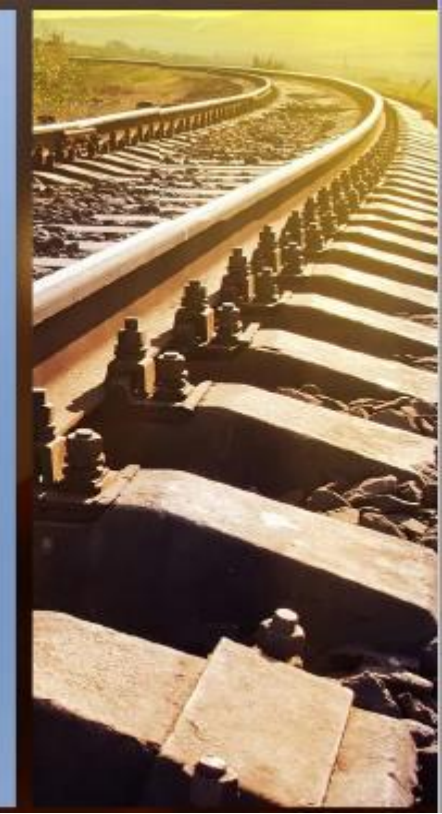


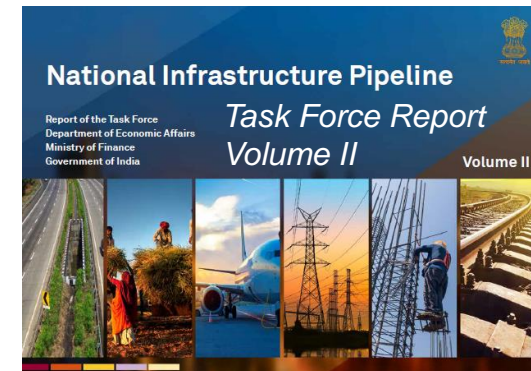
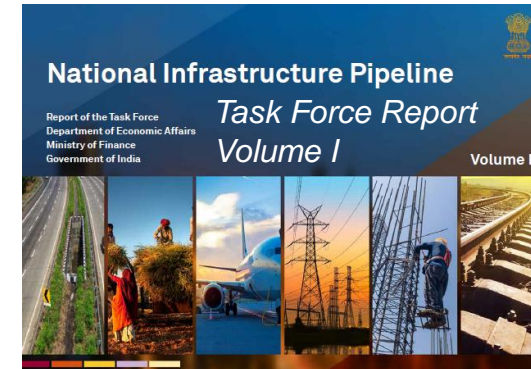
National Infrastructure Pipeline

A brief
September 2020



National Infrastructure Pipeline

- 1 **15th August 2019** Hon'ble PM announces envisaged expenditure of USD 1,354 bn on infrastructure
- 2 **7th September 2019** Task Force on NIP constituted under the Secretary DEA
- 3 **31st December 2019** Hon'ble FM unveils the NIP with a summary report of the Task Force
- 4 **29th April 2020** Hon'ble FM releases final report of the Task Force and launched the NIP
- 5 **10th August 2020** Hon'ble FM launches the NIP Portal
- 6 **15th August 2020** Hon'ble PM highlights NIP and the pivotal role of infrastructure in post-Covid economic recovery



GOVERNMENT OF INDIA | MINISTRY OF FINANCE AND ECONOMY | DEPARTMENT FOR INFRASTRUCTURE OF INDUSTRY AND INTERNAL TRADE

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NATIONAL INFRASTRUCTURE PIPELINE

The National Infrastructure Pipeline (NIP) is a first-of-its-kind, whole-of-government exercise to provide world-class infrastructure across India, and improve the quality of life for all citizens. It aims to improve project preparation and attract investments into infrastructure.

The NIP aims to capture key greenfield and brownfield projects for investments across all economic and social infrastructure sub-sectors on a best-effort basis.

To draw up the NIP, a High-Level Task Force was constituted under the chairmanship of the Secretary, Department of Economic Affairs (DEA), Ministry of Finance. The final report of the Task Force was released by the Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman on 29th April 2020.

