Government of India

Ministry of Housing and Urban Affairs

Urban Invest Window - UiWIN

HOUSING AND URBAN DEVELOPMENT CORPORATION LTD.

The Presentation on UiWIN Covers

1. Indian Urbanization – Growth, Needs and Gaps
2. Key Challenges Faced by ULBs
3. HUDCO Strength for Urban Invest Window (UiWIN)
4. UiWIN: One Stop Solution for ULBs Urban Infrastructure Development

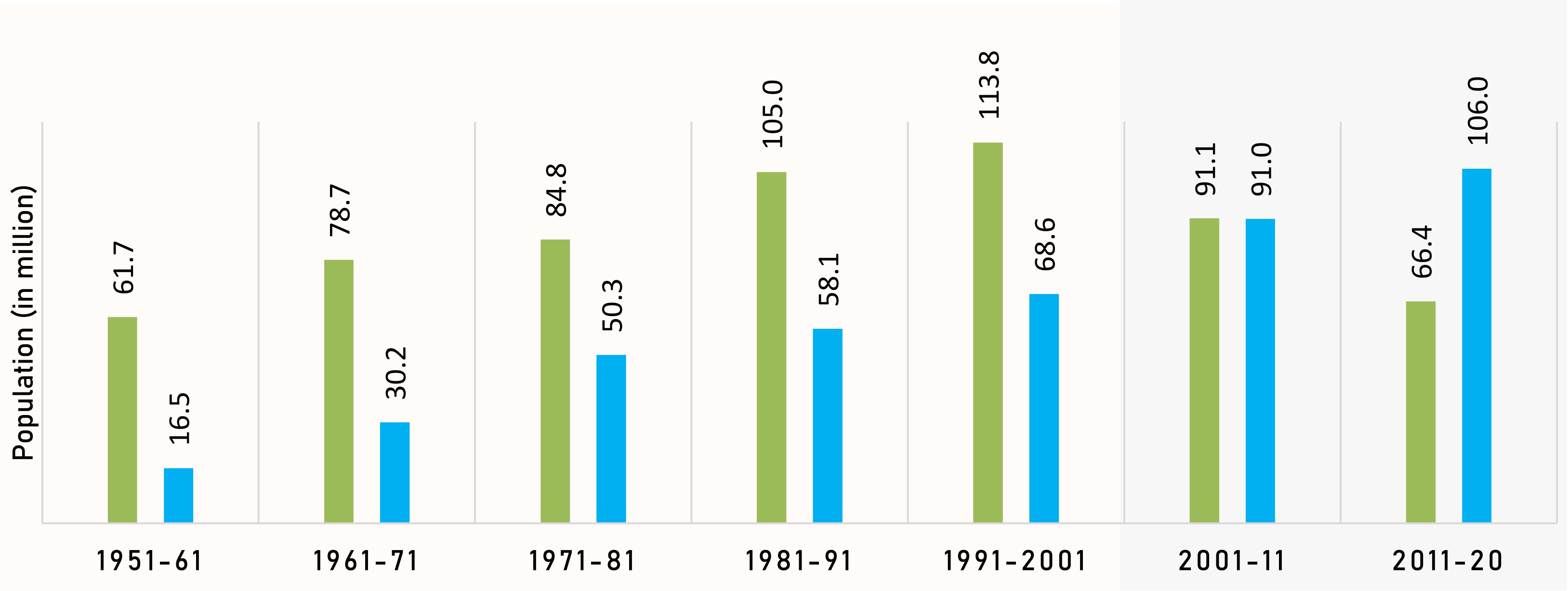
PART 1

Indian Urbanization – Growth, Needs & Gaps

Urban India is growing fast

Population Growth in India: BEFORE 2000 → Rural > Urban | AFTER 2000 → Urban > Rural

Decadal Increment in Population (in million)



Source: Population Census of India, 2011 and World Urbanization Prospects , 2018

- **Between 2001-2011,** the decadal increment same in both urban **& rural** population.
- From **2011-20, the urban population surpass the rural population growth.**

109 M Urban population **1970** **4X** **460 M** Urban population **2018** **>** **600 M** Urban population **2036** **>** **876 M** Urban population **2050**

