

# ROADS



August 2024

For updated information, please visit [www.ibef.org](http://www.ibef.org)

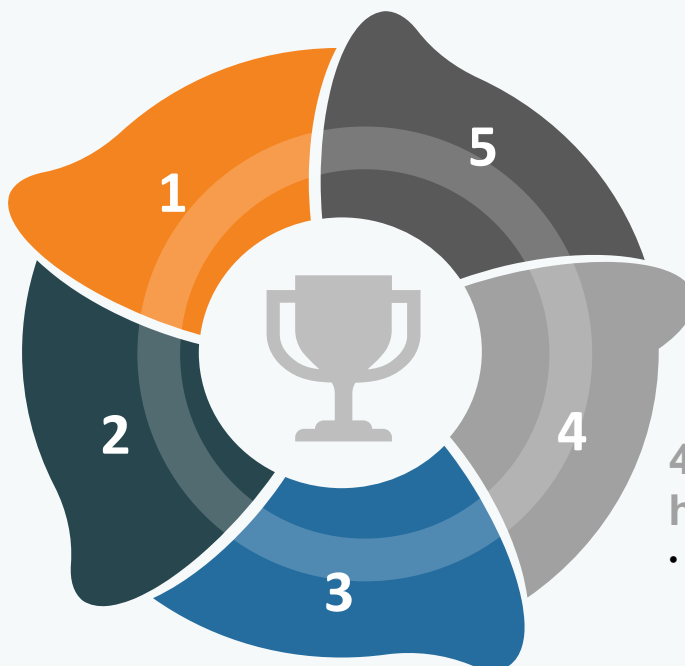
# Table of Contents

<b>Executive Summary</b>	<b>3</b>
<b>Advantage India</b>	<b>4</b>
<b>Market Overview</b>	<b>6</b>
<b>Growth Drivers</b>	<b>13</b>
<b>Key Industry Contacts</b>	<b>27</b>
<b>Appendix</b>	<b>29</b>

# Executive summary

## 1. One of the largest road networks in the world

- India has the second-largest road network in the world, spanning over 6.7 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.



## 2. Rising budget allocation of road sector

- Under the Union Budget 2024-25, the Government of India allocated Rs. 2.70 lakh crore (US\$ 32.68 billion) to the Ministry of Road Transport and Highways.
- The Government of India allocated Rs. 111 lakh crore (US\$ 13.14 billion) under the National Infrastructure pipeline for FY19-FY25. The Roads sector is expected to account for 18% capital expenditure over FY19-FY25.

## 3. Growing private sector involvement

- On April 2022, Mr. Amit Kumar Ghosh projected a surge in private investments in the highway sector from Rs. 20,000 crore (US\$ 2.4 billion) to almost Rs. 1 trillion (US\$ 24.79 billion) in 6-7 years.
- In FY22 (until November 2021) private sector invested Rs. 15,164 crore (US\$ 1.98 billion) in roads.

## 5. Overseas investment for infrastructure development

- In February 2024, NHAI raised highest over Rs. 15,624 crore (US\$ 1.88 billion) through InvIT mode.
- FDI inflows in construction development stood at US\$ 33.91 billion between April 2000-March 2024.
- Indian Government and Asian Development Bank signed US\$ 500 million loan agreement to build the longest bridge across river Ganga, in Bihar.

## 4. Rapid growth in national highways

- India's road network has grown 59% to become the second-largest in the world in the last nine years. India has nearly 67 lakh km of total road network and the National Highways network alone stood at 1,46,145 km currently compared to 91,287 km in 2013-14.
- In March 2024, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone for 112 national highway projects across various states, with a total worth of approximately US\$ 12.04 billion (Rs. 1,00,000 crore).
- Raksha Mantri Mr. Rajnath Singh announced 35 BRO projects worth US\$ 80.64 million (Rs. 670 crore) in January 2024

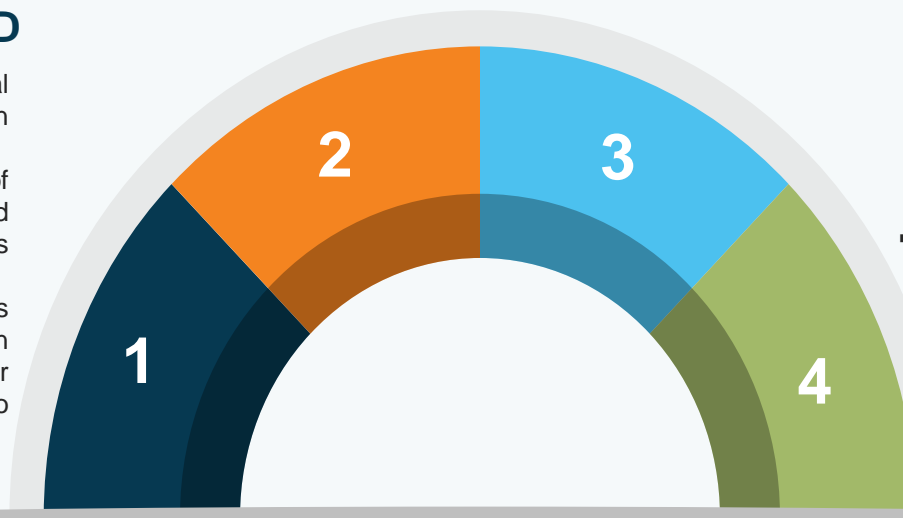


## 2. ATTRACTIVE OPPORTUNITIES

- As of July 2023, there were 202 national highway projects totaling Rs. 79,789 crore (US\$ 9.59 billion) in progress in the country, covering a length of 6,270 km.
- India has joined the league of 15 of global alliance which will work towards the ethical use of smart city technologies.
- The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US\$ 64.17 billion).
- A total of 600+ sites are planned to be awarded by 2024-25 of which 144 Wayside Amenities (WSAs) have already been awarded.
- A network of 35 Multimodal Logistics Parks are planned to be developed as part of Bharatmala Pariyojana, with a total investment of about Rs. 46,000 crore (US\$ 5.55 billion), which can handle around 700 MMT of cargo.
- The government also aims to construct 23 new national highways by 2025.
- Road building in India is the second least expensive in Asia.
- Andhra Pradesh will spend US\$ 296.05 million to build 8,970 kms of roads.

