

FORUM OF REGULATORS



REPORT OF THE WORKING GROUP ON PREFERENTIAL TARIFF FOR TELECOM TOWERS

AUGUST 2016

Contents

| | |
|---|---|
| 1. Introduction | 1 |
| 2. Working Group of FOR..... | 1 |
| 3. Deliberations of the FOR Working Group | 2 |
| 4. Conclusion and Recommendations..... | 5 |

Annexure I: Compilation of comments received from different states on tariff for telecom towers

Annexure II: Updated Harmonized Master List of Infrastrucure Sub Sectors published in Gazette
of India dated 7th October 2013

1. Introduction

1.1 The Forum of Regulators (FOR) was constituted as per notification dated 16th February, 2005 in pursuance of the provision under section 166(2) of the Electricity Act, 2003 with the primary objective of harmonization of regulations in the power sector framed by the Central Electricity Regulatory Commission (CERC), State Electricity Regulatory Commissions(SERCs) and Joint Electricity Regulatory Commission(JERCs). The Forum consists of Chairperson of CERC and Chairpersons of SERCs and JERCs. The Chairperson of CERC is the Chairperson of the Forum.

1.2 As CERC is the Secretariat for the FOR a letter addressed to CERC was received from the Ministry of Communication and Information Technology (MOCIT) stating that the Tower and Infrastructure Providers Association (TAIPA) vide their letter dated 06th February 2015 to Prime Minister' Office and letter dated 08th April 2015 submitted to MOCIT, highlighted the issues concerning the Telecom Infrastructure Industry. One of these was with respect to the 'Ease of Telecom Infra Rollout' and 'Priority Regarding Electricity Connection with Preferential Tariffs on 'Industrial' Rates.It further mentioned that the Telecom Towers have been given infrastructure status by the Government of India vide Gazette notification NO. 81 dated 28.03.2012.

1.3 Therefore,MOCIT requested CERC to consider providing special category of power tariff for Telecom Towers for nationwide uniform application to ensure power to telecom towers at reasonable and uniform rates.

1.4 CERC in their letter informed MOCIT that creation of special category of power tariff for Telecom Towers falls under the jurisdiction of respective SERCs where the towers are situated and thus the comments from SERCs and Ministry of New and Renewable Energy (MNRE) are being sought. Thereafter, the comments as received from different states have been compiled (*Annexure-I*)

2. Working Group of FOR

2.1 The issue was also discussed in the 51st FOR Meeting held on 30th November 2015 at New Delhi where it was decided to constitute a Working Group to study the issue and submit a report. Accordingly, the Working Group was constitutedwhose composition is as follows

- i. Chairperson, Central Electricity Regulatory Commission (CERC) – Chairman
- ii. Chairperson, Rajasthan Electricity Regulatory Commission (RERC) - Member
- iii. Chairperson, Uttar Pradesh Electricity Regulatory Commission (UPERC)- Member
- iv. Chairperson, Jharkhand State Electricity Regulatory Commission (JSERC)- Member
- v. Chairperson, Tamil Nadu Electricity Regulatory Commission (TNERC)- Member
- vi. Chairperson, West Bengal Electricity Regulatory Commission (WBERC)- Member
- vii. Chairperson, Kerala State Electricity Regulatory Commission (KSERC)- Member

3. Deliberations of the FOR Working Group

3.1 The Working Group examined the submission by the States. It has been observed that most of the States, except Tripura (Special Category for Telecom Towers has been created from FY 2013-14 onwards) have considering Telecom Towers under Commercial Category. Also it has been viewed that the States (including Uttarakhand, Haryana, West Bengal, Madhya Pradesh and Andhra Pradesh) have not considered the request of the stakeholders to consider Telecom Tower under 'Industrial' category. The Working Group further observed that two aspects, with respect to the issue of preferential tariff for Telecom Towers, need to be studied. These include, firstly the necessity of fixation of preferential tariff for telecom tower in a different category and secondly the impact of providing preferential tariff for telecom towers

