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Executive summary

2. INCREASING PRIVATE SECTOR INVOLVEMENT
   • Private sector is emerging as a key player across various infrastructure segments, ranging from roads and communications to power and airports.
   • Private investment into physical and social infrastructure is key to putting India in a high growth trajectory, which will make it a US$ 5 trillion economy by 2024-25.
   • Yearly private equity (PE) and venture capital (VC) investment in India is expected to surpass US$ 65 billion in 2025.

3. IMPROVEMENT IN LOGISTICS
   • In 2020, India’s US$ 215 billion logistics sector was one of the largest worldwide and increased at a CAGR of 10.5%.
   • India was ranked second* in the 2021 Agility Emerging Markets Logistics Index.

4. RISING FOREIGN DIRECT INVESTMENT (FDI) IN THE SECTOR
   • FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US$ 26.14 billion and US$ 25.38 billion, respectively, between April 2000 and June 2021.

1. HIGH BUDGETARY ALLOCATION FOR INFRASTRUCTURE
   • In Union Budget 2021, the government has given a massive push to the infrastructure sector by allocating Rs. 233,083 crore (US$ 32.02 billion) to enhance the transport infrastructure.
   • The government expanded the ‘National Infrastructure Pipeline (NIP)’ to 7,400 projects. ~217 projects worth Rs. 1.10 lakh crore (US$ 15.09 billion) were completed as of 2020.

Note: * prepared by Agility for ranking emerging countries in terms of their logistics performance
Source: Media sources, DPIIT, Equirius Capital, EY, National Infrastructure Pipeline
Advantage India
2. ATTRACTIVE OPPORTUNITIES
- Favourable valuation and earnings outlook makes this sector an attractive opportunity.
- In November 2021, India, the US, Israel and the UAE established a new quadrilateral economic forum to focus on infrastructure development projects in the region and strengthen bilateral cooperation.
- The initiative ‘Infrastructure for Resilient Island States’ (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world.

1. ROBUST DEMAND
- India is expected to become the third-largest construction market globally by 2022.
- India has a requirement of investment worth Rs. 50 trillion (US$ 777.73 billion) across infrastructure by 2022 for a sustainable development in the country.

3. POLICY SUPPORT
- In Union Budget 2021, to support initiatives such as ‘Housing for All’ and ‘Smart Cities Mission’, the government allocated Rs. 13,750 crore (US$ 1.89 billion) to AMRUT and Smart Cities Mission.
- 100% FDI is permitted under the automatic route across various infrastructure sectors.
- In March 2021, the Parliament passed a bill to set up the National Bank for Financing Infrastructure and Development (NaBFID) to fund infrastructure projects in India.

4. INCREASING INVESTMENT
- Huge investments in infrastructure (e.g., Reliance Digital Fibre Infrastructure Trust Investment of US$ 1 billion) have provided momentum to overall PE/VC investments in India.
- Construction development and infrastructure activity sectors received FDI inflows amounting to US$ 26.14 billion and US$ 25.38 billion, respectively, between April 2000 and June 2021.
- Prime Minister Mr. Narendra Modi announced a Rs. 100 lakh crore master plan for multi-modal connectivity in October 2021, with the goal of developing infrastructure to lower logistic costs and improve the economy.

Note: UDAY - Ujwal Discom Assurance Yojana
Source: Media Sources, DPIIT, PricewaterhouseCoopers
MARKET OVERVIEW AND TRENDS
The eight core infrastructure industries include coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity.

In September 2021, the combined index of eight core industries stood at 126.7.

In October 2020, NITI Aayog and Quality Council of India (QCI) launched the ‘National Program and Project Management Policy Framework’ (NPMPF), envisaged to bring radical reforms in the way infrastructure projects are executed in India.

On September 23, 2020, National Thermal Power Corporation Ltd. (NTPC) announced plans to establish industrial parks inside its power projects and has invited Expression of Interests (EOIs) from Indian firms.

Key Indian players are also focusing on strengthening the country’s infrastructure in various areas such as electric vehicles (EV) infrastructure. For instance, in November 2021, Indian Oil Corporation Limited (IOC) announced to install 10,000 EV chargers in India by 2024 to fortify the country’s EV infrastructure.

