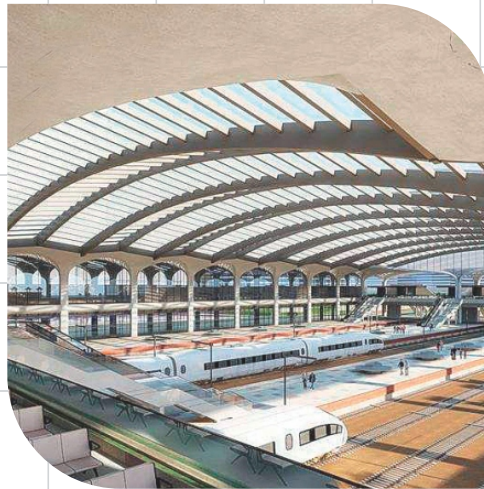




**KRS** Infra Ventures Pvt. Ltd.



**KN**  **WLEDGE**  
PAPER

APRIL-JUNE, 2022



## From *Director* Desk

*Dear Friends,*

*In current Govt Budget, main focus is given to infrastructure sector that offers investment opportunities in multiple asset classes including highways, multi-modal logistic parks, warehousing zones and etc.*

*In addition, remodeling of railway station into multi-modal transit hubs which offer more than Rs. 170 billion opportunity for local as well as global players.*

*Hope, this knowledge paper will help you to understand basic details.*

*With Kind Regards,*



**Keshav Gandhi**  
Executive Director,  
KRS Infra Ventures Private Limited

## Highlights for Infrastructure Sector in Indian Union Budget 2022-23

### Infrastructure

An additional allocation of INR 19,500 crore for Production Linked Incentive PM Gati Shakti Master Plan: INR 20,000 crore to be mobilized through innovative ways of financing to complement the public resources.

One Station-one Product Concept: As a part of Atmanirbhar Bharat 2000 km of network will be brought under kavach, the indigenous world-class technology for safety and capacity augmentation in 2022-23.

Ken-Betwa Link Project: Estimated cost INR 44,605 crore. Allocations of INR 4300 crore in RE 2021-22 and INR 1400 crore in 2022-23.

### Green Infrastructure

As a part of the government's overall market borrowings in 2022-23, sovereign Green Bonds will be issued for mobilizing resources for green infrastructure. The proceeds will be deployed in public sector projects which help in reducing the carbon intensity of the economy.

### Digital Infrastructure

Data Centers and Energy Storage Systems: Dense Charging infrastructure and grid-scale battery systems will be included in the harmonized list of infrastructure. This will facilitate credit availability for digital infrastructure and clean energy storage.

### Roads & Highways Infrastructure

Parvatmala–National Ropeways Development Programme: The National Highways network will be expanded by 25,000 km in 2022-23.

20,000 crores will be mobilized through innovative ways of financing to complement the public resources.

National Master Plan aimed at world class modern infrastructure and logistics synergy.

Promoting Tourism & better Connectivity: Contracts for 8 ropeway projects for a length of 60 km will be awarded in 2022-23.

## Multi-Modal Projects in India

Government of India initiate the actions to attract investors to come forward and invest boldly in the infrastructure sector, which offers a diverse array of investment opportunities spanning multiple asset classes including Highways, Multimodal Logistics Parks, Wayside Amenities, Ropeways, Warehousing Zones and more.

Toll Operate and Transfer modal has been introduced in order to fulfill the ambitious monetization objective of Rs. 11 lakh crores in next couple of years.

The data Exchange in all mode operators to be bought on 'Unified Logistics Interface Platform'. The platform is designed for the 'Application Programming Interface'. This will result in providing efficiency in the movement of goods via different modes, reduction of logistics cost and time, assistance in inventory management, and elimination of tedious documentation.

The country's logistics cost of 14% of the gross domestic product (GDP) is very high in comparison with 8-10% of the developed nations. The Government is planning to reduce the



logistics cost by 4%, which is to 10% of the GDP in the upcoming 3 years.

The GOI's steps on increasing logistics efficiency and the



push on multimodal projects will help in reducing the logistics cost.

The multimodal sector has been neglected by the government for a long time. The multimodal sector comprises the movement of goods from one point to another via several modes of transport by one transport operator.

GOI is planning to execute infrastructure projects worth INR 7 trillion in the next three years. The investment opportunities are across multiple asset classes such as highways, multimodal logistics parks, wayside amenities, ropeways and warehousing zones among others. The total investment planned in infrastructure, 34,800 km highways have the highest capital cost of Rs.10 trillion followed by a INR 500 billion investment plan towards 35 multimodal logistics parks spread across

the country. In the highways segment, about INR 6 trillion would be invested by 2023-24. The automobile industry in India which is worth INR 7.5 trillion in size will double to INR15 trillion in next five years.