## 1. ROBUST DEMAND

- As of January 2024, the total length of National Highways in the country was 146,145 km.
- In FY24, 4.2 million units of passenger vehicles were sold compared to over 3.8 million units sold in the same period last year.
- Passenger vehicle (PV) sales rose by 10.5% year-on-year in FY24. The total passenger vehicle dispatches increased to 38.90 lakh units.



## 3. POLICY SUPPORT

- As on December 2023, the Bhoomi Rashi Portal had incorporated 1467 projects of the National Highways Authority of India (NHAI).
- 100% Foreign Direct Investment (FDI) is allowed under the automatic route in the road and highways sector, subject to applicable laws and regulation.
- In October 2021, the government issued a notice related to concessions under the Vehicle Scrapping Policy (effective from April 2022) to encourage vehicle owners towards discarding old vehicles which have higher fuel consumption costs.

## 4. HIGHER INVESTMENT

- Growing participation of PPP.
- National Highways Infra Trust (NHIT) raised Rs. 16,000 crore (US\$ 1.92 billion) in InvIT round- 3, stretches aggregate length of 889 kilometers of national highways, marking the largest transaction by the National Highways Authority of India (NHAI).
- Investment in road connectivity projects including Patna-Purnea expressway, Buxar-Bhagalpur highway and an additional two-lane bridge over the Ganga in Buxar for Rs. 26,000 crore (US\$ 3.11 billion) along with a new 2,400 MW power plant at Pirpainti costing Rs. 21,400 crore (US\$ 2.56 billion).