Source: Ministry of Commerce and Industry
Growth in infrastructure related activities

- The XV Finance Commission recommended a Rs. 8,000 crore (US$ 1,077 million) performance-based challenge money to states for new city incubation in July 2021. Each proposed new city has a budget of Rs. 1,000 crore (US$ 134 million) and each state can only have one new city under the proposed concept.
- As a part of the GatiShakti National Master Plan, the government is planning to launch geospatial digital platform to facilitate planning and monitoring of projects ranging from telecom networks, gas pipelines to road and railways.
- In October 2021, the Dubai government and India, inked an agreement to develop infrastructure such as industrial parks, IT towers, multipurpose towers, logistics centres, a medical college and a specialised hospital in Jammu & Kashmir.
- As per ICRA, in FY22, the cement production in India is expected to increase by ~12% YoY, driven by rural housing demand and government’s strong focus on infrastructure development.
- In September 2021, National Mineral Development Corporation Ltd. (NMDC) R&D Centre collaborated with CSIR-IMMT (Institute of Minerals and Materials Technology) to pursue combined research projects on iron ore mining technologies.
- In March 2021, the government announced a long-term US$ 82 billion plan to invest in the country’s seaports. ~574 projects have been identified, under the Sagarmala project, for implementation through 2035.

Note: Data is as per latest available information, P – Provisional, * - FY20
Source: Economic Survey, Ministry of Railways, Indian Ports Association, Central Electricity Authority
Strong momentum in expansion of roadways

- Highway construction in India increased at a CAGR of 21.44% between FY16-FY19. In FY19, 10,855 kms of highways were constructed. The Government of India aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US$ 741.51 billion) by 2022.

- By 2024, the Ministry of Road Transport and Highways wants to build 60,000 kms of world-class national highways at a rate of 40 kms each day.

- To transform road infrastructure in Punjab, Haryana and Rajasthan, the Indian government has planned to construct roads extending 313 kms for Rs. 11,000 crore (US$ 1.48 billion).

- In September 2021, the Indian government announced road projects worth Rs. 1 lakh crore (US$ 13.48 billion) to develop road infrastructure in Jammu and Kashmir. The region also recorded growth in national highways, from 7 in 2014 to 11 in 2021.

- In September 2021, the Maharashtra government approved a 173.7-kilometre long outer-ring road project, worth Rs. 26,831 crore (US$ 3.61 billion), in Pune.

- In FY22, government initiatives such as the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetization to boost road construction.

- As of October 2021, the Ministry of Road Transport and Highways constructed national highways extending 4,450 kms compared with 4,956 kms, as of October 2020.

- In August 2021, Union Minister of Road Transport Highways, Mr. Nitin Gadkari announced to launch 1,080-km (road construction) projects worth Rs. 25,370 crore (US$ 3.4 billion) in Gujarat under the Bharatmala Pariyojana—the ambitious road and highways project that aims to build highways from Maharashtra, Gujarat, Rajasthan, Punjab, Haryana and then cover the entire string of Himalayan territories.

Strong revenue growth for Indian railways

- Indian Railways’ revenue increased at a CAGR of 2.57% in FY16-FY19 and reached US$ 27.71 billion in FY19. The gross revenue stood at Rs. 174,660.52 crore (US$ 24.99 billion) in FY20. Revenue for FY21 is estimated at Rs. 2,25,913 crore (US$ 30.42 billion).
- In Union Budget 2021, an outlay of Rs. 110,055 crore (US$ 15.09 billion) was announced for Indian Railways, an increase of 53% YoY.
- The Ministry of Railways is working on a plan to earn Rs. 15,000 crore (US$ 1.56 billion) over the next 10-20 years through rail display network (RDN), enabling real-time information to passengers.
- Indian Railways will require investment of Rs. 35.3 trillion (US$ 545.26 billion) by 2032 for capacity addition and modernisation. The capital expenditure in the sector is expected to increase by 92% annually.
- Railways is leading India’s fight against climate challenge and is taking significant steps towards meeting its ambitious goal of being a net zero carbon emissions organisation by 2030 and meeting India’s Intended Nationally Determined Contributions (INDC) targets.
- In FY21, Indian Railways recorded the highest loading in freight transportation. With this, the freight revenue of Indian Railways increased to ~Rs. 1,17,386 crore (US$ 15.84 billion) in the same period, as against Rs. 1,13,897 crore (US$ 15.36 billion) in 2019-20.
- In August 2021, freight earnings stood at Rs. 10,866.20 crore (US$ 1.45 billion) and freight loading was 110.55 million tonnes.
- The Ministry of Railways plans to monetise assets including Eastern and Western Dedicated Freight Corridors after commissioning, induction of 150 modern rakes through PPP, station redevelopment through PPP, railway land parcels, multifunctional complexes, railway colonies, hill railways and stadiums.