3.2 Necessity of Providing Preferential Tariff for Telecom Tower in a Different Category

3.2.1 The ground for seeking special category of power tariff for Telecom towers, reflected in the representation made by the TAIPA are as follows:

- a. The Government of India has accorded 'Infrastructure' status to Telecom service providers as well as Telecom Infrastructure providers since March 2012;
- b. The Government is promoting investment in Telecom Infrastructure to ensure the expansion of Telecom services across the country;
- c. The Government of India has recently launched the 'Digital India Programme', the success of which is also dependent on the creation of adequate mobile network infrastructure all over the country;
- d. The Telecom towers deserve consideration for preferential tariffs in 'industrial' category with nationwide uniform tariff rate.

3.2.2 The working Group in their reading, discussion and deliberation examined the issue and its various aspects with factual, legal and constitutional angles. Accordingly, members concurred on the following views:-

- a. In the representation, the TAIPA has mainly sought preferential power tariff for telecom towers at a nationwide uniform industrial rate.
- b. In the order dated 16.08.2007 of the Hon'ble Appellate Tribunal of Electricity (APTEL), Appeal no. 50 of 2007 & IA No. 90/07 & Appeal no. 80 of 2007 it is highlighted that only the consumers involved in the activity of manufacturing of goods are to be considered and billed as industrial units. Therefore, Telecom tariff is not to be considered under industrial category by the States.
- c. In *Bharat Sanchar Nigam Limited & anr Vs Union of India & Ors* reported in (2006) 3 SCC 1, the Hon'ble Supreme Court considered the nature of the transaction by which mobile phone connection is made available by the telecom company to the consumers, namely, whether it is carrying out any process of manufacturing of goods or supply of any goods (and is an industry). The Hon'ble Apex court held that it was simply rendering service to customers.

- d. In an appeal preferred by Bharat Sanchar Nigam Limited before the Appellate Tribunal for Electricity (APTEL) in Bharat Sanchar Nigam Limited Vs Punjab State Electricity Regulatory Commission (Petition No. 1 of 2006) which was preferred on being aggrieved by not allowing industrial tariff to the telephone exchange of the appellant, it was held that the categorization for the purpose of determination of tariff depends upon the factors which are relevant to the Electricity Act 2003. It is possible that the appellant may fall under the category of 'Industry' on applying the meaning of term 'Industry' as it is found in the other Statutes but that cannot be the basis to determine whether the appellant is to be charged tariff by treating it as an industry. The Hon'ble APTEL considered the decisions of the Hon'ble Supreme Court and dismissed the appeal holding that the claim of the appellant that it is an industry, cannot be accepted.
- e. On perusing through the Gazette of India dated 7th October 2013(*Annexure II*), it is found that the Telecom towers are included in the 'Updated Harmonized Master List of Infrastructure Sub-Sectors' along with others, such as: Transport, Energy, Water & Sanitation, Communication, Social and Commercial Infrastructure. If the request of Telecom towers for special category of power tariff is accepted by picking one out of the said list, it would amount to discrimination to the other Infrastructure Sub-Sectors and violation of the right to equality guaranteed by Article 14 of the Constitution of India.
- f. It is an admitted position that the company owning Telecom towers are profit making commercial enterprises. These companies are making profits out of their investment in Telecom towers. Any reduction in power tariff would add to the kitty of profits of these companies. Such commercial enterprises should not be motivated to avail subsidy like reduced power tariffs at the cost of others.
- g. The Electricity Act 2003 is a specific Statute. Section 174 of this Act clearly specifies that the provision of this Act shall have over-riding effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any law other than this Act. Section 62 of the said Act, inter-alia, provides that a consumer will not be shown undue preference in determining the tariff under this Act, but consumers may be differentiated according to load factor, power factor, voltage, total consumption during any specified period, the purpose of supply etc..
- h. In Section 181 of the Electricity Act 2003, the State Commissions have been given power to frame regulations. The regulations framed by different Commissions for determination of tariff provide for classification of consumers under different categories on the basis of purpose for which electricity supply is provided. The category of consumers depends on an eligibility criteria provided in the regulation. The consumers coming under the ambit of a particular category are treated equally. Under Sub-Section (3) of Section 62 of the Act, it is for the State Electricity Regulatory Commission to decide as to under which category a consumer should be placed.
- i. Keeping the Telecom towers in special category under the same segment of commercial enterprises would be in contravention of the said legal provision.
- j. According to the provisions of Section 61 (d) & (g) of the said Act, tariff of any consumer should be reflective of the cost of supply of electricity and it should reduce