Source: PIB, Make in India

# Market Overview

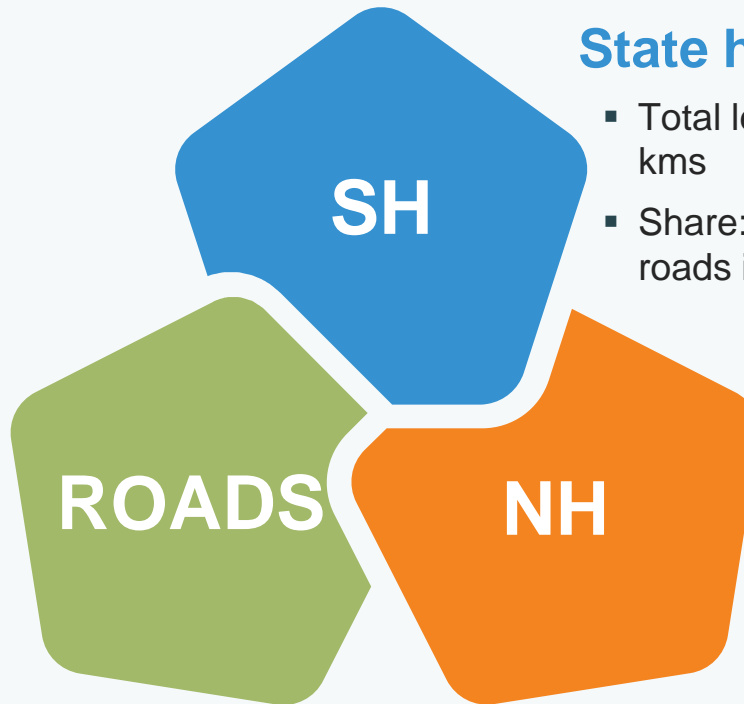


# Road network in India is sub-divided into three categories

**Roads**  
(Total length: 66.71 lakh kms)

## Other roads

- Total length: 63,45,403 kms
- Share: 95% of the total roads in India



## State highways

- Total length: 1,79,535 kms
- Share: 3% of the total roads in India

## National highways

- Total length: 1,46,145 kms
- Share: 2% of the total roads in India

*Note: Data as on December, 2023*

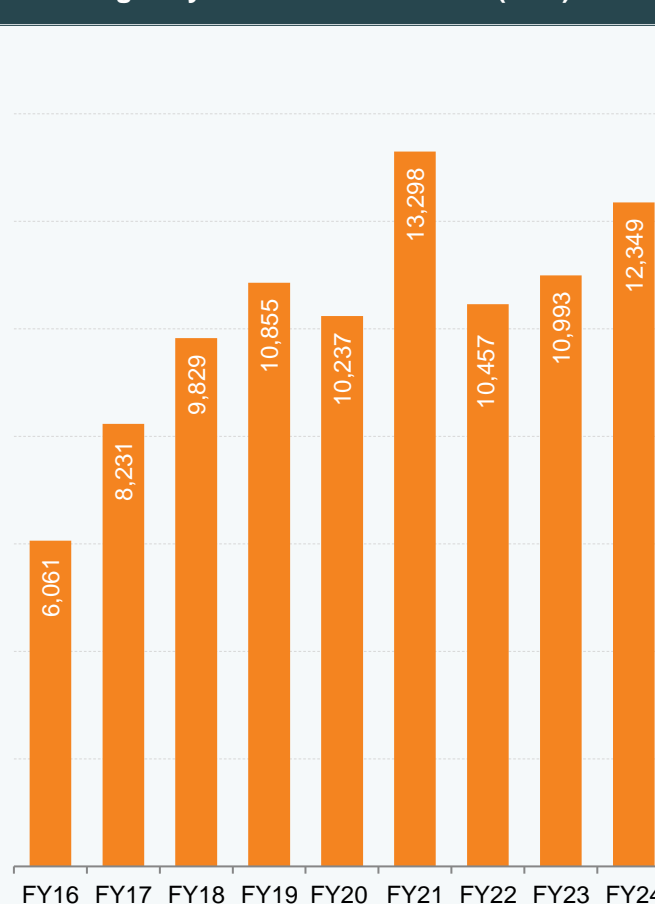
*Source: PIB*



# Strong momentum in expansion of roadways

Date	Description
April 2024	In FY24 approximately 12,349 km of National Highways have been constructed.
August 2023	In FY24 (until July), cumulatively, 2,670 km of National Highways have been constructed and has been 1,125 km awarded.
May 2023	In FY23, the Ministry of Road Transport and Highways constructed national highways extending 10,993 kms.
Feb 2023	In FY23 (until December), the Ministry of Road Transport and Highways constructed national highways extending 5,337 kms.
July 2022	In FY22 (until December), the Ministry of Road Transport and Highways constructed national highways extending 5,835 kms.
October 2021	The government inaugurated a national highway extending 527 kms and worth Rs. 4,075 crore (US\$ 542.34 million) in Ahmednagar, Maharashtra, to boost connectivity in the state.
September 2021	To transform road infrastructure in Punjab, Haryana and Rajasthan, the Indian government has planned to construct roads extending 313 kms for Rs. 11,000 crore (US\$ 1.48 billion).
August 2021	The Ministry of Road Transport & Highways extended certain relief measures provided earlier in view of the second COVID-19 wave. The central government sanctioned >Rs. 600 crore (US\$ 81 million), of the Central Road and Infrastructure Fund (CRIF), for construction of 42 roads and bridges in Uttarakhand.
July 2021	The Ministry of Road Transport and Highways constructed 2,284 kms of national highways until June 2021. Odisha has completed 62,192 kms of roads under the Pradhan Mantri Gram Sadak Yojana (PMGSY) programme, making it one of the highest performing states in construction of rural roads.

Highway Construction in India (kms)



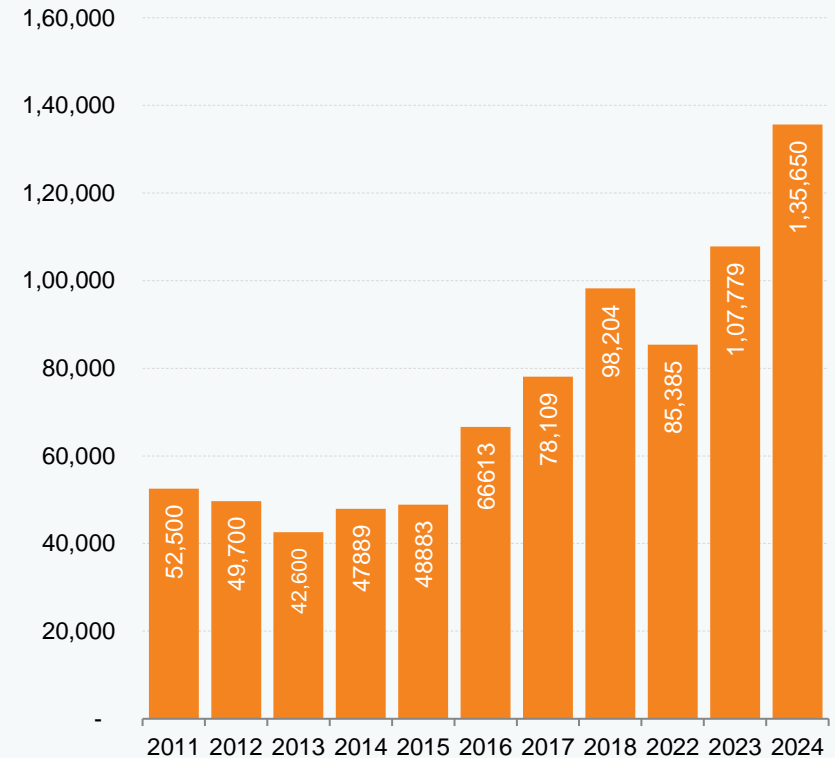
Source: Ministry of External Affairs., MoRTH, News Articles



# Robust Indian construction equipment's

- With infrastructure investment set to go up, demand for construction equipment will rise further.
- The Indian construction equipment industry, which aspires to become the world's second-largest by 2030, is believed to have grown by 25% year-on-year in FY23, surpassing 100,000-unit sales for the second year in a row.
- In FY24, a total of 135,650 units of construction equipment were sold, registering an increase of 26%.
- In FY22, a total of 85,385 units of construction equipment were sold.
- The Government's move to cut the GST rate on construction equipment from 28% to 18% is supposed to give a boost to the industry.
- Key players:
  - Universal Construction Machinery & Equipment
  - Mahindra Construction Equipment (MCE)
  - Volvo Construction Equipment India
  - ACE Construction Equipment
  - L&T Construction Equipment
  - Triton Valves

**Total number of construction equipment units sold**



Source: NBM & CW, Mahindra Website, Indian Construction Manufacturers' Association

