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NEWSLETTER

ADB plans to fund Rs 30,000 CR Delhi-Meerut rapid rail corridor, 4 metro projects

By [Economic Times](#)

Asian Development Bank (ADB) has given in-principle nod for financing four metro rail projects and a Rs 30,000 crore rapid rail corridor between Delhi and Meerut as part of its effort to improve urban transport system in India. Simultaneous discussion are going on with other multi-lateral funding agencies for co-financing of these large urban transport projects in India including Bhopal and Indore Metro projects, ADB Director General (South Asia) Hun Kim said Wednesday.

"ADB has in-principle agreed to finance these projects with the Centre, which is the guarantor. It depends on the client. If they complete the formalities, we're ready to go (for final approval from the board)," he said.

Kim emphasised that financing logistics projects will also be a priority area for the bank. "We want to be a bank for logistics," he said, pointing to the Vizag-Chennai and the Chennai-Kanyakumari industrial corridors where the ADB is involved in financing preparation of the master plan.



FROM THE DESK



Alok C. Sapre

Chairman & Managing Director,
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The Infrastructure and construction sector is the second largest contributor to the Indian national economy and its volatility depends upon various factors. For professionals like us its very difficult to stay tuned with scenario evolving around us both due to domestic and international factors.

Our clientele have urged CGV to create an assorted news format relevant to our sector for relating & positioning their businesses as we are closely associated with banking, financial sector and industry. We thus take immense pride to start this newsletter with a view to stay updated with the developments around and mutual business usages.

We look forward to assimilate and publish important snapshot of the industry segments. We await your encouraging responses to decide frequency of this publication.

INFRASTRUCTURE

New government will inherit unpaid infrastructure bill of Rs 12.4 lakh crore

By [Money Control](#)

An April 18, 2019 CARE Ratings report on the status of central government infrastructure projects makes for interesting reading. It shows that the next government will start with unpaid infrastructure development bills of Rs 12.4 lakh crore. The report has compiled infrastructure spends over the past five years and pointed out the time and cost overruns for various projects during the period. These projects were originally expected to be completed at a cost of Rs 18.17 lakh crore. In the past five years, Rs. 8.07 lakh crore or 37.8 percent of anticipated cost has been already incurred.

Essentially, the big question is where will the government find money to pay the bills for these infrastructure projects?

Summary of Projects	
Total number of projects	1,424
Original cost (Rs.cr)	18,17,469
Anticipated/Revised cost	21,33,649
Cost overrun	3,16,180
Projects with cost overrun	344
Number of projects on schedule	354
Delayed projects	384
Sources: Compiled from cspm.gov.in ; CARE Ratings' Status of Infrastructure Projects, April 18, 2019.	

Haryana proposes exit route from expressway project for Essel Group

By [Economics Times](#)

In what is being seen as a Rs 4,000-crore breather, a Haryana government undertaking, which is the owner of the Kundli-Manesar-Palwal (KMP) Expressway project, has proposed that lenders led by IDBI Bank take over the debt and allow it to exit along with the concessionaire, the embattled Essel Group. While IDBI Bank is not averse to the idea, some of the other lenders are not in favour of the plan, although a final call is yet to be taken, said the bankers. They are worried over the recent trend to hand over ailing companies — ranging from Jet Airways to Jaypee Infratech.

Cyclone Fani: Odisha's Infra takes a hit, but huge human cost avoided

By [Business Standard](#)

Anticipatory preparedness helped in keeping the death toll low in cyclone-hit Odisha, but the state's infrastructure, which has taken a heavy beating, could take at least six months to be restored. A senior official told Business Standard that the reconstruction work may take at least six to seven months, while the extent of damage is yet to be assessed. Fani, that ravaged most parts of Odisha and left 16 people dead, hit West Bengal over Friday and Saturday.

Major ports in the region such as Dhamra, Paradip and Gopalpur are expected to have suffered losses and the companies are currently assessing the situation. The Indian Railways said on Saturday that the restoration works are in full swing. A total of 370 trains were cancelled in the past two days, including many passenger trains. Talcher coal field of Mahanadi Coalfields Ltd was the only coal mine affected by the cyclone. Operations at the mine have been stopped for now. Power infrastructure also did not suffer any major damage.



RERA impact: Construction time down to six months

By [MoneyControl](#)

The Real Estate Regulation and Development Act (RERA) has, since its enforcement, significantly reduced the average time taken for construction up to the first floor slab to six months from 21 months, as per a report titled 'RERA Induces Faster Construction and Economic Growth' by Liasas Foras. The report is based specifically upon the average turnaround time between the launch of the project and completion of the first floor slab. This duration could be considered as a buffer period that was earlier utilised by developers to secure necessary approvals after launching the project. Among Tier-I cities, maximum construction delay in the past was noticed in NCR and Kolkata.