**Note:**
- **CAGR** - Compound Annual Growth Rate, **FY** - Indian Financial Year (April-March)
- **Source:** Vision 2020, Ministry of Railways, News Article
Power generation capacity has increased at a healthy pace

- Indian energy sector is expected to offer investment opportunities worth US$300 billion over the next 10 years.
- Indian power generation capacity addition is expected to recover to 17-18 GW in FY22, an increase of 45% YoY compared with 12.8 GW in FY21, driven by the renewable energy segment that is supported by a solid pipeline of 38 GW projects under development.
- To encourage rooftop solar (RTS) throughout the country, notably in rural regions, the Ministry of New and Renewable Energy is undertaking Rooftop Solar Programme Phase II, which aims to install RTS capacity of 4,000 MW in the residential sector by 2022 with a provision of subsidy.
- India is the third-largest producer and second-largest consumer of electricity worldwide, with an installed power capacity of 390.79 GW, as of October 2021.
- According to data from the Ministry of Power, India’s power consumption increased 1.83% in September 2021 to 114.49 billion units (BU).
- All India PLF of thermal power plants (excluding gas-based power plants) stood at 56.73% in July 2021, compared with 53.09% in July 2020.
- On September 29, 2021, NTPC Renewable Energy Ltd (REL), a 100% subsidiary of NTPC Ltd, signed its first green term loan agreement with Bank of India for Rs. 500 crore (US$ 67.28 million) at a competitive rate and a tenor of 15 years for its 470 MW solar projects in Rajasthan and 200 MW solar projects in Gujarat.
- In September 2021, Adani Group announced to invest US$20 billion over the next 10 years in renewable energy generation and component manufacturing.

Note: GW - Gigawatt, * - Until October 2021, ^ - CAGR until FY21
Source: CEA (Central Electricity Authority), News Articles
# Key private players

1. **Major projects:** Mumbai-Pune BOT Project, Pune-Nashik BOT Project, Bharuch-Surat BOT Project, Thane-Bhiwandi by-pass 4 Lane Project, Thane Ghodbunder BOT Project, Ahmedabad-Baroda NH-8, 6 laning of Agra - Etawah bypass, Gandeva-Ena section of Vadodara-Mumbai 8 lane expressway

2. **Major projects:** NH6 Dhankuni to Kharagpur, Sambalpur Baragarh, NH4 Belgaum Dharwad, NH-3 Pimpalgaon - Nashik - Gonde Road (JV with L&T), Jaora - Nayagaon Road, Chennai Outer Ring Road, Modhul - Nippani Road, Indore Edalabad Road, Wainganga Bridge, Ahmednagar Aurangabad Road

3. **Major projects:** Bandra-Worli Sea Link, Badarpur Elevated Highway Project, Delhi Faridabad Elevated Expressway, Breakwater construction for new port at Ennore, Chennai, New Railway Line Project from Jiribam - Tupul, New Railway Line Project from Rishikesh-Karnaprayag

4. **Agra Lucknow Expressways—Uttar Pradesh, Outer Ring Road, Hyderabad Growth Corridor—Telangana, Nagpur Mumbai Express Way, Pune Metro Package 1 & 2, Nagpur Metro, Chennai Metro, Delhi Metro, 4 Lane Elevated Highway Project on NH-7 in Bangalore City

5. **Major Projects:** Hyderabad Metro Rail, Construction of a 6-lane bridge over the Ganges river, Mechanise Track Laying for India’s first 626 km Dedicated Freight Corridor, Monorail in Mumbai, Railway electrification works and Rigid Overhead Contact System for the Delhi Metro, Kakrapar nuclear power project and Srinagar Hydel Power Project, Uttaranchal, Navi Mumbai Airport

*Source: Company websites and News Articles*
STRATEGIES ADOPTED
Strategies adopted

- The company has secured strong infrastructure projects to ramp up its presence in the industry.
- In January 2021, the construction arm of L&T has secured orders from Metallurgical & Material Handling Business to construct a metallurgical plant in the domestic market.
- In September 2021, Larsen & Toubro (L&T) announced that it will participate in the Expo 2020, Dubai, which will be held from October 5, 2021, to March 31, 2022, as part of the Indian pavilion. L&T plans to demonstrate its capabilities in hydrocarbon engineering and businesses such as water-effluent treatment, power transmission and distribution.