6757
PROJECTS

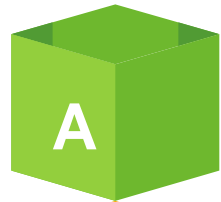
USD 1,494.08 bn
TOTAL CAPITAL OUTLAY

1499
PROJECTS IN UNDER DEVELOPMENT STAGE

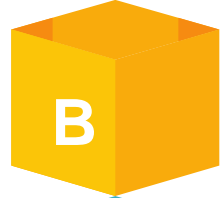
34
SUB-SECTORS

NIP Dashboard Explore NIP View NIP Opportunities

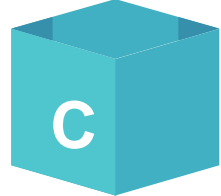
Objectives of NIP



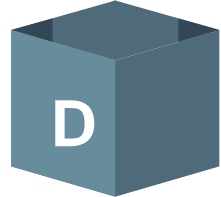
PIPELINE VISIBILITY: Identify projects for FY 20- FY25 with estimates of annual infrastructure investments



INVESTMENT VISIBILITY: Information sharing and guidance to investors, developers and financial institutions



ENABLING FINANCING: Identify appropriate quantum and sources of financing with measures to bridge the gaps



STRONG MONITORING: Provide tools for review and monitoring of projects implementation

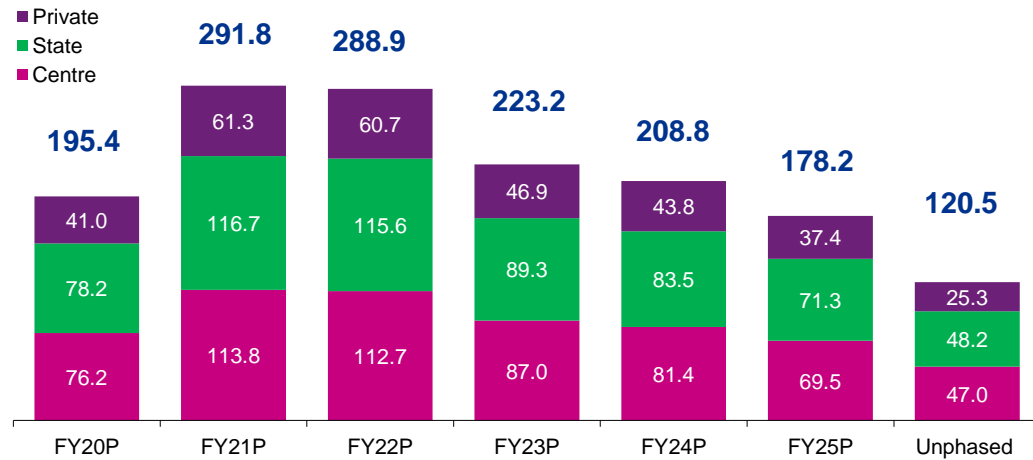


EASE OF INVESTMENT REFORMS: Suggest measures to enable conducive environment for attracting and channelizing investments