# Special accelerated road development programme for the northeast region

- Over the past decade, a total of 9,984 km of National Highways (NHs) have been constructed in the North-Eastern Region (NER), with an expenditure of Rs. 1,07,504 crore (US\$ 12.87 billion). Currently, 265 NH projects are underway, costing Rs. 1,18,894 crore (US\$ 14.23 billion) and covering a total length of 5,055 km.
- The Special Accelerated Road Development Programme for the Northeast region (SARDP-NE) is aimed at developing road connectivity between remote areas in the northeast with state capitals and district headquarters.
- Implementation of the road development programme would facilitate connectivity of 88 district headquarters across states in the Northeast to their nearest national highway.
- During the fiscal year 2023-24, nine projects totaling Rs. 522.80 crore (US\$ 62.92 million) were approved under NESIDS Roads by North Eastern Council (NEC), along with a Rs. 2.10 crore (US\$ 0.25 million) for NEC project.
- A total of 261 road projects under different Schemes of MoRTH with a total sanctioned cost of Rs. 1,02,594 crore (US\$ 12.33 billion) are under implementation through the National Highways Authority of India (NHAI), National Highways & Infrastructure Development Corporation Ltd. (NHIDCL), and State Public Works Departments (PWDs) in the North-Eastern States. The Ministry of Development of the North-Eastern Region, under the erstwhile North-East Road Sector Development Scheme (NERSDS) and the present North-East Special Infrastructure Development Scheme (NESIDS), has sanctioned a total of 77 road projects amounting to Rs. 3,372.58 crore (US\$ 405.5 million).
- As of June 2023, the Union Minister for Road Transport and Highways announced that the government is currently involved in the construction of a 25-km two-lane road in Nagaland.
- The government has forecasted an investment of US\$ 350 billion towards road infrastructure in the North-East region of India during 2020-25.
- As of March 2022, the government plans to spend Rs. 10,565 crore (US\$ 1.38 billion) on the Trans-Arunachal Highway and Kaladan Multi-Model Transport Project, as well as other road development projects such as capital connectivity, district connectivity, connectivity to the international border, and improvement and strengthening of roads in the region of Sikkim.
- Under Phase-I of Bharatmala Pariyojana, the Ministry has approved the implementation of 34,800 km of national highways in 5 years with an outlay of Rs. 5,35,000 crore (US\$ 76.55 billion). Under this scheme, 22 greenfield projects (8,000 km length) are being constructed; this is worth Rs. 3.26 lakh crore (US\$ 43.94 billion).
- The details of various development and maintenance works undertaken in Northeast region is mentioned below:

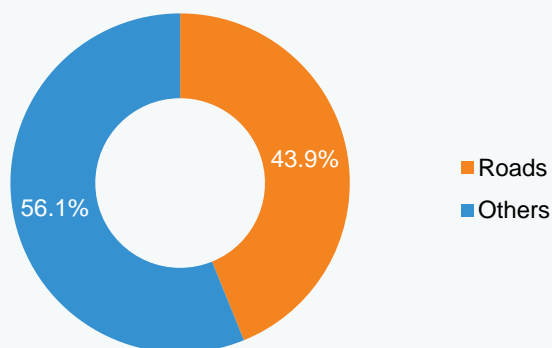
Project description	Total length (kms)
Length under NHDP Phase - III	110
Length of National Highways, State Roads under SARDP-NE are divided in 2 phases:	
(i) Phase A	4,099
(ii) Phase B (approved for DPR preparation only)	3,723
Arunachal Pradesh Package of Roads and Highways	2,319

**Note:** data is expected to be updated by June 2019 from Ministry of Road Transport and Highways Annual Report FY19

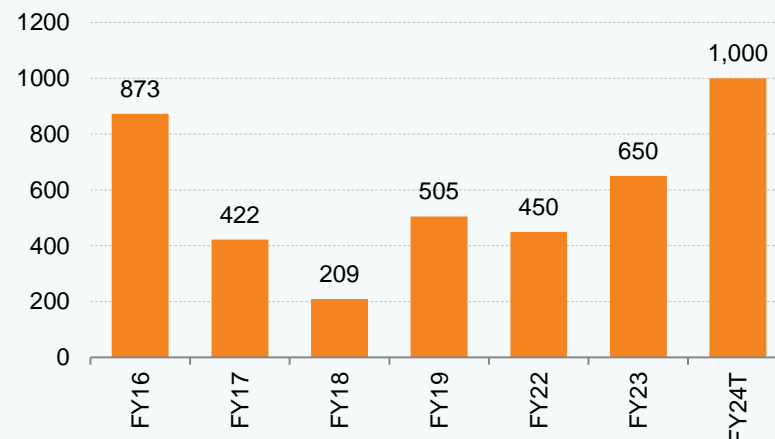
**Source:** NHAI, MoRTH Annual Report 2019-20, PPP in India

# Growth in private participation

Total PPP Projects in India (as of July 2024)



Projects awarded to BOT private players (in kms)