- To expand nuclear energy portfolio, efforts to increase scope by offering products beyond conventional island in nuclear business is under way.
- BHEL’s collaborative initiatives to address the growing demand potential in Railway Transportation including Metro and Suburban Railways include initiative with Indian Railways for setting up a greenfield Mainline Electrical Multiple Unit (MEMU) Coach Factory in Rajasthan.
- In September 2020, Bharat Heavy Electricals Limited (BHEL) successfully commissioned India’s largest floating Solar PV plant. Located at NTPC Simhadri in Andhra Pradesh, the 25 MW floating SPV project covers an area of 100 acres.

- GMR Airports Limited (GAL) bagged the development and operation rights of the greenfield international airport proposed at Bhogapuram in Vizianagaram district from the state Government in April 2020.
- GMR Airport’s international partner, Groupe ADP of France, has raised US$ 2.47 billion in bonds in two-parts.
- In February 2021, GMR Group signed an MoU with Airbus to explore collaboration opportunities across aviation services, technologies and innovation.

- Adani Ports and Special Economic Zone (APSEZ) Ltd. handled 27.2 million tonnes (MT) of cargo in December 2020 through its ten port network, reporting a 47% increase on a YoY basis. The port operating unit of the infrastructure conglomerate, Adani Group, announced that its flagship plant, the Gujarat Port of Mundra, handled 15.24 MT of freight, with an annual growth rate of 44%.

Source: Company websites, Media sources
GROWTH DRIVERS AND OPPORTUNITIES
Growth drivers for Infrastructure in India

1. Government initiatives
2. Infrastructure needs
3. Housing development
4. International investment
5. Public Private Partnerships (PPP)
Government initiatives driving growth in the sector

2. ROADS AND AIRPORT

- In Union Budget 2021, the government allocated Rs. 60,241 crore (US$ 8.28 billion) for road works and Rs. 57,350 crore (US$ 7.88 billion) for the National Highways.
- The government plans to construct 8,500 km length of road by March 2022.
- Moreover, an additional 11,000 km of National Highway corridors will be completed by March 2022.
- The government is constructing the world’s longest highway—the Delhi-Mumbai Express Highway by March 2023.

3. CONSTRUCTION

- In Union Budget 2021, the government announced an outlay of Rs. 1,18,101 crore (US$ 16.20 billion) for the Ministry of Road Transport and Highways.
- Also, the government, under the Bharatmala Pariyojana project worth Rs. 5.35 lakh crore (US$ 73.37 billion), >13,000 km length of roads worth Rs. 3.3 lakh crore (US$ 45.26 billion) awarded for construction.
- In November 2021, the Asian Development Bank (ADB) has approved a US$ 250-million loan to support development of the National Industrial Corridor Development Programme (NICDP). This is a part of the US$ 500-million loan to build 11 industrial corridors bridging 17 states.
- As of July 09, 2021, cities under Smart Cities Mission (SCM) have released tenders for 6,017 projects worth Rs. 1,80,873 crore (US$ 24.36 billion); of this, work orders have been issued in 5,375 projects worth Rs. 1,49,251 crore (US$ 20.10 billion); and of these, 2,781 projects worth Rs. 48,150 crore (US$ 374.60 million) have been completed.

4. TELECOM, ENERGY AND POWER

- In Union Budget 2021, Rs. 9,000 crore (US$ 1.24 billion) has been allocated to create and augment the telecom infrastructure in the country.
- Also, the Budget 2021 allocated Rs. 42,824 crore (US$ 5.88 billion) for the energy sector.
- Through the Budget 2021, the government announced Rs. 3,05,984 crore (over five years) for a revamped, reforms-based and result-linked new power distribution sector scheme.