cross-subsidies. The tariff is determined by adopting rationalization measures allowing almost equal tariff to all consumers barring a few, such as Agriculture, Domestic and other subsidized consumers. If the commercial consumers are brought into the subsidized tariff category and the subsidy is not given by the Government, the level of cross-subsidy paid by the other consumers would increase and that would be contrary to the said provisions of the Electricity Act.

- k. The Tariff Policy 2016 provides for bringing tariff within $\pm 20\%$ of average cost of supply and as such, any preferential tariff at a reduced rate would be against the said policy.
- l. The request for concessional tariff by a particular consumer group, however, could be considered if the Government provides subsidy under Section 65 of the Electricity Act 2003.
- m. Since the Telecom towers are brought under the category of 'Infrastructure' by the Government of India, they may be entitled to get promotional benefits by the Government in that category but the aforesaid provisions do not support the claim for special power tariff to the sector on that ground.
- n. The Tower and Infrastructures are required for providing service to the telecom consumer by different service providers. Thus, tariff meant for industries cannot be considered for Tower & Infrastructures as Government of India has also recognized the telecom facility as service and imposes service charge/tax on that business

3.3 Impact of Providing Preferential Tariff for Telecom Towers

3.3.1 The Working Group further analysed the tariff being charged to Telecom Towers by various ERCs. It was noted that most of the States classified telecom towers under commercial category. Only Tripura had categorised them in a separate category. Further deliberations by the group highlighted certain challenges that have to be considered in providing special category of power tariff for Telecom Towers. These have been discussed below:-

- a. The Harmonized Master List (the List) of 29 infrastructure sub-sectors was notified by the Government of India on 27th March, 2012 and was subsequently updated vide its Gazette Notifications dated April 5, 2013 and May 9, 2013. RBI vide RBI/2013-14/270 A.P. (DIR Series) Circular No. 48 dated September 18, 2013 expanded the existing definition for infrastructure sector for the purpose of availing External Commercial Borrowings (ECB). In the Tariff Orders approved by the SERCs the industries specified in the above notifications are included under 'Industrial Consumers'. Considering the above, incorporating similar demands from other industries fulfilling the criterion to be considered under 'Infrastructure' may not be feasible.
- b. An excerpt from The Economic Survey 2015-16, as discussed in Chapter 11 "Transparency and Simplicity in Retail Electricity Tariffs" (para 11.5 and 11.6) has been given below

Para 11.5: "The complexity may prevent consumers from fully responding to tariffs due to the high cost of processing the price information, a behavioural effect referred to as salience. The basis of making such fine and numerous distinctions across end

users is not immediately apparent. Afterall, other energy products are characterised by a single price (or at most a few prices) across users.”

Para 11.6: “Simplification of tariffs with, perhaps no more than 2-3 tariff categories, will improve transparency and may well yield consumption and collection efficiency, along with governance benefits.”

The distribution companies have already demarcated consumers under a number of categories. A separate category for preferential tariff for Telecom Towers will lead to further increase in categories. Considering the above excerpt from The Economic Survey, there is a need to reduce the categories of tariff to bring in uniformity and simplicity in the tariff structure.

- c. Costs on account of power purchase form a significant proportion of the revenue requirement, and SERCs have dealt with this issue in great detail in their tariff orders. Availability and costs have been determined for each source of power purchase. Since the power purchase cost of different States may vary depending upon the source and availability, providing uniform tariff for Telecom Towers across the States may not be feasible.
- d. Apart from the above it is imperative to note that the power purchase cost of the States is increasing over the years. An excerpt from the PFC report on "The Performance of State Power Utilities for the years 2009-10 to 2011-12" has been shown below

“The average cost of supply increased from Rs.3.55/kwh in the year 2009-10 to Rs.3.97/kwh in 2010-11 and to Rs. 4.39/kwh in 2011-12. The average revenue (without considering subsidy booked) increased from Rs.2.68/kwh in the year 2009-10 to Rs.3.03/kwh in 2010-11 and to Rs.3.31/kwh in 2011-12.”