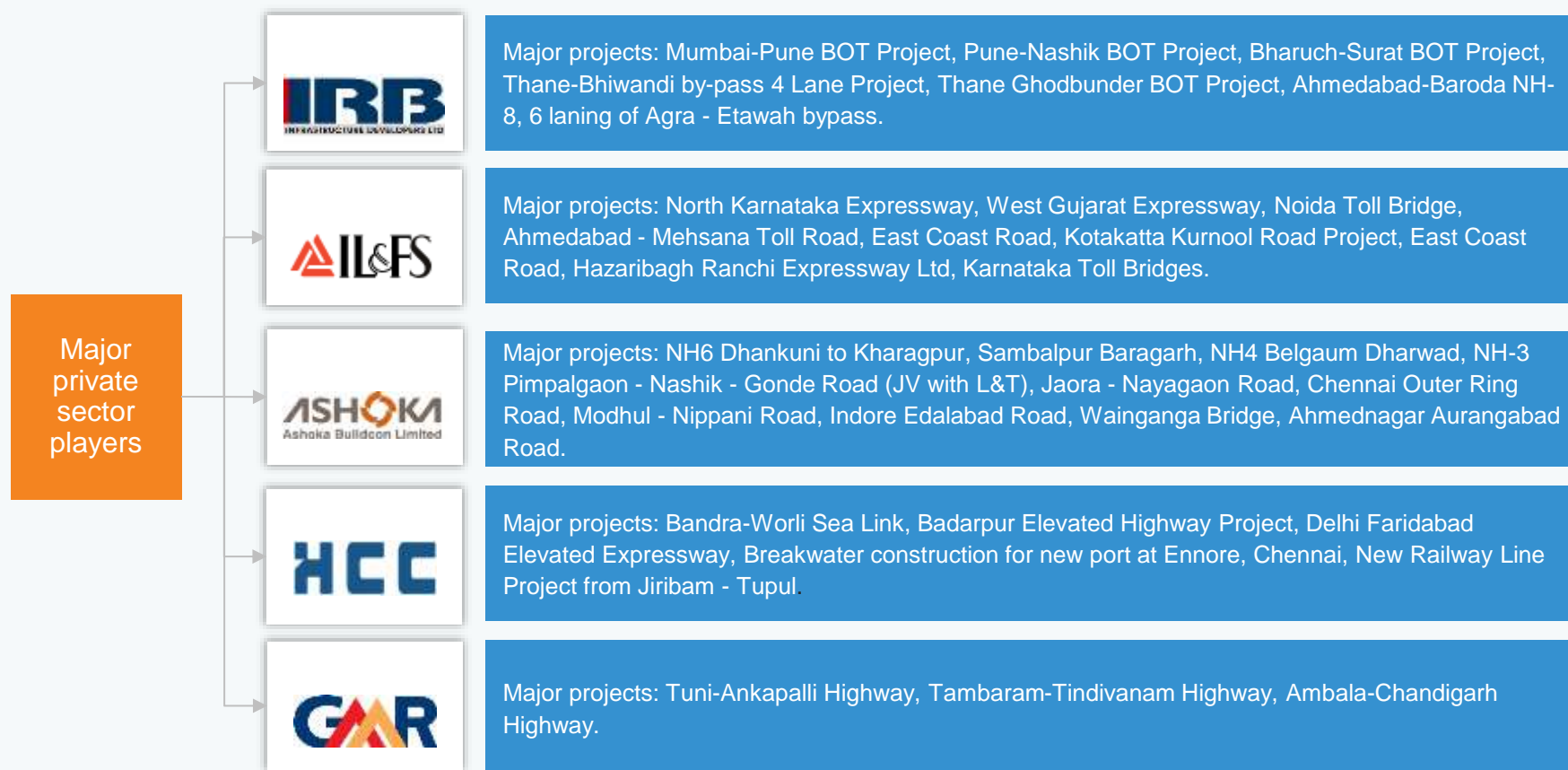
- NHAI Collaborates with HLL Life care Limited to Strengthen Incident Management Systems and assist accident victims on National Highways.
- NHAI is planning to award 1,000-1,500 km of projects under the BOT model in 2023-24.
- As of July 2024, there were 826 roads projects PPP out of 1883 total projects in India.
- In a significant effort to enhance infrastructure, the Union government approved eight national high-speed corridor projects, involving the construction of 936 kilometers of highways at a total cost of Rs. 50,655 crore (US\$ 6.09 billion).
- The government has successfully rolled out over 60 road projects in India worth over US\$ 10 billion based on the Hybrid Annuity Model (HAM). HAM has balanced risk appropriately between private and public partners and boosted PPP activity in the sector.
- NHAI targets 450 kilometers of the Build–operate–transfer (BOT) projects in FY22 and is looking forward to bidding out 600-1000 kilometers of highway stretch under the Build–operate–transfer (BOT) model as of November 2021.
- In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivizing timely work by concessionaires. According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.