Source: Union Budget 2021-22, Media sources
Affordable Housing

Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart Cities Mission

• In Union Budget 2021, the government announced Rs. 13,750 crore (US$ 1.89 billion) to AMRUT and Smart Cities Mission.

Ministry of Housing and Urban Affairs

• In Union Budget 2021, the government announced Rs. 54,581 crore (US$ 7.64 billion) to the Ministry of Housing and Urban Affairs.

Tax benefit

• The Union Budget 2021 provided policy impetus to achieve the ‘Housing for All by 2022’ vision through various measures such as extension of tax relief for the affordable housing segment.
• As per Union Budget 2021, the government announced a tax proposal for an additional deduction of Rs. 1.5 lakh (US$ 2.06 thousand) shall be available for loans taken up until March 31, 2022, for purchase of affordable house.

Source: Union Budget 2021-22, Media sources
Infrastructure development in northeast India

- **Budget 2021 highlights:**
  - For FY22, the budgetary allocation for the Ministry of Development of Northeastern Region stood at Rs. 2,658 crore (US$ 3.65 million).
  - Rs. 405 crore (US$ 55.64 million) was allocated to Central Pool of Resources for North Eastern Region and Sikkim.
  - Rs. 221 crore (US$ 30.36 million) was awarded to Schemes of North East Council.
  - Rs. 581 crore (US$ 79.81 million) was allocated to Central Pool of Resources for North East and Sikkim.
  - Rs. 696 crore (US$ 95.61 million) was allocated to North East Road Sector Development Scheme.
  - Rs. 675 crore (US$ 92.73 million) was allocated to North East Special Infrastructure Development Scheme (NESIDS).

- In April 2021, the South Korean delegation—comprising senior officials of the Embassy of the Republic of Korea, Korean Trade-Investment Promotion Agency (KOTRA), Korea Start-up Centre, K-Sure and Korea India Research & Innovation Center (KRRI)—met Sikkim state minister of tourism & civil aviation and commerce & industries Mr. Bedu Singh Panth to explore feasibility of investments in multiple sectors in the state.

- In March 2021, Prime Minister, Mr. Narendra Modi inaugurated the ‘Maitri Setu’ between India and Bangladesh, built upon the river Feni, which flows between the Indian boundary in Tripura and Bangladesh. The construction work of the bridge was taken up by the National Highways and Infrastructure Development Corporation Limited (NHIDCL) at a cost of Rs. 133 crore (US$ 18 million).

- In December 2020, a US$ 4.21 million project readiness financing (PRF) facility was signed today by the Asian Development Bank (ADB) and the Government of India to plan infrastructure development projects to boost urban amenities and build tourism infrastructure in Tripura.

- On October 27, 2020, Minister for Road Transport and Highways, Nitin Gadkari laid the foundation stones for nine National Highway projects in Tripura worth Rs. 2,752 crore (US$ 369.60 million).

- In August 2020, Union Road Transport and Highways Minister, Nitin Gadkari, laid foundation for 13 highway projects, with construction value worth Rs. 3,000 crore (US$ 409.52 million), to improve connectivity in Manipur.

- In FY20, Rs. 53,370 crore (US$ 7.64 billion) was provided for infrastructure and socio-economic development of northeast region.

*Source: Union Budget 2021-22, Media sources*
Logistics and warehousing

- Logistics and warehousing play an important role in the industrial advancement of the country. They are a fundamental part of business infrastructure and one of the key enablers in the global supply chain.
- According to a JLL report, warehousing demand is expected to grow ~160% to reach 35 million sq. ft. in 2021.
- Of the total PE investments (US$ 3,241 million) in real estate in Q1 FY21, the office segment attracted 71% share, followed by retail at 15% and residential and warehousing with 7% each.
- Investment in the logistics sector is expected to reach US$ 500 billion annually by 2025. Warehousing in India is expected to get investment of Rs. 50,000 crore (US$ 7.12 billion) by the end of 2020.
- In September 2021, DP World, a leading logistics services company, announced fresh investments of ~Rs. 2,000 crore (US$ 266.81 million) in Tamil Nadu, including setting up of a new container terminal, cold storage and sea food processing zone among other units.
- In November 2021, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal called out to reduce the logistics cost by 5% over the next five years to transform the sector for further growth so that it contributes to make India a US$ 5-trillion economy by 2025.
- The Ministry of Commerce's Logistics Division presented its plans for 'Freight Smart Cities' in July 2021, with goal of improving the efficiency of urban freight and lowering logistics expenses.
  - Over the next 10 years, demand for urban freight is predicted to increase by 140%. Final-mile freight transit in Indian cities accounts for 50% of the total logistics expenditures in the country's increasing e-commerce supply chains.
  - According to ICRA ratings, the domestic road logistics sector is predicted to grow by 6-9% in FY22.