It is evident from the above that gap between average cost of supply and Average Revenue per unit is already having considerable impact on the performance of distribution utilities across all the States. The creation of special category with preferential tariff will further increase this gap. This adds to the financial cost incurred by the distribution utilities and will further impact the financial position of the distribution utilities.

4. Conclusion and Recommendations

4.1 The deliberations of the Working Group on the submission of TAIPA for Preferential Tariff for Telecom Towers, the comments received from various SERCs and the consideration from the viewpoint of legal and constitutional framework as well as the technical and financial outlook have already been highlighted and discussed in detail in the report.

4.2 The discussion highlights two aspects with respect to the request for granting of preferential tariff for telecom towers. Firstly the need and basis for fixation of the preferential tariff for telecom towers has been discussed. In the report, different judgements of APTEL and Hon'ble Supreme Court have been discussed. These judgements provide the premise for considering telecom towers as industry. From the point of view of Tariff Policy and the Electricity Act 2003, keeping the telecom towers in special category would be in contravention of the said legal provision. Lastly providing special category for telecom towers

would be in violation of the right to equality guaranteed by Article 14 of the Constitution of India. The above aspects highlight that with respect to the, legal & constitutional framework, purview within which the tariff is determined by the Regulatory Commissions and provisions of the Electricity Act 2003, fixing of preferential tariff will not be appropriate.

4.3 The second aspect that has been analysed by the Working Group is the impact of providing the preferential tariff to telecom towers. Under this it has been observed that providing preferential tariff to telecom towers will lead to operational and financial imbalances which will disturb the tariff structure of the distribution companies and will also have financial implications in terms of increase in consumer categories and widening of the revenue gap of the distribution companies.

4.4 Considering that telecom towers are included in the 'Updated Harmonized Master List of Infrastructure Sub-Sectors' and if so intended, the Government, in order to encourage, promote and extend infrastructure status benefits to the Telecom Towers, may grant subsidy in the tariff under the provision of Section 65 of the Electricity Act 2003.

Submissions of various States on the tariff being charged for the telecom towers.

| Rs./ unit | | | | | |
|----------------|--|---|---|---|--------------------------------|
| State | Category | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
| Tripura | Special Category | Not available | 7.34 | 6.98 | Not Mentioned |
| Gujarat | Commercial | 4.70 | 4.60 | 4.60 | 4.35 |
| Uttarakhand | Not Mentioned | <p><u>Reply received from UERC</u>: In the order dated 16.08.2007 of the Hon'ble Appellate Tribunal of Electricity (ATE), Appeal no. 50 of 2007 & IA No. 90/07 & Appeal no. 80 of 2007 it is highlighted that only the consumers involved in the activity of manufacturing of goods are to be considered and billed as industrial units. Therefore, Telecom tariff is not considered under industrial category.</p> <p>However in future, creation of separate category may be explored by UERC.</p> | | | |
| Tamil Nadu | Commercial | Not Available | Not Available | 8.00 | 7.00 |
| Andhra Pradesh | Category LT-II (B) i.e., Non-Domestic/ Commercial category | 00-50 :- 6.63 51-100 :- 7.38 101-300 :- 8.54 301-500 :- 9.06 500+ :- 9.59 | Not Available | 00-50 :- 6.63 51-100 :- 7.38 101-300 :- 8.13 301-500 :- 8.63 500+ :- 9.13 | 00-100 :- 6.00 100+ :- 7.00 |
| Kerala | LT VI General (F) | 00-100 :- 5.80 101-200 :- 6.50 201-300 :- 7.20 301-500 :- 7.80 500+ :- 9.00 | 00-100 :- 5.80 101-200 :- 6.50 201-300 :- 7.20 301-500 :- 7.80 500+ :- 9.00 | 00-100 :- 5.80 101-200 :- 6.50 201-300 :- 7.20 301-500 :- 7.80 500+ :- 9.10 | Not Mentioned |
| West Bengal | Not Mentioned | <p><u>Reply by WBSEER</u>: Commission views that the Tower and Infrastructures are required for providing service to the telecom consumer by different service providers. Thus, tariff meant for industries cannot be considered for Tower & Infrastructures as Government of India has also recognized the telecom facility as service and imposes service charge/tax on that business</p> | | | |
| Haryana | Not Mentioned | <p><u>Reply by Haryana ERC</u>: The Commission is of the view that the telecom service providers does not fall under the category of public utility. Financial Institutions treat telecom at par with commercial undertakings. Thus, the Commission does not deem appropriate at the stage to introduce any separate concessional tariff for the telecom sector.</p> <p>However, if the telecom tower companies feel that telecom towers should be covered under industrial category or separate category, then separate tariff should be evolved with a tariff lower than non-domestic tariff.</p> | | | |
| Rajasthan | Not Mentioned | Representation may be submitted to the Commission. Accordingly appropriate decision may be taken | | | |
| Karnataka | Commercial | 7.35-7.85 | 7.15-7.65 | 6.75-7.25 | 6.50-6.80 |
| Madhya Pradesh | LV 2.2 | 6.50 | 6.00 | 6.00 | 6.00 |

