

## Sectoral

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### Construction

#### 1. What are investment opportunities under Swachh Bharat Mission?

Some of the investment opportunities are: Solid & Liquid Waste Management Wastewater Management Construction of Toilets In February 2021, the government allocated Rs. 141,678 crore (US\$ 19.22 billion) to tackle water, land & air pollution besides waste management over the next five years. In October 2020, the National Bank for Agriculture & Rural Development (NABARD) disbursed Rs. 12,298 crore (US\$ 1.66 billion) under the Swachh Bharat Mission Gramin (SBM-G) for construction of 32.9 million household toilets.

#### 2. What is 'Smart Cities' program of the Indian government?

Government of India has launched a new urban development mission. Target is to develop 500 cities, which include cities with a population of more than 100,000 and some cities of religious and tourist importance. These cities will be supported and encouraged to harness private capital and expertise through Public Private Partnerships (PPPs), to holster their infrastructure and services in the next 10 years. The strategic components of Area-based development in the Smart Cities Mission are: 1) City improvement (retrofitting). 2) City renewal (redevelopment). 3) City extension (greenfield development). 4) Pan-city initiative in which Smart Solutions are applied covering larger parts of the city. Please refer to these links for further details.

#### 3. How can we get our propriety building technology for affordable housing, certified and approved by government?

Building Materials and Technology Promotion Council does evaluation, validation and certification of innovative building materials and construction technologies under performance appraisal certification scheme. For details please refer to link.

#### 4. What kind of real estate business activities are prohibited for foreign investment?

FDI is not permitted in an entity which is engaged or proposes to engage in real estate business, construction of farm-houses and trading in transferable development rights (TDRs). “ Real estate business ” means dealing in land and immovable property with a view to earning profit there from and does not include development of townships, construction of residential/ commercial premises, roads or bridges, educational institutions, recreational facilities, city, regional level infrastructure and Real Estate Investment Trusts (REITs) registered and regulated under the SEBI (REITs) Regulations 2014. Further, earning of rent/ income on lease of the property, not amounting to transfer, will not amount to real estate business. For further details, please refer to latest FDI Policy 2020 at the following link.

#### **5. What are the types of construction-development projects in which foreign investors/companies can invest in India?**

Government has permitted 100% equity under automatic route for construction-development projects (which would include development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships). We would also request you to refer to some conditions under which the investment in this sector is governed, as mentioned under section 5.2.10 of latest FDI Policy 2020.

#### **6. What does India Infrastructure Finance Company Limited do?**

India Infrastructure Finance Company Limited (IIFCL) was incorporated under the Companies Act as a wholly owned Government of India company in January 2006 and commenced operations from April 2006 to provide long term finance to viable infrastructure projects through the Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called India Infrastructure Finance Company Ltd (IIFCL), broadly referred to as SIFTI. The sectors eligible for financial assistance from IIFCL are the Harmonized list of infrastructure sub-sectors as approved by the Cabinet Committee on Infrastructure on 1st March 2012. These include transportation, energy, water, sanitation, communication, social and commercial infrastructure. IIFCL accords overriding priority to Public-Private Partnership (PPP) Projects. For more information, click here.

#### **7. What is PM Awas Yojana-Urban (PMAY-U)?**

Pradhan Mantri Awas Yojana – Urban (PMAY-U), a flagship Mission of Government of India being implemented by Ministry of Housing and Urban Affairs (MoHUA), was launched on 25th June 2015.

The Mission addresses urban housing shortage among the EWS/LIG and MIG categories including the slum dwellers by ensuring a pucca house to all eligible urban households. The Mission provides Central Assistance to the implementing agencies through States/Union Territories (UTs) and Central Nodal Agencies (CNAs) for providing houses to all eligible families/ beneficiaries against the validated demand for houses for about 1.12 cr. As per PMAY(U) guidelines, the size of a house for Economically Weaker Section (EWS) could be upto 30 sq. mt. carpet area, however States/UTs have the flexibility to enhance the size of houses in consultation and approval of the Ministry.