## Multi-Modal Logistics Parks Infrastructure

Government of India proposed 35 multi-modal logistics parks will come up in the country under the Bharatmala project, and four are proposed in Maharashtra. Recently Jawaharlal Nehru Port Trust (JNPT) & National Highways Logistics Management Ltd. (NHLML), a special purpose vehicle of NHAI, signed MOU to develop a multi-modal logistics park at Sindhi in the Wardha district of Maharashtra.

The proposed 35 multi-modal logistics parks (MMLPs) will come up in the country under the Bharatmala project, and four MMLPs will be developed in Maharashtra, including Jalna, Nasik, Solapur and Sangli etc.

MMLP Nagpur at Sindhi is a step towards making Nagpur and Wardha, which are centrally located at a logistics capital of India. It is a good opportunity for export and import for businesses in the region, he added. Nagpur is one of the 35 strategic locations identified for the development of MMLPs across India by Ministry of Road Highways.



Nagpur, being centrally located in the country and well-connected through road and rail, provides location advantages to establish industries, warehouses and associated facilities to link to ports.

Development of Multi-Modal Logistic Park, Nagpur in the Wardha district with area approx. 345.54 acres Land with an estimated project cost of Rs 780 crore already initiated.

The MMLP is planned to be developed in an area of 230 acres, while the balance land might be used for industrial development based on demand. The land acquisition for the dry port is already completed by JNPT.

The statement also said around 10 million tonnes of cargo is estimated to be handled at the MMLP in the horizon year of 2051.

The facilities envisaged in this MMLP are warehouses, cold storage, inter-modal transfers, handling facilities for container terminals, and bulk / breakbulk cargo terminals, among others.



## Wayside Amenities Infrastructure

Government of India has targeted to complete 142 way side amenities infrastructure in the next financial year, where 39 of them have already been awarded tenders and for the remaining 103 bids have been invited by the National Highway Authority of India (NHAI). Officials also said that 23 of these facilities would be provided along the Delhi-Mumbai Expressway and 16 of them would be developed as brownfield projects. "Some of these projects would be developed by the NHAI, while some would be developed in a PPP (Public-Private partnership) modal. For such projects land availability and feasibility are the most important aspects that need to be looked into. Once the land is available the project completion does not take much time. It is also important to mention here that these wayside amenities are being developed keeping in mind the flavour of the region and the demographic of the region to give the commuters a feel of the locality. ■



## New Technologies in Rural Road Network Growth

Substantial efforts has been made in the development of systems and adoption of new technologies for planning, construction, monitoring and maintenance of rural roads under the PMGSY. These include online monitoring systems and mobile-based applications, e-tendering and geographic information systems. In addition, efforts are on to use geoinformatics in rural road projects. ■

Future outlook – Efforts have been made to develop and use new technologies for construction and monitoring of rural roads under the PMGSY. These new technologies need to be cost-effective and sustainable for faster adoption across the rural region. In addition, the government is encouraging the use of innovative green technologies and has put in place stringent monitoring and feedback mechanisms to ensure on-time completion. ■



## Growth Opportunities in Ports Sector

Development of Deep Draft Ports-Vardhavan port, Bhavnapatu port, Subarnerekha Port, Ramanapatu Port, Machilipatnam Port, etc are in line.

Ports Sector has many opportunities to offer. In order to grow at a steady pace, the Indian Port Sector must adopt measures such as mechanization, removal of connectivity bottlenecks, last-mile connectivity, conservation of water and focus on the use of renewable energy aggressively. The non-major ports should adopt the Gujarat Maritime Board model for privatization of ports. However, there should be a coordination cell between state and central port projects to ensure better return on investments. Public and private ports must work closely. Private players must be encouraged for industry developments and cargo generation. Thus, industry-led port development should be the main focus.

The government is undertaking several initiatives to accelerate the development of the sector. To promote the expansion of port infrastructure and facilitate trade and commerce, the Major Port Authorities Bill has also been passed by Parliament. The bill aims to decentralize decision-making and reinforce excellence in major port governance. ■



## Railway Sector

National Monetization Pipeline unveiled in mid 2021, railway assets worth Rs. 1.52 trillion are planned to be monetized during financial years 2022-25. The plan is to monetize railway stations, passenger trains, sheds for goods, Konkan Railway, Hill Railways, dedicated freight corridors and railway stadiums. The monetization of brownfield railway assets is expected to reap over Rs. 1.52 trillion in 4 years.