Growth: Cities & Urban Population

Number of Metropolitan cities:	Population in Metropolitan cities:	Population in other cities and towns:
50 (2011) → 87 (2036)	160 M (2011) → 255 M (2036)	217 M (2011) → 343 M (2036)

Sources: [1]World Bank Report (2022), [2]NITI Aayog Report: Cities as Engines of Growth

Urban Investment needs in India - Key Sectors

Urban investment needs (FY 21 to FY 36) and investment trends (FY 11 to FY 18)

INR (in Lakh Crore)	Capex needs FY 21-36 (2020 prices)			Actual annual capex FY 11-18 - current Prices		
	MGI 2010*	HPEC 2011*	Calibrated estimate	FY 11	FY 18	Avg. FY 11-18
Basic municipal services	36.00	44.64	40.32	0.50	1.11	0.73
Urban transport	35.73	9.63	27.54	0.09	0.37	0.22
Others	-	7.20	7.83	-	-	-
Total	**71.73**	**61.47**	**75.69**	**0.59**	**1.48**	**0.95**
Share of GDP%	1.12%	0.96%	1.18%	0.61%	0.68%	0.63%
INR per capita	**9180**	**7830**	**9720**	**1530**	**3330**	**2340**
Basic services	4590	5670	5130	1260	2520	1800
Urban Transport	4590	1260	3510	270	810	540
Others	-	900	990	-	-	-

INR 75 -80 lakh crore

Investment requirement for urban infrastructure between FY21-36

1.18%

Expenditure as % of GDP is required for the duration FY21-36

0.68%

Expenditure as % of GDP in FY 18

**Adjusted estimates for 15-year period and 2020 prices for better comparison. Excludes investment in housing. USD Converted in INR@90/USD*

Urban **Finance** – Summary

Items	Value
Total Urban Investment required (FY 21-36)	USD 841 Billion*
Total Urban Investment required (FY 21-36) (in Rs)	75-80 Lakh Crore
Average Annual Urban Investment required (FY26-36)	5-8 Lakh Crore
MoHUA Budget	92,000 Crore
State/ULBs Capital Expenditure	51,000 Crore
Multi-Laterals	52,000 Crore
HUDCO Loans	40,000 Crore
Others	15,000 Crore
Total Expenditure	2.50 Lakh Crore
Urban Infrastructure Investment Gap	**3-5 Lakh Crore**

** Estimates for limited urban sectors considered in HPEC report. Previous investment backlog and investments in other Urban sectors not considered*

ULBs Capital Expenditure in Urban Development

Urban although being a 'State subject' has not witnessed drastic increase in urban spending by State Govt. this has led to further broadening the gap between actual and requirement urban infrastructure financing

Category of Urban areas by Population	No. of ULBs	Revenue (in Cr)	Expenditure (in Cr)	Capital Expenditure (in Cr)
4 Million+	8	72,747	66,739	20,342
1 Million - 4 Million	37	41,847	36,956	12,071
5 Lakh - 1 Million	46	11,172	11,429	1,866
1 Lakh – 5 Lakh	382	20,782	22,379	8,463
< 1 Lakh	4,445	26,967	31,240	9,053
All ULBs	**4,918**	**1,73,516**	**1,68,743**	**51,795**

The demand for Capital expenditure is almost 10x from the current level of Capital Expenditure made by ULBs for Infrastructure Development

Source: cityfinance.in; Data from 4,332 ULBs for FY 2021-22

Part 2

Key Challenges Faced by ULBs

Governance & Administrative Challenges of ULBs

Limited Own-Revenue Generation Capacity

- Low Efficiency in User Charges Collection
- High dependence on State and Central Funds

Improper Financial Management Systems

- Lack of Robust Accounting Systems
- Delay in finalizing Audited Financial Accounts

Prolonged Project Approval Process

- Multi-layer approvals
- Time consuming process affects Project Bankability

Maintenance of Existing Asset (O&M)

- Ignorance of existing assets up keeping
- Repair & maintenance not priority
- Asset once shut down, high repair cost & time