Source: Economic Survey, KPMG Report, News Articles
Airports infrastructure investment

1 Metro airports
   - The Airports Authority of India (AAI) aims to bring around 250 airports under operation across the country by the end of 2020.
   - AAI has developed and upgraded over 23 metro airports in the last 5 years.
   - AAI plans to develop city-side infrastructure at 13 regional airports across India with help from private players for building of hotels, car parks and other facilities, and thereby boosting its non-aeronautical revenues.
   - Airport housing will also have height restrictions to avoid interference with flight paths. They will also have to be far from the runway and 45m above a defined level of the airport, which will allow 4-5 floors to be built.
   - The development of Navi Mumbai airport has been approved. The project will be developed on 74:26% partnership between Mumbai International Airport Limited (MIAL) and City & Industrial Development Corporation of Maharashtra (CIDCO) and airport's phase I with annual handling capacity of 10 million passengers each year rephrasing it from the origin.

2 Non-metro airports
   - AAI plans to spend over Rs. 21,000 crore (US$ 3.2 billion) between 2018-22 to build new terminal and expand capacity of existing ones.
   - Upfront subsidy has been proposed through which non-metro airports would be funded by imposing 2% levy on both domestic and international airfares.
   - About 22 airports will be connected under regional connectivity scheme of AAI.
   - Over 30 airport development projects are under progress across various regions in northeast India.
   - AAI plans to develop over 20 airports in tier II and tier III cities in the next 5 years.
   - To boost air connectivity, 100 new airports will be developed in the country by 2024.
   - In October 2020, the Airports Authority of India (AAI) announced a plan to upgrade runways at seven airports across the country by March 2022. The seven airports included are at Jammu (Jammu and Kashmir), Kolhapur (Maharashtra), Jabalpur (Madhya Pradesh), Barapani (Meghalaya), Kadapa (Andhra Pradesh), Tirupati (Andhra Pradesh) and Tuticorin (Tamil Nadu).

Source: Media sources
Metro rail network reached 637.2 kms as of September 2020.

In June 2020, A&M Development Group, a European infrastructure development company, announced its plans to invest Rs. 100 crore (US$ 14.19 million) in Mumbai metro project along with RCC Infra Ventures through its recently formed Indian arm, Oberoi-A&M Infra-Consortium.

In November 2020, Alstom announced that it has successfully completed production of its 500th metro car at its ‘SriCity’ factory in Andhra Pradesh that manufactures ‘Rolling Stock’ (metro trains) for urban metro projects.

In March 2021, Japan International Cooperation Agency (JICA) signed an agreement with the Government of India to provide loan up to Rs. 3,717 crore (US$ 560.85 million) for the development of Phase 2 of ‘R6, 2A and 2B’ of Bangalore Metro Rail Corporation Limited (BMRCL) in Bengaluru.

Monorail

Monorail has made its beginning in India with Mumbai being the first city in the country to have this transport system in place.

It took more than six years from the date of inviting Request for Qualification for MMRDA (Mumbai Metropolitan Region Development Authority) to complete a part of the project, involving a stretch of 8.26 km.

Monorail Projects are being developed in Chennai, Pune, Thiruvananthpuram, Bengaluru, Thane, Delhi, Port Blair, Dehradun, Chandigarh etc.

Source: Media sources
Increasing investments in Indian infrastructure

- In November 2021, the National Highway Authority of India raised >Rs. 5,000 crore (US$ 671.53 million) through Infrastructure Investment Trusts (InvITs). The move is expected to help achieve Prime Minister Mr. Narendra Modi’s vision of building world-class infrastructure in India.