Further, as per the National Infrastructure Pipeline, investments to the tune of Rs. 13.67 trillion are to be made in the railway sector by 2024-25. This is expected to improve freight efficiency, passenger amenities, the speed and safety of trains and ensure better connectivity. ■



## Railway Station Infrastructure Development

The station redevelopment program offers opportunities for the real estate development (hotels, eateries, multiplexes, shopping malls, office complexes, etc.) and development of multimodal transit hubs. IRSDC has been mandated by the union cabinet for facility management of stations on PPP basis for a concession period of 15 years. 90 stations have already been identified for this. The focus will be on low cost upgradation of stations. The PPP model aims to bring in efficiency in the private sector, capital resources, flexible operations and enhanced services. An agreement has been signed between RailTel and the Ministry of Communications for setting up Wi-Fi hotspots on a pilot basis at 200 railway stations in rural areas. The total value of upcoming opportunities based on upcoming station redevelopment projects is Rs. 170 billion.

The program aims to not only develop modern infrastructure at stations, but also generate steady revenue streams for the railways through the monetization of land in and around the stations. Various projects are under implementation and new schemes such as station and commercial development and facility management of stations are being introduced. ■



## Solar Energy in Indian Railway

Indian Railway is working to harness its potential of 500 MW of energy by deploying rooftop solar panels. Till date, 100 MW of solar plants have been commissioned on the rooftops of various buildings including 900 stations. Solar plants with a combined capacity of 400 MW are at different stages of execution. Besides this, IR is trying to produce power from land-based solar installations for running trains. It has 51000 hectares of land potential for installing 20 GW of land-based solar plants. ■





## Infrastructure Financing

Indian Government Plan to make India a \$5 Trillion economy by 2024-25 and \$10 trillion by 2030, India is taking a series of initiatives focused on economic growth. One such initiative is the National Infrastructure Pipeline (NIP), which envisages attracting investments of Rs. 111 trillion across different sectors and multiple geographies in the country. Among the key objectives of the NIP is the creation of infrastructure through monetization.

In this context, development financial institutions (DFIs) have a key role to play. DFIs are institutions established to serve as vehicle for economic development and finance industrial growth, with a specific focus on term finance. They provide long-term credit for capital-intensive investments spread over a long period and have low yielding rates of return. These institutions act as critical intermediaries for channeling the finance required for infrastructure and realize higher economic growth.

The National Bank for Financing Infrastructure and Development (NBFID) will be set up with a corpus of Rs. 200 billion and will have a lending target of Rs. 5 trillion for 3 years. The NBFID will be set up as a corporate body with an authorized share capital of INR One trillion. Its shares may be held by the central government, multi-lateral institutions, sovereign wealth funds, pension funds, insurers, financial institutions and any other institution prescribed by the central government. ■

## Monetisation Opportunities

Monetising Government-controlled assets is widely regarded as a critical but under explored public finance strategy for managing public resources. The overall asset monetization pipeline is broken down into over 20 asset classes, with toll highways, railway stations and transmission towers standing in the top three. The top three sectors in terms of value are roads (27%) and power (15%) and railway (26%), followed by oil & gas pipelines (8%) and telecommunication (6%). The estimated value of the monetization pipeline for fiscal year 2022 is Rs. 881.9, Rs. 1624.22 for fiscal year 2023, Rs. 1795.44 for fiscal year 2024 and Rs. 1673.45 for financial year 2025. ■



## Sector-wise Opportunities

The road sector is brimming with opportunities with 26700 km of road length available for monetization, accounting for 20% of the total potential asset base. Existing operational NH assets as well as new NH roads, 4 lane and above, that will be built and operationalized over the next 4 years, have been considered. Under the upcoming TOT bundles 6,7 & 8 a total of 450 km of stretches have been offered for bidding. All three bundles have been kept small in order to attract more capital.

NHAI has identified a length of 5500 km to be monetized in the financial year 2022-23, followed by 7300 km in the financial year 2023-24 and 8900 km in the financial year 2024-25.

IR is the governments second largest sector after roads. There are 90 passenger trains, 400 stops, 1400 km track, 50 railway stadiums, the 741 km Konkan Railway and chosen railway colonies to be monetized during financial year 2022-25. The monetization of stations and passenger trains is expected to produce roughly Rs. 762.5 billion and Rs. 216.42 billion respectively over a 4 year period. In fiscal year 2022-23 Rs. 572.22 billion will be monetized & Rs. 449.07 billion in the financial year 2023-24 and Rs. 325.57 billion in financial year 2024-25. In order to monetize railway assets, the government will set up the Indian Railway Stations Development Corporation (IRSDC) as a joint venture between Ircon and the Railway Land Development Authority.