A brief description of the information provided in the above table has been given below

- a) **Tripura:** The special category for telecom is included in tariff order from 2013-14 onwards only.
- b) **Gujarat:** There are several categories of HT commercial consumers. There is no mention of telecom towers in tariff order. The tariff shown in above table is applicable to the services for the premises those are not covered in any other tariff categories and having aggregate load above 40 kW and up to 100 kW.
- c) **Tamil Nadu:** As per the Tariff Order 2013-14 (para 2.291), Telecom towers should be categorized under IT enabled services instead of commercial. In view of this, in case the distribution licensee feels the justification and necessity for the creation of a new category, then it should submit the necessary data on consumer and consumption pattern and also ensure that the categorisation is in accordance with the criteria for differentiation provided under Section 62(3) of the EA 2003, for the Commission's consideration. Currently, the tariff under HT III (which is for commercial) has been considered.
- d) **Andhra Pradesh:** According to the tariff order 2015-16 (para 94), the telecom service providers are charged for the electricity consumption of cell towers under Category LT-II (B) i.e., Non-Domestic/ Commercial category and the Mobile Switching Centres (MSCs) are charged under Category HT-II. Thus the tariff mentioned under this category has been considered for telecom tower. Further the Commission's view mentioned in para 94 of the tariff order for 2015-16 states that the Commission has decided earlier on merits that cell towers do not come within the meaning of industry.
- e) **Kerala:** As per the tariff order for 2014-15, the consumers under LT VI GENERAL (F) category, amongst others, comprise of installations of cellular mobile communications. In the tariff order for 2013-14, the installations of cellular mobile communications was considered under LT VII (A) Commercial category
- f) **Karnataka:** Category HT 2b has been considered in the tariff order for 2015-16 to comprise of telecom, call centres / BPO / KPO. The range of rates has been provided as there are two slabs. Further, different rates are applicable in different regions.
- g) **Madhya Pradesh:** Tariff order for 2015-16 states that creation of separate category for infrastructure services is not warranted. However, to give impetus to expansion of telecom infrastructure in rural areas, suitable rebate in energy charges has been provided. In the tariff order for 2012-13 also it has been mentioned that the Commission is of the view (Issue No. 20) that it does not agree with suggestion of transferring telecom service providers to industrial category or creating a new category for them. As per the tariff order, the telecom towers for mobile communication have been included in LV 2.2 category.
- h) **Uttarakhand/ West Bengal/ Haryana/ Rajasthan:** There is no mention of category of consumers in the tariff order which will have to be considered for Telecom/ Mobile Towers.