*Note: PPP - Public-private partnership, BOT - Build-operate-transfer, T-Target*

*Source: MoRTH, Department of Economic Affairs, News Articles*

# Private players gaining traction in the roads sector

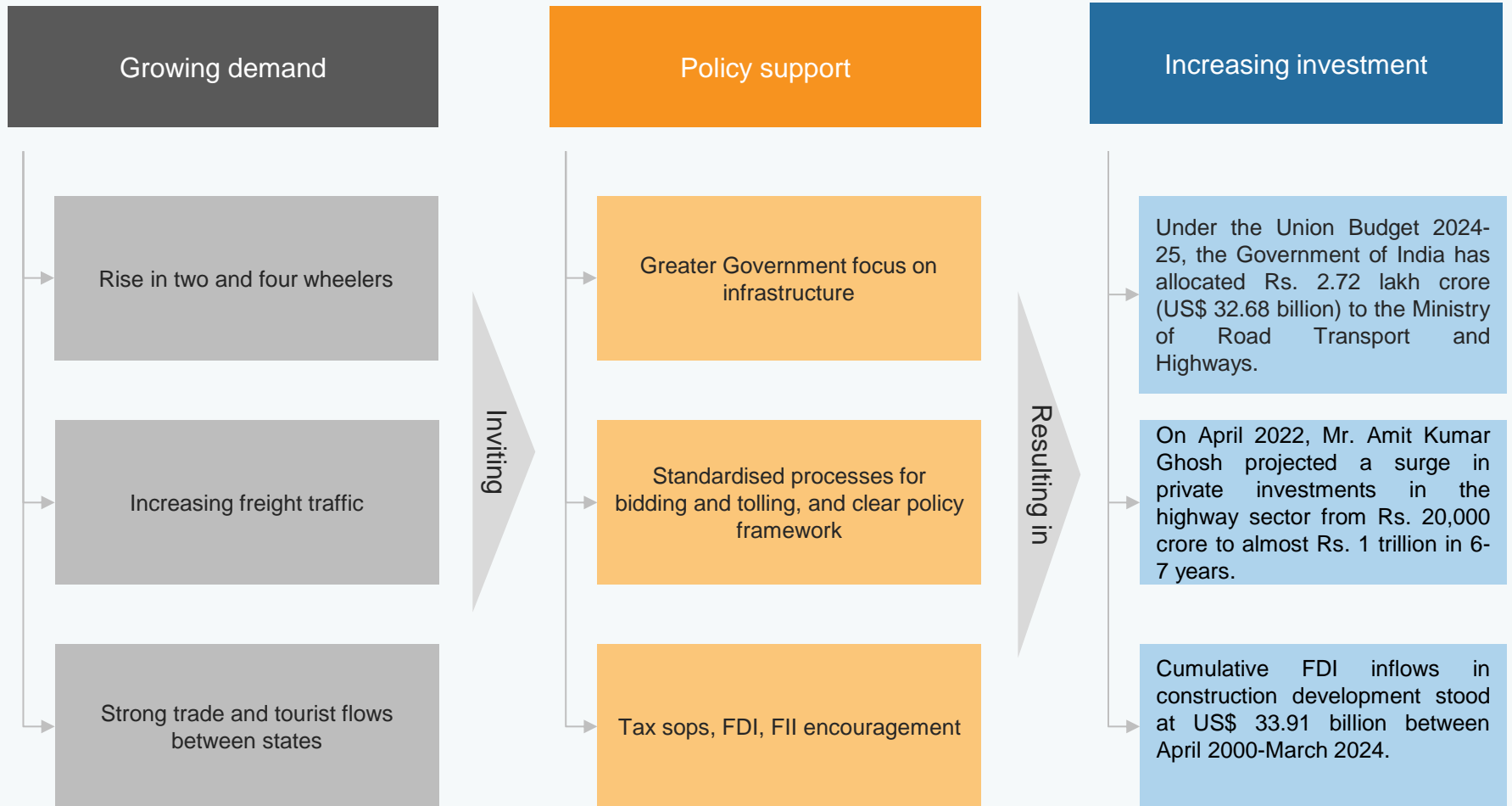
- Until 2005, the road construction market was dominated by public sector companies.
- With the emergence of private players over the last decade, the road construction market has become fragmented and competitive. Players bidding for projects also vary in terms of size.



**Notes:** NH - National Highway  
**Source:** Sutherland Research



# Strong demand and policy support driving investment

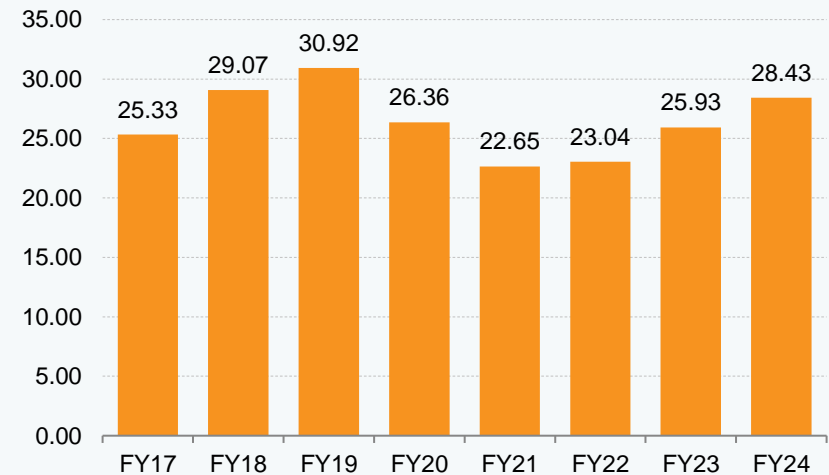


Source: Make in India

# Rising trade, vehicles production

- Growing domestic trade flows have led to rise in commercial vehicles and freight movement; supported by rise in production of commercial vehicles.
- In FY24, automobile production (comprising passenger vehicles, three-wheelers, two-wheelers, and four-wheelers) stood at 28.4 million units.
- Higher individual discretionary spending has led to increased spending on cars, motorbikes and scooters.
- In FY24, domestic automobile sales (passenger, three-wheeler and two-wheeler vehicles) stood at 23.85 million units.

**Number of Automobiles Manufactured in India (in million)**



*Source: Society of Indian Automobile Manufacturers (SIAM)*



# Government's initiatives... (1/3)

## 1

### Rural development

- In the fiscal year 2023-24 (up to July), a budget of Rs. 276 crore (US\$ 34.04 million) has been designated for the Pradhan Mantri Gram Sadak Yojana (PMGSY).
- Under the Union Budget 2021-22, the Government of India allocated Rs. 19,000 crore (US\$ 2.37 billion) for Pradhan Mantri Gram Sadak Yojana (PMGSY), a 36% rise over the earlier estimate of 2021-22.

## 2

### Improve safety standards

- In June 2024, NHAI Partners with IIIT Delhi to Improve Road safety through the implementation of Artificial Intelligence.
- NHAI partners with HLL Life care Limited to enhance Incident Management Systems and aid accident victims on National Highways, improving assistance for those in need.
- In October 2021, the government announced rules to improve road safety, such as fixed driving hours for commercial truck drivers and a mandate to install sleep detection sensors in commercial vehicles.