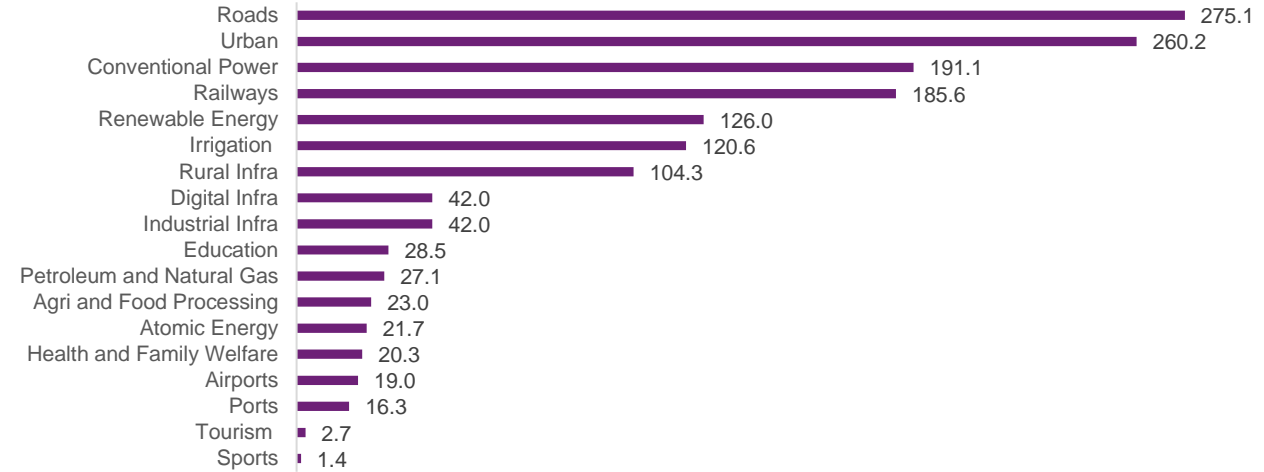
As a whole, NIP aims to enhance ease of leaving for citizens, boost growth, create employment and help India in becoming a USD 5 trillion economy

National Infrastructure Pipeline Overview (1/2)

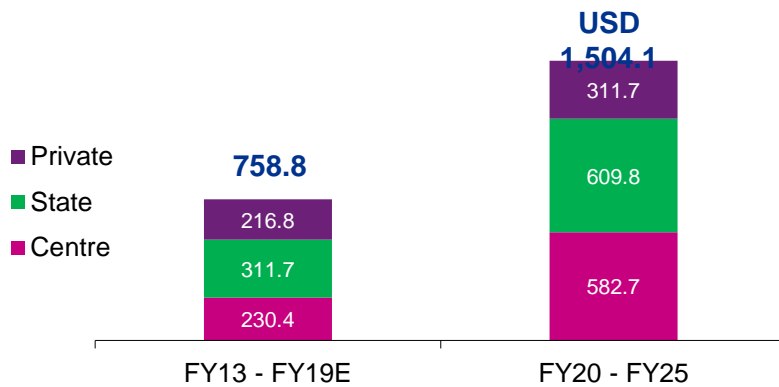
USD 1,504.1 bn investment planned FY20 – FY25



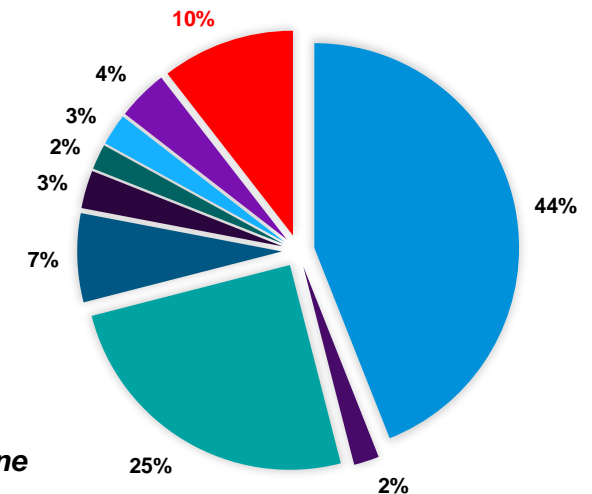
Sectoral Composition: Projected FY20 - FY25