रजिस्ट्री सं० डी० एल०-33004/99

REGD. NO. D. L.-33004/99



भारत का राजपत्र

The Gazette of India

असाधारण
EXTRAORDINARY

भाग I—खण्ड 1
PART I—Section 1

प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

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नई दिल्ली, मंगलवार, अक्टूबर 8, 2013/आश्विन 16, 1935

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वित्त मंत्रालय
(आर्थिक कार्य विभाग)
(अवसंरचना अनुभाग)
अधिसूचना

नई दिल्ली, 7 अक्टूबर, 2013

एफ. सं. 13/6/2009-इफ्रा.—सक्षम प्राधिकारी के अनुमोदन से अवसंरचना उप-क्षेत्रों की अद्यतन सुमेलित मास्टर सूची (अनुबंध-I) एतद्वारा अधिसूचित की जाती है।

शर्मिला चावलि, संयुक्त सचिव (आई एंड ई)

अनुबंध-I

अवसंरचना उप-क्षेत्रों की अद्यतन सुमेलित मास्टर सूची

| क्र.सं. | श्रेणी | अवसंरचना उप-क्षेत्र |
|---------|--------|---|
| 1. | परिवहन | <ul style="list-style-type: none"> सड़क और पुल पत्तन¹ अन्तर्देशीय जलमार्ग एयरपोर्ट रेलवे मार्ग, सुरंग, सेतु, पुल² शहरी लोक परिवहन (शहरी सड़क परिवहन के मामले में रोलिंग स्टॉक के सिवाय) |
| 2. | ऊर्जा | <ul style="list-style-type: none"> विद्युत उत्पादन विद्युत पारेषण विद्युत वितरण तेल पाईपलाइनें तेल/गैस/द्रवीभूत प्राकृतिक गैस (एलएनजी) भंडारण सुविधा³ गैस पाईपलाइनें⁴ |

4326GI/2013

| | | |
|----|--------------------------------|---|
| 3. | जल और स्वच्छता | <ul style="list-style-type: none"> • ठोस अपशिष्ट प्रबंधन • जल आपूर्ति पाइपलाइनें • जल शोधन संयंत्र • मलट्यय संग्रहण, प्रबंधन तथा निपटान प्रणाली • सिंचाई (बांध, चैनल, तटबंध आदि) • स्टोर्म वाटर निकासी प्रणाली • पतले मसाले की पाइपलाइनें |
| 4. | संचार | <ul style="list-style-type: none"> • दूरसंचार (फिक्स्ड नेटवर्क)⁵ • दूरसंचार टावर • दूरसंचार और दूरसंचार सेवाएं |
| 5. | सामाजिक तथा वाणिज्यिक अवसंरचना | <ul style="list-style-type: none"> • शिक्षण संस्थाएं (कैपिटल स्टॉक) • अस्पताल (कैपिटल स्टॉक)⁶ • 1 मिलियन से अधिक आबादी वाले शहरों से बाहर अवस्थित तीन-सितारा अथवा उच्चतर श्रेणी के वर्गीकृत होटल • औद्योगिक पार्कों, विशेष आर्थिक क्षेत्र, पर्यटन सुविधा तथा कृषि बाजार हेतु साझी अवसंरचना • उर्वरक (पूंजी निवेश) • कृषि तथा बागवानी उत्पाद हेतु शीत भंडारण सहित कटाई उपरान्त भण्डारण अवसंरचना • टर्मिनल बाजार • मृदा-परीक्षण प्रयोगशालाएं • प्रशीतन श्रृंखला⁷ • भारत में किसी भी स्थान पर स्थित वे होटल जिनमें प्रत्येक की परियोजना लागत⁸ 200 करोड़ रुपये से अधिक की है और वे किसी भी स्टार रेटिंग के हैं। • सम्मेलन केंद्र जिनमें प्रत्येक की परियोजना लागत⁸ 300 करोड़ रुपये से अधिक है। |

¹ तलकषण शामिल है।

² लोडिंग/अनलोडिंग टर्मिनलों, स्टेशनों तथा भवनों जैसी सहायक टर्मिनल अवसंरचना शामिल हैं।