Real estate Relief: Indian millennials taking to affordable housing, say Experts

By [Zee Business](#)

Affordable housing is increasingly engaging with Indian millennials. Their move towards buying a home is due to the Pradhan Mantri Awas Yojana (PMAY) scheme and the reason is that it is putting less burden on the residential real estate customers. Developers are also responding to this demand surge as it helps them in getting a home that is affordable and also avail income tax exemption being bestowed on them by the government under PMAY scheme, say industry insiders.

Two years of RERA: Implementation still patchy in many States

By [LiveMint](#)

Two years after the Real Estate (Regulation and Development) Act was enacted, the implementation of the legislation intended to bring about transparency and regulate the highly unorganized real estate sector still remains a work in progress. The RERA rules have been notified in 22 states and six union territories and among them 19 states have active online portals so far. Five states have not yet notified the rules and 11 states - all the eight northeastern states as well as West Bengal and Kerala - are yet to set up their web portals. Several states have also diluted the rules in favor of the builders, going against the very spirit of the Act, experts said.

West Bengal has refused to implement the Act as it has its own West Bengal Housing and Industrial Regulation Act (WBHIRA). This has, however, been challenged in the Supreme Court by the Forum for People's Collective Efforts (FPCE), an umbrella association of home buyers.



INDUSTRY**Cement demand likely to grow 8% in FY20: Report**By [Economics Times](#)

The domestic cement demand is likely to grow by eight percent this fiscal which may push the capacity utilisation to 71 percent from 65 percent in FY18, the report said Wednesday. The growth in demand will be driven by a likely 18-20 million tonnes per annum (MTPA) of additional production capacity during the fiscal. Icara pointed out that cement production remains healthy supported by the demand in south India, primarily in Andhra Pradesh and Telangana driven by irrigation, low cost housing and infrastructure projects and Tamil Nadu driven by infrastructure and rural housing. Also, the strong growth in demand in eastern and western India, which is driven by low cost housing and infrastructure demand, in the north led by the execution of infrastructure projects and in central part of the country.

POWER**Over 1k-MW wind projects running behind schedule**By [Economics Times](#)

Many of the projects won by developers in the two wind auctions conducted by Solar Corporation of India in 2017 have not been completed yet, according to sources close to the development. The commissioning deadline for the first tranche of projects of 1050 MW was October 2018 and for the second of 1000 MW was May this year. But only 690 MW of the first lot and a mere 200 MW of the second are complete. The winners from the first auction who have managed to set up the entire amount obtained are ReNew Power and Sembcorp, while Mytrah Energy is close to commissioning. Inox Wind and AdaniNSE -1.99 % Green Energy had won 250 MW and 50 MW, respectively, but neither has set up a single megawatt so far. Sembcorp, Renew, Orange, Inox and Adani were the winners of the second SECI auction winning capacities of 250MW, 250MW, 200MW, 250MW and 50MW, respectively.

Private power producers demand level playing field in allocation of transmission projectsBy [Economics Times](#)

The Independent Power Producers Association of India (IPPAI) has shot off a letter to the Power Ministry demanding level playing field for private sector players vis-a-vis state-run Power Grid Corporation of India (PGCIL) in allocation of electricity transmission projects. "We seek your suo moto intervention in this matter in the interest of maintaining a level playing field in this segment (transmission) of the power sector and to stop the misuse of public funds which are procured at very low costs (by PGCIL) from multilateral agencies against sovereign guarantees of the Government of India," IPPAI said in its letter written earlier this week to the power secretary. The industry body pointed out that in view of the dominant position of PGCIL reflected in its predatory bid pricing, the ministry should ensure that the low-cost pool of funds raised by the company are not allowed to cross-subsidise TBCB (tariff based competitive bidding) projects

Second term for NDA will resolve NBFCs' liquidity woes: IIFL's Nirmal Jain

By [Economic Times](#)

Leading financial services player IIFL Monday said if the BJP-led National Democratic Alliance (NDA) gets a second term, it will provide liquidity support to non-banking financial companies (NBFCs) that are facing cash crunch for a year now.

"If the present government gets a second term, it will ensure better liquidity for NBFCs. There were informal discussions to this end already and they said after the elections, RBI and government will sit down and make sure the liquidity problem is resolved," IIFL chairman Nirmal Jain told reporters at a company event.

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