FRESH INVESTMENT

 ₹25K Etah UMPP, largest project of March 2015

A nnouncement of a 4,000 MW coal based UMPP in Etah district of Uttar Pradesh by Power Finance Corp. lifted the overall fresh investment figures of March 2015. The project, to be executed on BOT basis is expected to cost around ₹25,000 crore.

In all, the month saw 616 new projects worth ₹47,461 crore being announced. Of the total new projects announced 502 were greenfield projects, 100 were plant modernisation and the balance 14 were brownfield projects. Further, of the 616 projects, the promoters of 313 projects, mostly in the Power Distribution and Real Estate sectors, have not yet firm up project costs for either the scope has not been finalized or location is yet to be fixed.

Of the ten mega projects (projex of ₹500 crore or more) announced in March 2015, two were in the Manufacturing sector. Seya Industries plans to set up a sulphuric acid unit with a capacity of 3.6 lakh tpa at Tarapur Industrial Area, Palghar in Thane district of Maharashtra with an investment of ₹700 crore and the Southern Railways intends to set up a ₹550 crore rail coach factory in Palakkad district of Kerala.

Following the allocation of 25 coal mines to private firms by the Union Ministry of Power in Schedule-II & III under ‘the Coal Mines (Special Provisions) Second Ordinance, 2014’; the month of March saw announcement of a number of coal mine development projects. Though most of the project promoters have not announced the size of their investment, the sector is expected to attract considerable investment in the next 2-3 years.

The Services & Utilities (Infrastructure) sector saw 504 new projects worth ₹13,146 crore and accounted for 27 per cent of the total fresh investment announced in March 2015. Uttar Pradesh Rajkiya Nirman Nigam plans to develop a ₹641 crore police bhawan (Signature building) at Sector-7, Gomtinagar Extension in Lucknow district of Uttar Pradesh on turnkey basis.

Beside the above project, Asian Institute of Gastroenterology plans to construct a hospital with an investment of ₹500 crore at Survey No.136/1, Gachibowli in Ranga Reddy district of Telangana. The project, to be spread over 12.5 lakh square feet of land, comprises a building of G+4 floors with a capacity of 600 beds including various modern amenities. Shapoorji Pallonji & Co. Ltd. is the civil contractor for the project.

The 17 new Mega Food Parks (MFPs) sanctioned by the Union Ministry of Food Processing in March is expected to bring in fresh investment of ₹2,333 crore. Out of the 17 MFPs, six have been sanctioned to state government authorities and 11 to private developers.

Eighteen new power projects and 68 new distribution lines helped the Electricity sector in attracting fresh projex worth ₹31,134 crore. Apart from the ₹25,000 crore Etah UMPP project of Power Finance Corp., SEW Mago Chu Power Corp announced three hydel projects worth ₹1,100 crore each in Arunachal Pradesh.

Beside the above mega projects, Welspun Energy plans to set up a 100 MW solar based power unit in Tamil Nadu with an investment of ₹700 crore. The company signed a power purchase agreement (PPA) with Tamil Nadu Generation and Distribution Corporation (TANGEDCO) in March 2015.

Among the states, Uttar Pradesh topped the investment chart with 94 projects worth ₹27,927 crore and accounted for 58 per cent of the total fresh investment emanated in March 2015; and Maharashtra attracted the highest number of new projects - 101 projects entailing a total investment of ₹1,839 crore.