³ कच्चे तेल का महत्वपूर्ण भंडारण शामिल है।

⁴ शहरी गैस संवितरण नेटवर्क शामिल है।

⁵ ऑप्टिक फाइबर/वायर/केबल नेटवर्क, जो ब्राडबैंड/इंटरनेट उपलब्ध कराते हैं, शामिल हैं।

⁶ चिकित्सा कालेज, पैरा-चिकित्सा प्रशिक्षण संस्थान तथा नैदानिक केंद्र शामिल हैं।

⁷ कृषि तथा संबद्ध उत्पाद, समुद्री उत्पाद तथा मांस के परिरक्षण अथवा भण्डारण हेतु खेत स्तर की प्री-कूलिंग हेतु प्रशीतन कक्ष सुविधा शामिल है।

⁸ अधिसूचना की तारीख से संभावित प्रभाव के साथ लागू और अधिसूचना की तारीख से तीन वर्षों के लिए पात्र संभावनाओं हेतु उपलब्ध; पात्र लागत में भूमि की लागत तथा पट्टे के प्रभार शामिल नहीं हैं परंतु निर्माण के दौरान ब्याज शामिल है।

MINISTRY OF FINANCE

(Department of Economic Affairs)

(Infrastructure Section)

NOTIFICATION

New Delhi, the 7th October, 2013

F. No. 13/6/2009-INF.—With the approval of the competent authority, an updated Harmonised Master List of Infrastructure Sub-sectors (**Annexure-I**) is hereby notified.

SHARMILA CHAVALY, Jt. Secy. (I & E)

Annexure-I

Updated Harmonised Master List of Infrastructure Sub-Sectors

| S.No. | Category | Infrastructure Sub-sectors |
|-------|--------------------------------------|--|
| 1 | Transport | <ul style="list-style-type: none"> • Road and bridges • Ports¹ • Inland Waterways • Airports • Railway Track, tunnels, viaducts, bridges² • Urban Public Transport (except rolling stock in case of urban road transport) |
| 2. | Energy | <ul style="list-style-type: none"> • Electricity Generation • Electricity Transmission • Electricity Distribution • Oil pipelines • Oil/Gas/Liquefied Natural Gas (LNG) storage facility³ • Gas pipelines⁴ |
| 3 | Water & Sanitation | <ul style="list-style-type: none"> • Solid Waste Management • Water supply pipelines • Water treatment plants • Sewage collection, treatment and disposal system • Irrigation (dams, channels, embankments, etc.) • Storm Water Drainage System • Slurry Pipelines |
| 4. | Communication | <ul style="list-style-type: none"> • Telecommunication (Fixed network)⁵ • Telecommunication towers • Telecommunication & Telecom Services |
| 5. | Social and Commercial Infrastructure | <ul style="list-style-type: none"> • Education Institutions (capital stock) • Hospitals (capital stock)⁶ • Three-star or higher category classified hotels located outside cities with population of more than 1 million. • Common infrastructure for industrial parks, Special Economic Zones, tourism facilities and agriculture markets. • Fertilizer (Capital Investment) • Post-harvest storage infrastructure for agriculture and horticultural produce including cold storage • Terminal markets • Soil-testing laboratories • Cold chain⁷ • Hotels with project cost⁸ of more than Rs.200 crores each in any place in India and of any star rating; • Convention Centers with project cost⁸ of more than Rs. 300 crores each. |

¹ Includes Capital Dredging.² Includes supporting terminal infrastructure such as loading/unloading terminals, stations and buildings.³ Includes strategic storage of crude oil.⁴ Includes city gas distribution network.⁵ Includes optic fibre/ wire/cable networks which provide broadband/internet.

- ⁶ Includes Medical Colleges, Para Medical Training Institutes and Diagnostic Centres.
- ⁷ Includes cold room facility for farm level pre-cooling, for preservation or storage of agriculture and allied produce, marine products and meat.
- ⁸ Applicable with prospective effect from the date of notification and available for eligible prospects for three years from the date of notification; Eligible costs exclude cost of land and lease charges but include interest during construction.