Financial Challenges of ULBs

Weak Credit-worthiness

Low Revenue Surplus

Lack financial discipline

Low Utilization of Municipal Bonds

Only Few cities have access to Bond Market

Poor Credit Rating

Limited Access to Innovating Financing

- Pooled Financing
- Municipal Bonds
- PPP Model
- Credit Guarantee Fund

Technical Expertise Challenges of ULBs

Inadequate Technical Capacity

- Project Preparation (DPRs, feasibility studies)
- PPP structuring & Market/Bond Transactions

Lack of Asset Management Framework

- No updated Databases
- No Assets Register Maintained

Lack of Monetizable Assets

- Non availability of GIS Based Land Inventories
- Limited Asset Monetization, Leasing Options

Part 3

HUDCO Strength for Urban Invest Window (UiWIN)

HUDCO's PAN India Presence

HUDCO - A Unique Institution

- More than 5 decade of expertise as techno-financial institution.
- A Public Financial Institution providing Financing, Consultancy and Capacity Building support – entire landscape of Housing and Infrastructure projects.
- Multi sectoral focus with strong relationship with State Govts. & its agencies.
- Strategic Partner in supplementing efforts of Govt. of India – PMAY 2.0, Smart City, AMRUT, Swachh Bharat, Jal Jeevan Mission, UCF, etc.
- Listed company with 75% ownership of Govt. of India.
- A Navratna CPSE registered as NBFC-IFC with Reserve Bank of India.
- Consistently profit-making company with the motto of "Profitability with Social Justice" and "financing infrastructure beyond housing"

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Key Strengths

Pan-India Presence

A CPSE under MoHUA

Key Role in Various Govt. of India Schemes

LOWEST NPA RATIO

Lowest NPA

Navratna NBFC-IFC

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Strategic Player in Infrastructure Sector

Consistent Profitability

Rating AAA

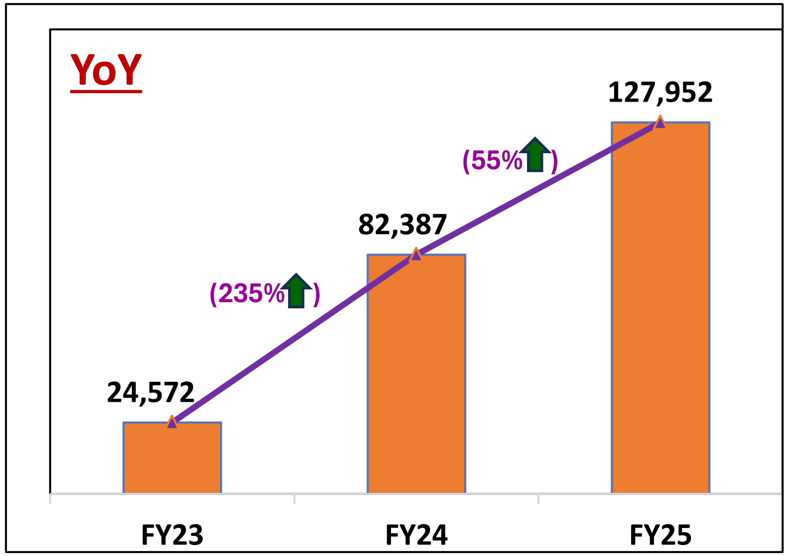
Highest Domestic Credit Ratings
International-Sovereign