Funding of NIP, Shortfall of ~8-10%



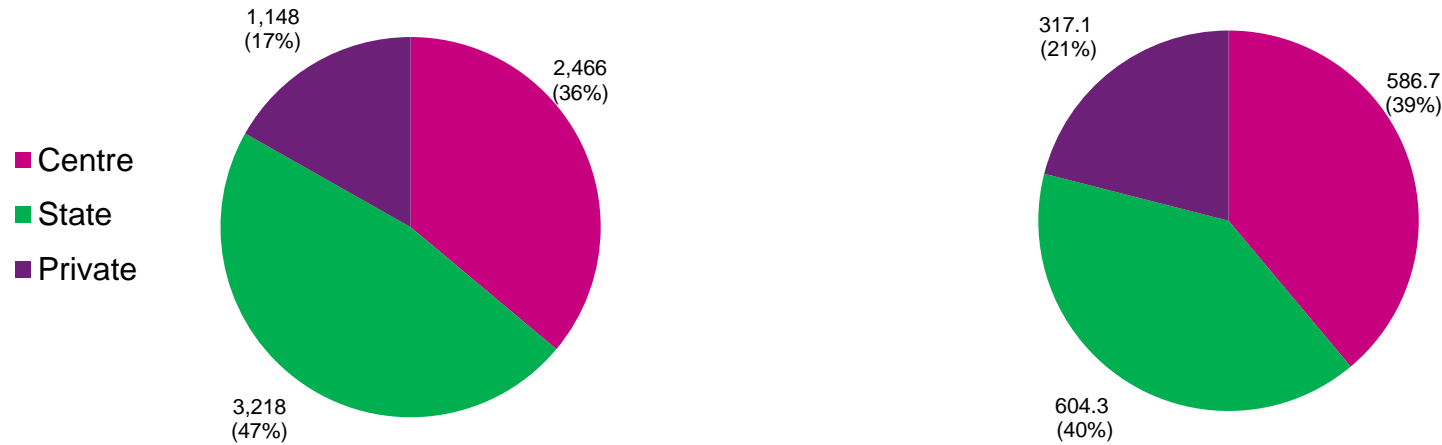
- Centre & state budget
- PSUs Internal Accruals
- Banks and NBFCs
- Bond Markets
- Equity
- Multilaterals
- DFIs
- Asset recycling
- Shortfall



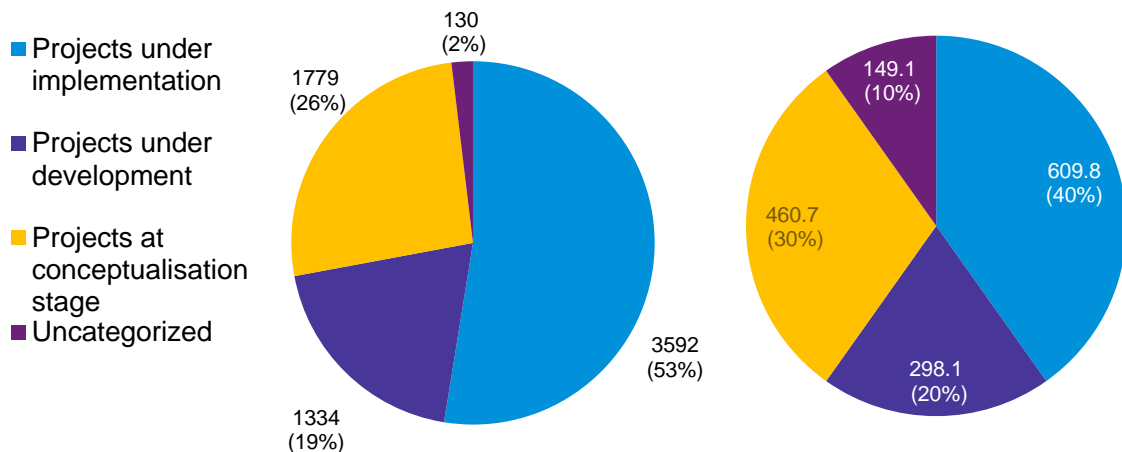
National Infrastructure Pipeline Overview (2/2)