## 3

### Portfolios in the roads & highways sector

- In October 2020, the National Investment and Infrastructure Fund (NIIF) is making progress towards integrating its road and highway portfolio. The NIIF has acquired Essel Devanahalli Tollway and Essel Dichpally Tollway through the NIIF master fund. These road infra-projects will be supported by Athaang Infrastructure, NIIF's proprietary road network, assisted by a team of established professionals with diverse domain expertise in the transport field.

Source: Company website, News Articles

# Government's initiatives... (2/3)

## 4

### Taxes and other sops

- Companies enjoy 100% tax exemption in road projects for 5 years and 30% relief over the next 5 years.
- Companies have been granted a capital of up to 40% of the total project cost to enhance viability.

## 5

### Encouragement of infrastructure debt funds (IDFs)

- Government of India has set up the India Infrastructure Finance Company (IIFCL) to provide long-term funding for infrastructure projects.
- Interest payment on external commercial borrowings for infrastructure are now subject to a lower withholding tax of 5% vis-a-vis 20% earlier.
- IDF income is exempt from income tax.

*Source: Company website, News Articles*

# Government's initiatives... (3/3)

## 6

### Gati Shakti-National Master Plan

- "The PM GatiShakti National Master Plan aims to establish comprehensive infrastructure for multimodal connectivity to link different economic zones." It will help Indian government launched Gati Shakti-National Master Plan, which will help lead a holistic and integrated development of infrastructure generating immense employment opportunities in the country.
- The aim of the plan is to create a digital platform that would enable 16 ministries to collaborate on integrated planning and coordinated implementation of projects. The plan will also bring together departments such as railways, roads & highways and others and implementation will be done with the help of geo-satellite imaging and Big Data, land and logistics.
- India's Gati Shakti program has consolidated a list of 81 high impact projects, out of which road infrastructure projects were the top priority. The major highway projects include the Delhi-Mumbai expressway (1,350 kilometres), Amritsar-Jamnagar expressway (1,257 kilometres) and Saharanpur-Dehradun expressway (210 kilometres). The main aim of this program is a faster approval process which can be done through the Gati shakti portal and digitized the approval process completely.

*Source: Company website, News Articles*

# Policy initiatives in the right direction... (1/2)

1

## Bhoomi Rashi

- The portal accelerates the process of publication of notifications for land acquisition.
- It has been useful in reducing the time taken for providing notification regarding approval and publication of land acquisition.

2

## Bidder Information Management System (BIMS)

- BIMS is a database that provides information about bidders' basic details, civil works experience, cash accruals and network, annual turnover, etc.
- This portal will enable objective and transparent evaluation which will accelerate project implementation.

3

## Central Road and Infrastructure Fund (CRF)

- In the Union Budget 2022-23, government has planned for an increase in allocation for the central road fund by 19%, the total fund was Rs. 2,95,150 crore (US\$ 38.86 million).

4

## Goods and Services Tax (GST)

- The GST on construction equipment has been reduced to 18% from 28%, which is expected to give a boost to infrastructure development in the country.

Source: Company website, News Articles

# Policy initiatives in the right direction... (2/2)

## 5

### Investment in roads and other infrastructure

- CareEdge Ratings estimates that India will require additional infrastructure investment of US\$ 18-20 trillion in the next 25 years to become a US\$ 25-30 trillion economy by 2047.
- The Cabinet Committee on Economic Affairs, has given the approval for the development of eight key National High-Speed Corridor projects, spanning a total length of 936 km, with an investment of Rs. 50,655 crore (US\$ 6.09 billion) nationwide.
- In August 2022, Minister for Road Transport and Highways Mr. Nitin Gadkari stated that the ministry is planning to launch a new model for small investors to invest in infrastructure.

## 6

### Bharatmala Pariyojana Project

- A total length of 24,800 kms in road projects have been proposed to be constructed with an estimated outlay of Rs. 5.35 trillion (US\$ 74.15 billion) under Bharatmala Pariyojana Phase-I.
- NHAI will consider only those projects that require minimal land acquisition worth Rs. 3 trillion (US\$ 42.92 billion) under Bharatmala Pariyojana scheme.
- A total of 65,000 kms of roads and highways are to be constructed under Bharatmala Pariyojana.

## 7

### Motor Vehicle Aggregator Guidelines 2020

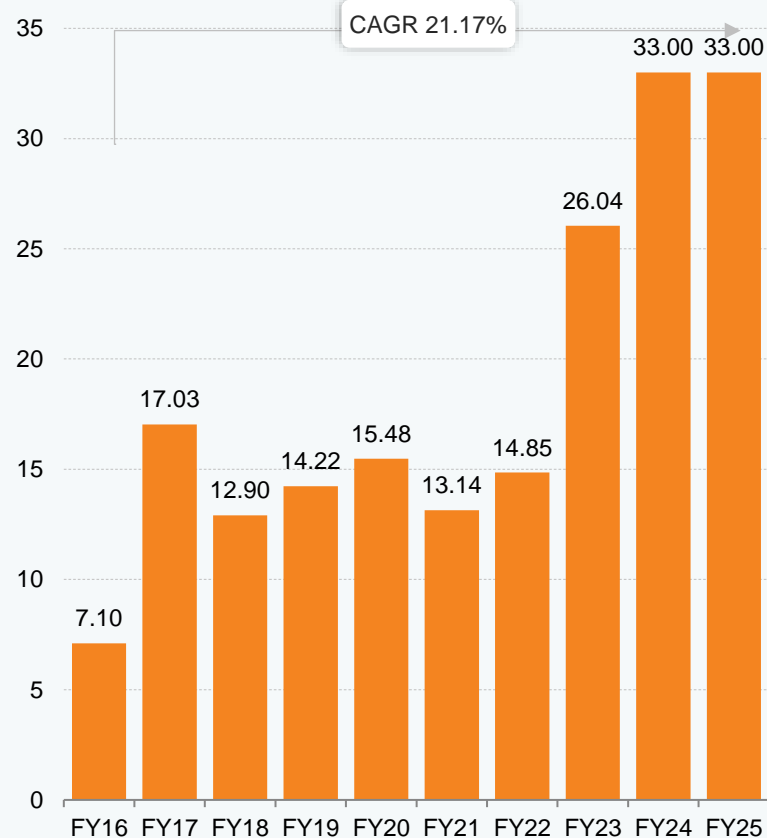
- In November 2020, the Ministry of Road Transport and Highways issued the 'Motor Vehicle Aggregator Guidelines 2020' to regulate shared mobility and reduce traffic congestion and pollution.