One Stop Solution Provider Financing, Consultancy & Capacity Building

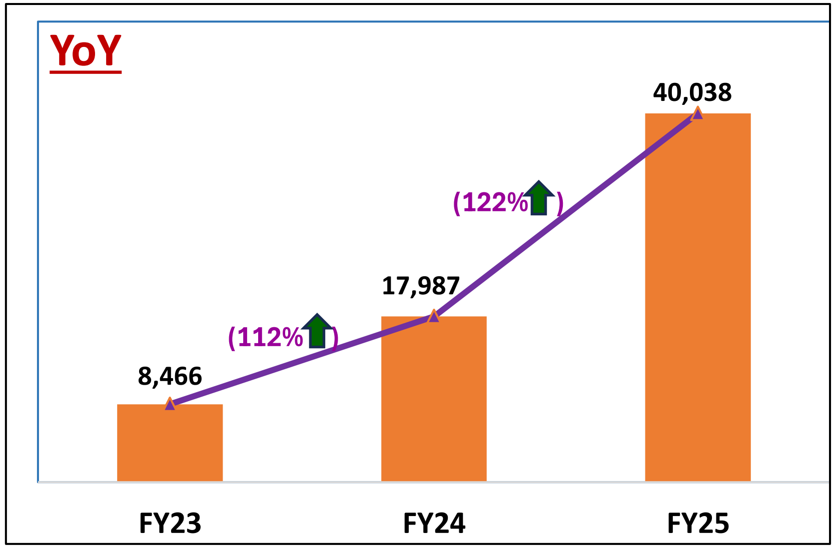
Over Five decades of experience since 1970 in Housing and Urban Infrastructure Financing

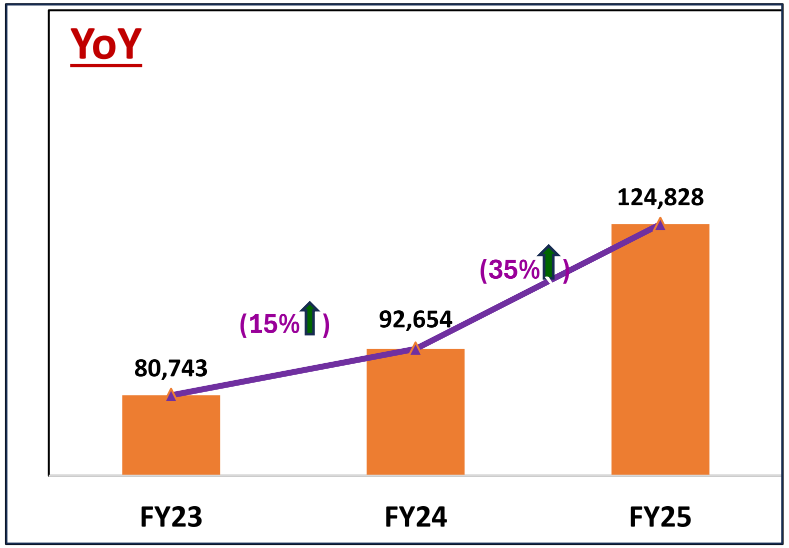
Unmatched Growth Trajectory

LOAN SANCTIONS (₹ in Crores)

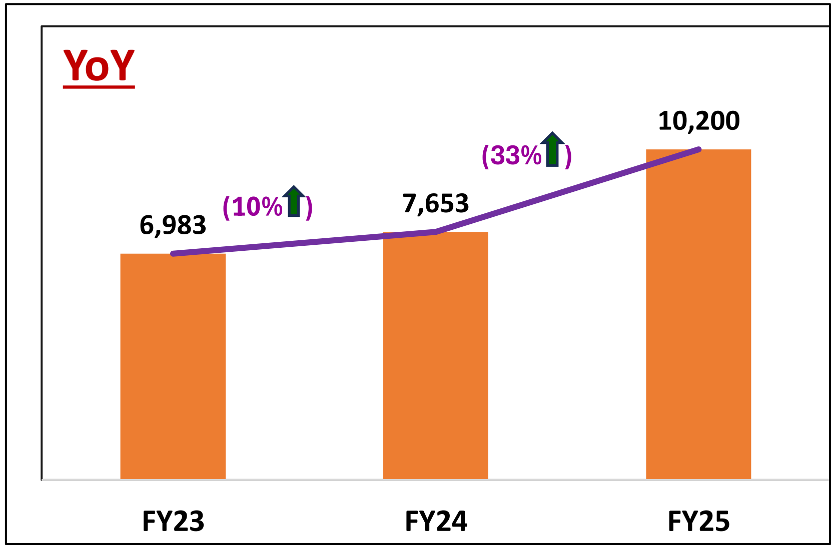


LOAN DISBURSEMENT (₹ in Crores)





LOAN OUTSTANDING (₹ in Crores)



INTEREST INCOME (₹ in Crores)

Significant Projects Funded by HUDCO

Purvanchal Expressway Project by UPEIDA

Cochin International Airport

Bangalore Metro

Kochi Metro

Integrated Township, Nalgonda, Telangana

Multi Modal Corridor Virar to Alibagh, Mumbai

Samruddhi Mahamarg Nagpur Mumbai Expressway

Significant Projects Funded by HUDCO

New Township Development - Amaravathi Capital City Andhra Pradesh: 11,000 Cr.