USD 1,504.1 bn investment planned for FY20 - FY25 across 6,835 Projects

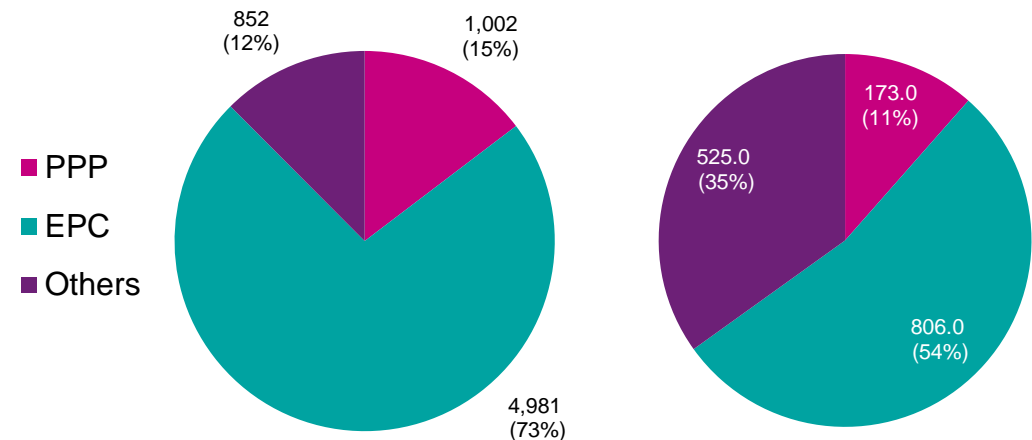
Implementing Agency-wise Split by Number and Value (USD bn) of Projects



Stage-wise Split by Number and Value (USD bn) of Projects



Mode-wise Split by Number and Value (USD bn) of Projects



Reforms Implemented (1/2)

Reform	Type	Description
Enhancing foreign and private capital in infrastructure	Financial	<ul style="list-style-type: none"> Removal of Dividend Distribution Tax (DDT) Provided tax exemption to Sovereign Wealth Funds and Pension Funds, from income from their investments in Indian infrastructure sector InvIT and REIT structures are maturing. More than USD 4.1 bn has been mobilized via these investment vehicles.
Capitalization of IIFCL	Financial	<ul style="list-style-type: none"> Infusion of additional equity of USD 717.9 mn to IIFCL which would further <u>create head room for debt financing of USD 4.1 bn</u>
Atma-Nirbhar Bharat	Financial	<ul style="list-style-type: none"> Launch USD 13.5 bn Agri Infrastructure fund for farmgate infrastructure An animal husbandry fund of USD 2.0 bn is to be set-up to promote private investment in dairy processing, USD 1.1 bn to be allocated for increasing the VGF support for social/ economic infrastructure projects
Asset Monetization	Financial/ Sectoral	<ul style="list-style-type: none"> Monetizing road assets constructed with public funds through Toll-Operate-Transfer (TOT-I bundle generated USD 1.3 bn. TOT-III Bundle awarded for USD 678.8 mn Action Plan – Award about 100 project stretches in 7,000 km upto 2024-25. MoRTH plans to raise additional USD 13.5 bn by 2023-24. NHAI has also filed an application for InvIT registration with SEBI and it would be first public sector sponsored InvIT.
Boosting Bond Markets	Financial	<ul style="list-style-type: none"> To encourage bond market development, a borrower framework for large listed entities is in place. Under this framework stipulated large corporate entities shall raise not less than 25% of their incremental borrowing via issuance of debt securities. A CE Company is under consideration
Mitigating COVID-19 Impact on National Highway Projects (Intervention by MoRTH/NHAI)	Sectoral (Road)	<ul style="list-style-type: none"> BOT/ TOT Concessionaire: Before Commencement of Operation Date (COD), the concession period of BOT contracts shall be extended by 3 - 6 months. Further, for loss in collection of User fee/ Tolling, the concession period shall be extended by a period in accordance with the Contract Retention money (part of the Performance Security till construction period) is recommended to be released in proportion to the work already executed Direct payments to approved Sub-Contractor through Escrow Account

Reforms Implemented (2/2)