- In November 2021, Prime Minister Mr. Narendra Modi inaugurated various development projects (such as Shri Adi Shankaracharya Samadhi) in Kedarnath, Uttarakhand. The infrastructure development projects are expected to boost tourism and contribute to further growth of the state.

- In November 2021, ESR India, an industrial and logistics real estate platform, announced to invest an additional Rs. 260 crore (US$ 34.92 million) in Oragadam Industrial Park for construction and development.

- In August 2021, the Government of India, the Central Water Commission (CWC), government representatives from 10 participating states and the World Bank signed a US$ 250 million project to support the Indian government’s long-term dam safety programme and improve safety and performance of existing dams across various states. The Second Dam Rehabilitation and Improvement Project (DRIP-2) will strengthen dam safety by building dam safety guidelines, bring in global experience and introduce innovative technologies.
  - The project will be implemented in ~120 dams across Chhattisgarh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Odisha, Rajasthan and Tamil Nadu, and at the national level through the CWC.

- In December 2020, the US International Development Finance Corporation (DFC) announced plan to invest US$ 54 million in equity for the National Investment and Infrastructure Fund (NIIF) in India to support the development of critical infrastructure projects.

- To build four transmission projects in the country, electricity transmission infrastructure company Sterlite Power formed a 50:50 partnership with global investment manager AMP Capital in December 2020. For constructing 1,800 km of transmission lines, AMP Capital and Sterlite Power will likely invest US$ 150 million each.

- In November 2020, Warburg Pincus-backed logistics real estate firm, ESR India signed an agreement with the Maharashtra government to invest Rs. 4,310 crore (US$ 578.88 million) to set up 11 industrial and logistics parks around Mumbai and Pune.

- In November 2020, the Union Cabinet approved Rs. 2,480 crore (US$ 337.35 million) foreign direct investments (FDI) in ATC Telecom Infra Ltd.

- In October 2020, Hughes India partnered with Bharat Broadband Nigam Limited (BBNL) and Telecommunications Consultants India Ltd.(TCIL) to provide high-speed satellite connectivity to 5,000 remote gram panchayats.

- The Construction development and infrastructure activity sectors received FDI inflows amounting to US$ 26.14 billion and US$ 25.38 billion, respectively, between April 2000 and June 2021.

- In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US$ 81.72 billion.

Note: FDI - Foreign Direct Investment,
Source: DPIIT, Media sources, Venture Intelligence & mint Research, EY
# New investments in Indian infrastructure

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<th>Sub-Sectors</th>
<th>New Investment (US$ billion)</th>
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<td>FY16</td>
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<tr>
<td>Roads</td>
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<td>Railways</td>
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<td>Power Distribution</td>
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<td>Mining</td>
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*Source: Dolat Capital Construction and Infrastructure September 2020*
Key highlights of Union Budget 2021-22

- The government has given a massive push to the infrastructure sector by allocating Rs. 233,083 crore (US$ 32.02 billion) for the transport sector.
- IT and Telecom sector has been allocated Rs. 53,108 crore (US$ 7.30 billion).
- Indian railways received Rs. 1,10,055 crore (US$ 15.09 billion), of which Rs. 1,07,100 crore (US$ 14.69 billion) is for capital expenditure.
- Rs. 1,18,101 crore (US$ 16.20 billion) has been allocated towards road transport and highway.
- In Budget 2021, the government announced the following interventions under Pradhan Mantri Aatmanirbhar Swasth Bharat Yojana (PMANSY):
  - An outlay of Rs. 64,180 crore (US$ 8.80 billion) over six years to strengthen the existing ‘National Health Mission’ by developing capacities of primary, secondary & tertiary care and healthcare systems & institutions to detect and cure new and emerging diseases.
  - This scheme will strengthen 17,000 rural and 11,000 urban health and wellness centres.
  - Setting up integrated public health labs in all districts and 3,382 block public health units in 11 states.
  - Establishing critical care hospital blocks in 602 districts and 12 central institutions.
  - Strengthening the NCDC (National Centre for Disease Control) to have five regional branches and 20 metropolitan health surveillance units.
  - Expanding integrated health information portal to all states/UTs.
  - Rolling out the pneumococcal vaccine, a ‘Made in India’ product, across the country.
  - Rs. 35,000 crore (US$ 4.80 billion) has been allocated for COVID-19 vaccines in FY22.
- The government announced Rs. 18,998 crore (US$ 2.61 billion) for metro projects.
- Mega Investment Textiles Parks (MITRA) scheme was launched to establish world-class infrastructure in the textile sector and establish seven textile parks over three years.
- The government announced Rs. 305,984 crore (US$ 42 billion) over the next five years for a revamped, reforms-based and result-linked new power distribution sector scheme.