APTIDCO Housing Scheme PMAY(U), Andhra Pradesh: Rs.4,450 Cr.

Rs.15,150 Cr. under "Jal Jeevan Mission (JJM)" & "AMRUT", Rajasthan

Drinking Water Supply, Telangana - Rs 2944 Cr

Rajiv Gandhi Women and Children Hospital, Puducherry

Feeder Solarization Project, Maharashtra

Significant Projects Funded by HUDCO

Development of Hospital infrastructure, Solapur Maharashtra

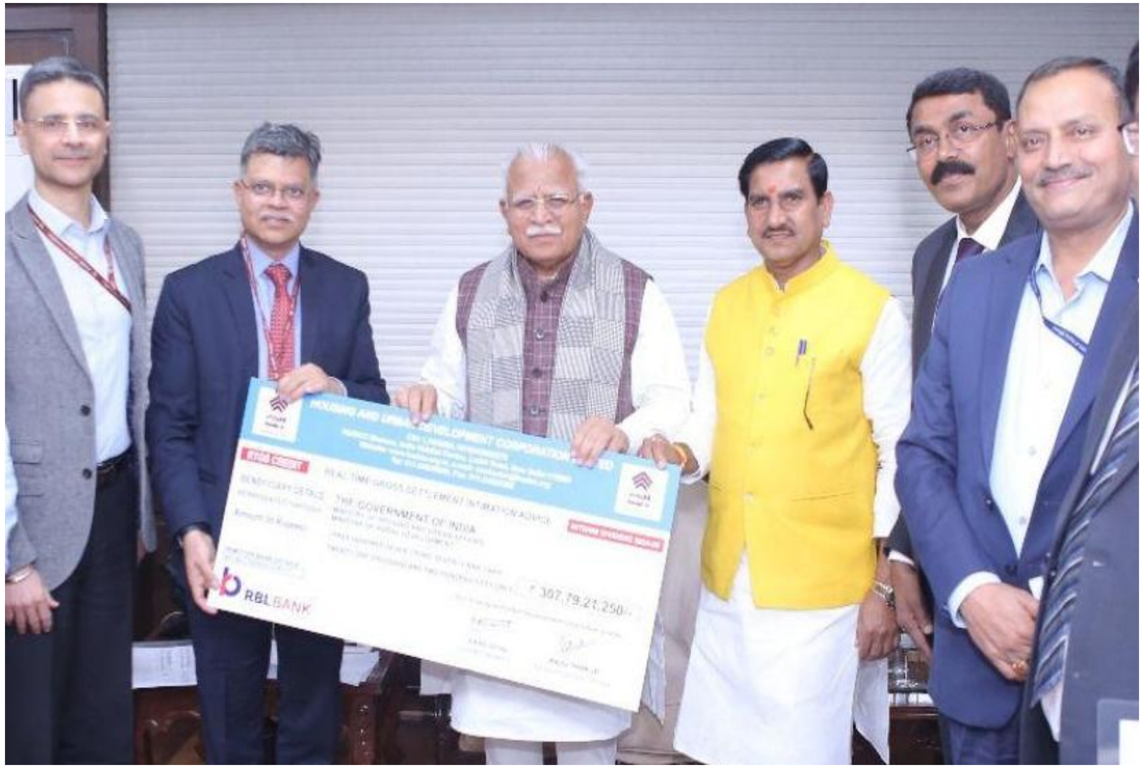
Nagpur Mumbai Expressway, Maharashtra

Charging Stations – Telangana

Bengaluru Twin Tunnel Corridor Project

Tourism Infrastructure, Rajasthan

Building the Backbone of Viksit Bharat



- MoU with MMRDA for financial assistance of ₹1.5 Lakh Cr over the next 5 years
- MoU with MP Govt. for financial assistance of ₹1 Lakh Cr over the next 5 years
- ₹ 1 Lakh Cr MoU with Rajasthan for Housing & Infrastructure projects
- HUDCO Signs MoUs over ₹1 Lakh Cr to Boost India's Port Infrastructure Development
- ₹11,000 Cr loan agreement with APCRDA for construction of New State Capital