Reform	Type	Description
Airports	Sectoral / Financial	<ul style="list-style-type: none"> 3 airports - Ahmedabad, Lucknow and Mangaluru on PPP. 3 more Airports - Jaipur, Trivandrum and Guwahati under process of award. 6 more airports (Varanasi, Amritsar, Bhubaneswar, Raipur, Indore and Trichy) identified for 2nd round of PPP 74 UDAN routes have been operationalized so far connecting 45 airports and 3 heliports. Further, 100 airports/heliports/water-aerodromes are to be developed by 2024
E-Tolling on National Highways	Road Sector	<ul style="list-style-type: none"> Widespread adoption of FASTag to prevent leakage of toll and loss of time. More than 17.8 mn FASTags issued. 2.7 mn average number of daily Electronic Toll Collection (ETC) transactions Currently, ~77% ETC Penetration. Target of 80% penetration of Electronic Toll Collection by 2021.
One-time relaxation to power sector NBFCs	Financial and Power Sector	<ul style="list-style-type: none"> One-time relaxation to Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) for extending loans to Distribution Companies (DISCOMs) above limits of working capital cap of 25% under UDAY
Major PPP Initiative in Railways	Railways	<ul style="list-style-type: none"> Private Passenger Rail Operations- RFQ issued for 12 clusters (151 Trains) Station Redevelopment in PPP - RFQ issued for Chatrapati Shivaji Terminus (CSMT), Mumbai besides other 8 stations
Commercial Mining of Coal	Power Sector	<ul style="list-style-type: none"> Commercial mining of coal has been approved 500 mineral blocks to be awarded through open/ joint auction M/o Coal launched a Project Monitoring Unit for facilitation of early operationalisation of coal mines allocated by Govt. (Ease of Doing Business)
GST reduction on MRO	Aviation Sector	<ul style="list-style-type: none"> India to become a global hub for Aircraft Maintenance, Repair and Overhaul (MRO) Tax regime for MRO ecosystem rationalized- GST reduced from 18% to 5% to help sector exploit its potential in full

Reforms in pipeline

Type	Description
Financial Sector	<ul style="list-style-type: none"> ▪ Revitalizing Asset Monetization across Infra sectors ▪ Boosting Municipal Bond Markets ▪ Deepening Bond and credit markets ▪ Attracting foreign and private capital to infrastructure ▪ Promoting Value Capture Finance
Highways	<ul style="list-style-type: none"> ▪ Ensuring better contract enforceability and robust dispute resolution mechanism ▪ Acquisition of 90% of contiguous land along with project clearances before awarding projects ▪ Adopt international quality standards for parameters such as Surface Roughness Index, safety norms etc. and benchmark existing road projects
Aviation	<ul style="list-style-type: none"> ▪ Aerotropolis approach: Development of Multi Modal Transport infrastructure which can allow ease of access for passengers and cargo. ▪ Hub-development policy that enables fiscal, monetary and procedural benefits to all Indian carriers that venture into international routes ▪ Enable PPP in smaller cities through VGF schemes
Railways	<ul style="list-style-type: none"> ▪ Autonomous regulation of tariffs and services through an independent regulator in Railways ▪ Corporatizing existing manufacturing & production units ▪ Augmenting capacity and improving passenger safety in railways ▪ Enabling greater private sector participation by following best practices in PPPs from other sectors
Ports	<ul style="list-style-type: none"> ▪ Operationalizing the Major Ports Authority Bill 2020 to avoid the complexities in the existing Act. ▪ Promoting Inland Waterways
Power	<ul style="list-style-type: none"> ▪ Resolution of stressed and stranded thermal assets ▪ Boosting solar photovoltaic (PV) modules manufacturing ▪ Emphasis on Asset monetization in Power Transmission ▪ Power sale through Power Exchanges ▪ Incentivising private investments in battery storage

Web Portal Based Information Dissemination: IIG

- *“The **National Infrastructure Pipeline (NIP)** project database under **Volume III** of the **Final Report of the NIP Task Force** is made available here on **India Investment Grid** to **provide access to updated project level information for investments** across infrastructure sectors.*
- *“Each **Line Ministry/State/ Implementing Agency** is expected to further add new projects and update their respective project details so that NIP remains a **living repository** with widespread access.”*