Source: Union Budget 2021-22
Urban Indian real estate

- With every sixth urban person globally being an Indian, the real estate and construction sector holds significant opportunity for both global and domestic companies engaged across the value chain.
- India will need to construct 43,000 houses every day until 2022 to achieve the vision of Housing for All by 2022. Hundreds of new cities need to be developed over the next decade.
- This has the potential for catapulting India to the third-largest construction market globally. The sector is expected to contribute 15% to the Indian economy by 2030.
- The recent policy reforms such as the Real Estate Act, GST and REITs are steps to reduce approval delays and are only going to strengthen the real estate and construction sector.

Government initiatives

- India plans to spend US$ 1.4 trillion on infrastructure through ‘National Infrastructure Pipeline’ in the next five years.
- In April 2021, the Ministry of Power (MoP) released the draft National Electricity Policy (NEP) 2021. The MoP created an expert committee including members from state governments, the Ministry of New and Renewable Energy (MNRE), NITI Aayog and the Central Electricity Authority (CEA).
- In November 2020, the Union Cabinet approved investments of Rs. 6,000 crore (US$ 816.18 million) equity in the debt platform of National Infrastructure Investment Fund (NIIF) for the next two years to drive infrastructure growth in the country. This step would assist the organisation to collect Rs. 1.10 lakh crore (US$ 15 billion) for infrastructure project funding by 2025.

National Infrastructure Pipeline

- As of December 2020, out of Rs. 111 lakh crore (US$ 1.52 trillion), projects worth Rs. 44 lakh crore (US$ 601.31 billion), accounting for 40%, are under implementation and projects worth Rs. 22 lakh crore (US$ 300.65 billion) that account for NIP’s 20% are under development stages.
- Through the National Infrastructure Pipeline, the government invested US$ 1.4 trillion in infrastructure development (NIP), as of July 2021.

Source: Media sources, Ministry of Finance, M-SIPS - Modified Special Incentive Package Scheme, EDF - Electronics Development Funds
Key Industry Contacts
## Key industry contacts

<table>
<thead>
<tr>
<th>Agency</th>
<th>Contact Information</th>
</tr>
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<tbody>
<tr>
<td><strong>National Highways Authority of India (NHAI)</strong></td>
<td>Address: G 5 and 6, Sector 10, Dwarka New Delhi - 110 075</td>
</tr>
<tr>
<td></td>
<td>Phone: 91-11-25074100, 25074200</td>
</tr>
<tr>
<td></td>
<td>Fax: 91-11-25093507, 25093514</td>
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<tr>
<td></td>
<td>Website: <a href="http://nhai.gov.in">nhai.gov.in</a></td>
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<tr>
<td><strong>Airports Authority of India (AAI)</strong></td>
<td>Address: Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi - 110003</td>
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<tr>
<td></td>
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</tr>
<tr>
<td><strong>Infrastructure Industry And Logistics Federation of India (ILFI)</strong></td>
<td>Address: P-95, South Extension Part - II New Delhi - 110049</td>
</tr>
<tr>
<td></td>
<td>Phone: 91-11-41007091</td>
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FY: Indian Financial Year (April to March) - So, FY11 implies April 2010 to March 2011
FDI: Foreign Direct Investment
CAGR: Compounded Annual Growth Rate
GOI: Government of India
R&D: Research and Development
JV: Joint Venture
SEZ: Special Economic Zone
BOT: Build-Operate-Transfer
IBEF: Indian Brand Equity Foundation
NHAI: National Highways Authority of India
PPP: Public-Private-Partnership
Wherever applicable, numbers have been rounded off to the nearest whole number
### Exchange Rates (Fiscal Year)

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### Exchange Rates (Calendar Year)

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*Note: As of November 2021
Source: Reserve Bank of India, Average for the year
India Brand Equity Foundation (IBEF) engaged Sutherland Global Services Private Limited to prepare/update this presentation.

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