The Government of India, states and private sector respectively contributed 38%, 54% and 8% of the overall length of power transmission lines. The transmission infrastructure of Power grid Corporation of India Limited is the potential asset based considered for the NMP under the power transmission asset class. As many as 28608 ckt km are slated for monetization during the financial years 2022-25. For financial year 2022, transmission assets worth Rs. 77 billion are being considered including Powergrid InvIT issue transaction.

The government telecom assets are worth Rs. 351 billion, as per NITI Aayog. The NMP evaluates BSNL's 13567 and MTNL's 1350 mobile tower assets at Rs. 88 billion, which may be monetized by the financial year 2024. The total approved cost of the BharatNet project is Rs. 611.09 billion which



includes 420.68 billion for BharatNet (Phase I and II) and the maximum of Rs. 190.41 billion for viability gap funding (VGF) for the PPP model of BharatNet implementation in 16 states.

The total potential asset base for the petroleum sector comprises the operational product and LPG pipelines operated by central sector entities, namely, Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Limited (HPCL) and Gas Authority of India Limited (GAIL). The Government will kick-start the monetization of gas pipelines by leasing out over 2229 km of gas pipelines of GAIL India Ltd to the private sector through the InVITroute. By financial year 2023, the government intends to monetize two product pipelines and one LPG pipeline owned by the state run IOC. The Government's proposal to sell 4700 km of IOCL and HPCL pipeline is likely to comprise 3500 km of IOCL's pipelines and 1200 km of HPCL's pipelines.



NITI Aayog has estimated that state-owned power production assets are worth Rs. 398.32 billion and may be monetized by 2025. There are approx 3.5 GW of hydro assets and roughly 2.5 GW of renewable energy assets which include solar and wind. The average realisation value of hydro assets has been assessed to be Rs. 75 million per MW, while the average realization value of solar assets has been projected at Rs. 55 million per MW.

Together the 6 GW of assets under consideration for monetization account for around 6% of the overall generation capacity under central PSUs. According to the NMP, 25 AAI Airports have been identified for asset monetization between 2022 and 2025. The total airport assets available for monetization represent 18% of AAI's total airport assets under management. For Financial year 2022-25, the total value of assets considered for monetization is estimated to be Rs. 207.82 billion.



The Ministry of Ports, Shipping and Waterway will implement the shipping asset monetization pipeline projects. This may happen through the PPP mode. The assets under consideration for monetization are spread across 9 of the country's 12 major ports. For the NMP period from 2022 and 2025, a monetization value of Rs. 128.28 billion has been considered on account of estimated capital expenditure on 31 identified projects. ■





## KRS MARKETING Partnership Proposal

### Marketing Requirements

Handling business opportunities in India require various steps and Marketing Partnership will help you to understand the practice and management to work in India. Considering the promotion before official participation in business, few steps like promotion, introducing own product range to manage the requirement development accept our standard products or services, advance preparation of participation in Indian Opportunities, management of local vendor team, if required for joint participation, handling tenders, offers, negotiations, contract management support etc., the list is ongoing and KRS Infra Ventures Pvt. Limited ensure that our experience being in this trade from last three decades offer you wider experience base in INDIA.

### Marketing Proposal

The KRS Group herewith introduce KRS Infra Ventures Pvt. Limited herewith offers the marketing partnership to your organization to promote you and yours associates interest in Indian Infrastructure Sector with following ways:

- ▶ Informing Business Opportunities in India for business scope of your organization.
- ▶ Promoting your organization with introducing and presenting details to various clients in Government

and Private Sector and follow-up for acquisition formalities (tendering process, finalization of business, all assistance during implementation & after sales etc.)

- ▶ Informing the current scenario of market in view of Government Policies, Procurements plans etc.
- ▶ Advising the strategies required during promotion for successful business opportunities.

The partnership terms will require discussions to finalize, which will be second step after receiving your principal approval and suggest you to work on following options for understanding:

- ▶ Marketing Partnership Joint Venture-which means "KRS Infra Ventures" will be offering all Marketing support in India and your organization handle the technical & commercial need of the projects targeted and rest terms & conditions of arrangement will decided after in principal approval of partnership.
- ▶ Exclusive Agent in INDIA-KRS will be offered exclusive Agency Agreement for 3 years minimum to develop and managing business opportunities for your organization and terms & conditions of this agreement will be discuss after principal approval of working.



## KRS Infra Ventures Private Limited

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