- *India Investment Grid (IIG) is a Government of India and Invest India initiative to enhance Ease of Doing Business (EoDB) and to promote investments in India*
- *The India Investment Grid (IIG) is an interactive platform (**www.indiainvestmentgrid.gov.in**) which showcases a menu of investment opportunities across India to potential global investors.*
- *24*7 project promotion platform for project promoters in India on one hand, and project discovery platform for global investors on the other. Promoters and Investors can connect and collaborate for funds, technology, and services*

Major tax incentive offered to Sovereign Wealth and Pension Funds

- *A broad based tax exemption has been offered to Sovereign Wealth Funds and Pension Funds for taxation from income from infrastructure investments across harmonized list of infrastructure*
- Section 10 (23FE) of Income Tax Act:
 - *any income of a specified person in the nature of dividend, interest or long-term capital gains arising from an investment made by it in India, whether in the form of debt or equity, if the investment*
 - (i) is made on or before the 31st day of March, 2024;*
 - (ii) is held for at least three years; and*
 - (iii) is in a company or enterprise carrying on the business of developing, or operating and maintaining, or developing, operating and maintaining any infrastructure facility as defined in the Explanation to clause (i) of sub-section (4) of section 80-IA or such other business as the Central Government may, by notification in the Official Gazette, specify in this behalf.*

Notification of the Sectors Covered

- All Infrastructure Sub-Sectors in Harmonized List of Infrastructure have been included:

MINISTRY OF FINANCE

(Department of Revenue)

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 6th July, 2020

INCOME – TAX

S.O. 2227E).—In exercise of the powers conferred by item (b) of sub-clause (iii) of clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby specifies business, for the purposes of said item (b), to be the business which is engaged in the infrastructure sub-sectors mentioned in Updated Harmonised Master List of Infrastructure Sub-sectors in the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs, published in Gazette of India, Extraordinary, vide number, F.No.13/3/2017-INF dated 13th August, 2018.

2. The reference to the infrastructure sub-sectors in the said Harmonised Master List of Infrastructure Sub-sectors shall not include the business already provided in the said item (b).

3. This notification shall come into force from the 1st day of April, 2021 and shall be applicable for assessment year 2021-22 and subsequent assessment years.

[Notification No. 44/2020/F. No. 370142/24/2020-TPL]

NEHA SAHAY, Under Secy.

(Tax Policy and Legislation Division)

Sl.No.	Category	Infrastructure sub-sectors
1	Transport and Logistics	<ul style="list-style-type: none"> Roads and Bridges , Ports , Shipyards , Inland Waterways , Airports , Railway track including electrical & signalling system, tunnels, viaducts, bridges Railway rolling stock along with workshop and associated maintenance facilities Railway terminal infrastructure including stations and adjoining commercial infrastructure Urban Public Transport (except rolling stock in case of urban road transport) Logistics Infrastructure Bulk Material Transportation Pipelines
2	Energy	<ul style="list-style-type: none"> Electricity Generation , Electricity Transmission , Electricity Distribution, Oil/Gas/Liquefied Natural Gas (LNG) storage facility
3	Water and Sanitation	<ul style="list-style-type: none"> Solid Waste Management , Water treatment plants , Sewage collection, treatment and disposal system , Irrigation (dams, channels, embankments, etc.) , Storm Water Drainage System
4	Communication	<ul style="list-style-type: none"> Telecommunication (fixed network) , Telecommunication towers, Telecommunication & Telecom Services
5	Social and Commercial Infrastructure	<ul style="list-style-type: none"> Education Institutions (capital stock), Sports Infrastructure , Hospitals (capital stock) Tourism infrastructure viz. (i) three-star or higher category classified hotels located outside cities with population of more than 1 million, (ii) ropeways and cable cars Common infrastructure for Industrial Parks and other parks with industrial activity such as food parks, textile parks, Special Economic Zones, tourism facilities and agriculture markets Post-harvest storage infrastructure for agriculture and horticultural produce including cold storage Terminal markets , Soil-testing laboratories , Cold Chain , Affordable Housing

Thank You