

DEA Progress Tracker (during February and March 2024)



IIPDF Approved
Projects

2 projects Approved*

* Till date Total 28 Approved



Trainings conducted
on PPPs in Infra

115+ officials Trained*

* Till date Total 400+ Trained



PPPAC Appraised
Projects

7 projects Appraised*

* Till date Total 358 Appraised



PPP Beginner's
e-course

839+ learners Registered*

* Till date Total 1,243+ Registered on
DEA LMS and iGOT Portals

STATE INITIATIVES

Karnataka Cabinet approved ~Rs 15,600 crore for Bengaluru’s Metro Expansion Project

Government of Karnataka has approved the **3rd phase of the metro project** sprawling over 44.6 km. The project entails extension of the metro line along the entire **Outer Ring Road** and is expected to be completed by 2028 at an estimated cost of **Rs. 15,611 cr.** The state government would fund 80-85% of the project cost, while the rest would be funded by Centre.

Line 6 spanning 32 km would cover 22 stations between JP Nagar and Kampapura, whereas **Line 7** spanning 12.5 km would cover 30 stations between Hosahalli and Kadabagere. The strategically designed project would further enhance **connectivity and accessibility** for residents across the city. [Read More](#)

MMRDA allocates ~Rs 42,000 cr for infra projects in Mumbai Metropolitan Region

Mumbai Metropolitan Region Development Authority (MMRDA) has allocated a significant portion (**89%**) of its expenditure **budget** for **FY2024-25** towards **infrastructure projects**, including strategic expansion of the Metro Network, Thane Borivali Twin Tube Tunnel, & Versova Virar Sea Link, among others.

Development of these projects exemplifies MMRDA’s unwavering commitment to **sustainable urban development** and the **elevation of connectivity** across the MMR. To support these initiatives, Govt. of Maharashtra is facilitating approvals for loan amounting to ~1.3 lakh crore for funding various infra projects in MMR. [Read More](#)

Case Study

Development of Mangalpally Logistics Park on PPP mode in Hyderabad, Telangana



Project Authority	Hyderabad Metropolitan Development Authority
Concessionaire	HMDA ANCON Logistics Park Private Limited
Concession Period	33 (Construction: 3 years; O&M: 30 years)
Project Structure	Design Build Finance Operate and Transfer
Project Cost	Rs. 32 crores

Project Highlights

Hyderabad currently lacks dedicated storage facilities for industries, which results in high turnaround time of commercial vehicles leading to delay in delivery of goods. Parking of heavy commercial vehicles and unloading/ loading of goods results in excessive traffic congestion within the city limits further adding to the delay. To address these issues, the **Mangalpally Logistics Park** project has been proposed near the Outer Ring Road (ORR). The project would **span over 22 acres** of land area and **connects to NH-4-Kolkata-Chennai** (part of golden quadrangle) via Nagarjunasagar highway. The project location is about 20 km away from the Rajiv Gandhi **International Airport** and hence it can be developed as a **hub for air cargo**. It is also about 1 km from the ORR junction at Bongalur and hence can serve the **freight logistics requirements** of both NH9 corridor towards Vijayawada and NH7 corridor towards Bengaluru.

The **key components** of the Logistics Park include truck parking, warehouse & cold storage facility, commercial space, automobile service centers, dormitories/ rest area, restaurants, fuel station and dedicated area for administrative and other statutory bodies. The park would be equipped with **modern security features** like single point Entry/ Exit, CCTV, Fire Safety and DG Backup. It would help in **reducing handling cost** of industries and in **decreasing** their maintenance time as well as truck turn-around time, thus enabling smooth operations and ease of monitoring. The project is expected to **generate employment** for at least 480 skilled and unskilled workers.



The Infrastructure Finance Secretariat (IFS) has been established by the Department of Economic Affairs (DEA), Ministry of Finance with the idea of harmonizing policies and initiatives related to infrastructure financing and development. It plans to leverage the collective strengths of its Infrastructure Policy & Planning (IPP) and Infrastructure Support & Development (ISD) Division with technical assistance from a team of consultants and experts housed at the secretariat. The key goals of IFS are to mobilize private investments, stimulate infrastructure financial reforms, catalyze sectoral reforms work in collaboration with ministries and bridge gaps across implementing agencies through capacity building plans to improve capabilities for efficient and effective infrastructure development.

Infrastructure Newsletter

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