PART 4

Launching UiWIN:

One-Stop Solution for ULBs Urban Infrastructure Development

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Urban Invest Window- UiWIN

- **Fund Requirement of Rs.5-8 Lakh crore annually for Urban Infrastructure Development**
- **One-stop for financial and technical solution for Urban Infrastructure**
- **Act as Collaborator to make the fund available to ULBs**
- **Facilitate end-to-end solution to ULBs in project based financing**
- **Bring all stakeholder at a common platform for ULBs need**

UiWIN Office at State Level

- Providing technical assistance to ULBs
- Door-step services to ULBs
- Technology interface of ULBs with UiWIN
- Collaboration with other Stakeholders in States
- Channel Partner with SPVs/State agencies
- Reach to smaller cities (ULBs)

Solutions offered by UiWIN

Support to ULBs to access Finance and Capital Markets

- Municipal bond issuance support
- Investment facilitation access to multilateral, bilateral, and FDI
- Assistance in credit rating
- Funding for DPRs, feasibility studies, transaction advisors
- Pooled financing for small ULBs.
- Revenue model structuring for Bankable projects

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Solutions offered by UiWIN

Private Sector and PPP Engagement

- PPP project support (structuring to bidding)
- Engaging professional transaction advisors
- Connecting ULBs with private sector partners
- Accountability & standardization support for implementation

Solutions offered by UiWIN

Capacity Building to ULBs

- Deployment of Empanelled Consultants/Experts
- Develop Debt Management Framework
- Plan borrowing limits, debt servicing capacity
- Project structuring, DPR preparation
- Financial modelling
- Technical assistance
- Cluster-level planning support for low-urbanization regions

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Solutions offered by UiWIN

Management & Maintenance of Assets

- Creation and Digitization of Asset Register – Asset Mapping
- Asset Running Condition update
- O&M Capacity Tools Development
- Time and Resource Optimization in Maintenance

Revamping of HUDCO ROs to Act as UiWIN

- Repurposing of HUDCO ROs as Urban Invest Window –UiWIN State Offices
- Exclusive support to meet ULBs End-to-End requirement and handholding
- Dedicated Financial & Project Management unit at each UiWIN State Office
- Engaging with Smart Cities SPVs/State Agencies
- Pooling smaller ULBs (10-15 ULBs) to create Urban Agglomerates

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Benefits of 'Urban Invest Window' (UiWIN) to ULBs/States

- **Developing a pipeline of Bankable Projects →** End-to-end support to ULBs
  - Support for Project identification, preparing feasibility studies
  - Financial structuring of projects, Capital Investment Plan
- **Assistance in securing Long Term Financial Assistance**
  - Through innovative financial instruments, cheaper funds from Multi-laterals and Bi-laterals financial institutions, attracting FDIs, etc.
- **Empowering ULBs Financial Strength and Creditworthiness →** promoting healthy credit culture among ULBs towards issuance of Municipal bonds, Pooled-finance mechanism etc.
- **Helping Smaller ULBs for assistance under Urban Challenge Fund (UCF)**
- **Partnering with State Govt/SPVs for Urban Infrastructure Development**

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Way Forward

- 21^{st} Century → Century of Cities
- 2025 - 2035 → Most Important Urban Decade
- Need for enhanced Urban Investments is paramount
- Synergized and equitable financial access for smaller cities
- Capacity Building / Handholding of ULBs to be the Key
- Special packages to be developed for key urban reforms
- UiWIN aligned to planned business growth of HUDCO
- Internal re-structuring of Regional Offices for '10X growth'

Thank You

Financing Urban Infrastructure for Viksit Bharat

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