Source: Company website, News Articles

# Budgetary outlay for roads...(1/3)

- National Highways Authority of India (NHAI) spent a record-breaking Rs. 2,07,000 crore (US\$ 24.79 billion) on the construction of national highways in the fiscal year 2023-24. This was the highest capital expenditure ever recorded, representing a 20% increase from last year.
- Roads have been the key focus area for budget allocations over the years.
- Under the Union Budget 2024-25, the Government of India has allocated Rs. 2.70 lakh crore (US\$ 32.68 billion) to the Ministry of Road Transport and Highways.
- Projects such as Bharatmala Pariyojana illustrate this transition by methodically constructing economic corridors, feeder routes, and expressways. This initiative improves connectivity to 500 districts and promotes regional trade, tourism, and socioeconomic growth.
- The NHAI launched the "One Vehicle, One FASTag" campaign with the goal of discouraging user behaviour that links several FASTags to a single car or uses a single FASTag for many vehicles. This programme intends to improve the efficiency of the Electronic Toll Collection system and allow smooth movement at the Toll Plazas.
- The government has enlisted a consultant to advise on adopting new technologies like GNSS for barrier-free tolling. GNSS-based Electronic Toll Collection will be piloted alongside FAS Tag on select National Highways.
- In 2023-24, NHAI was allocated Rs. 1.62 lakh crore (US\$ 20 billion), all of which is budgetary support.

**Outlay for roads under the respective Union Budgets  
(US\$ billion)**



*Source: Respective Union Budgets, News Articles*

## Budgetary outlay for roads...(2/3)

- NHAI is working towards the development of around 10,000 km of Optic Fibre Cables (OFC) infrastructure across the country by FY25. National Highways Logistics Management Limited (NHLML), will implement the network of Digital Highways by developing integrated utility corridors along the National Highways to develop OFC infrastructure.
- The country's first elevated eight-lane access control Dwarka expressway of 29.6 km length is built at a cost of Rs. 1 lakh crore (US\$ 12.04 billion) and inaugurated in March 2024.
- In October 2023, rating agency Crisil said that the assets under management (AUM) for infrastructure investment trusts (InvITs) in India's road sector will nearly double by March 2025 from the current Rs. 1.4 trillion (US\$ 17 billion).
- In August 2023, the National Highways Authority of India (NHA) made a big step towards improving the highway user experience, with the introduction of 'Rajmargyatra,' a citizen-centric unified mobile application. This user-friendly app provides travellers with in-depth knowledge of Indian National Highways as well as an effective procedure for filing complaints.
- In July 2023, Prime Minister Mr. Narendra Modi dedicated a six-lane greenfield motorway part of the Amritsar-Jamnagar Economic Corridor and the first phase of the Inter-State Transmission Line for Green Energy Corridor.
- Increasing the pace of development of Uttar Pradesh, the Union Minister for Road, Transport and Highways, Mr. Nitin Gadkari inaugurated two National Highway projects with an investment of more than Rs. 3,300 crore (US\$ 396.8 million) in Lucknow on July 17, 2023.
- In July 2023, Union Minister for Road Transport and Highways Mr. Nitin Gadkari laid the foundation stone for three NH Projects in Tirupati, Andhra Pradesh. These projects are of a combined length of 87 km and carry a total cost of Rs. 2,900 crore (US\$ 348.7 million).
- On July 4, 2023, Union Minister for Road Transport and Highways Mr. Nitin Gadkari inaugurated and laid the foundation stone of 11 NH projects worth Rs. 5,600 crore (US\$ 673.4 million) in Pratapgarh, Rajasthan.
- In June 2023, the National Highways Authority of India (NHA) introduced a 'Knowledge Sharing' platform for sharing of knowledge and innovative best practices. This effort, which is hosted on the NHA website, will assist the authority in working with specialists and citizens who want to exchange knowledge and views about subjects including road design, construction, road safety, environmental sustainability, and related sectors. The platform will promote the exchange of best practices from all around the world and work to strengthen the nation's national highway system.
- In Andhra Pradesh, 70 projects underway, totalling 2,014 km and costing Rs. 33,540 crore (US\$ 4.09 billion) are currently in progress.
- In February 2023, Mr. Nitin Gadkari has approved the development of a 32 km long 6-lane Access Controlled Greenfield Highway on NH-544G Bengaluru–Vijayawada Economic Corridor in Hybrid Annuity Mode in Andhra Pradesh worth US\$ 157 million (Rs. 1,292.65 crore).

*Source: Respective Union Budgets, News Articles*



## Budgetary outlay for roads...(3/3)

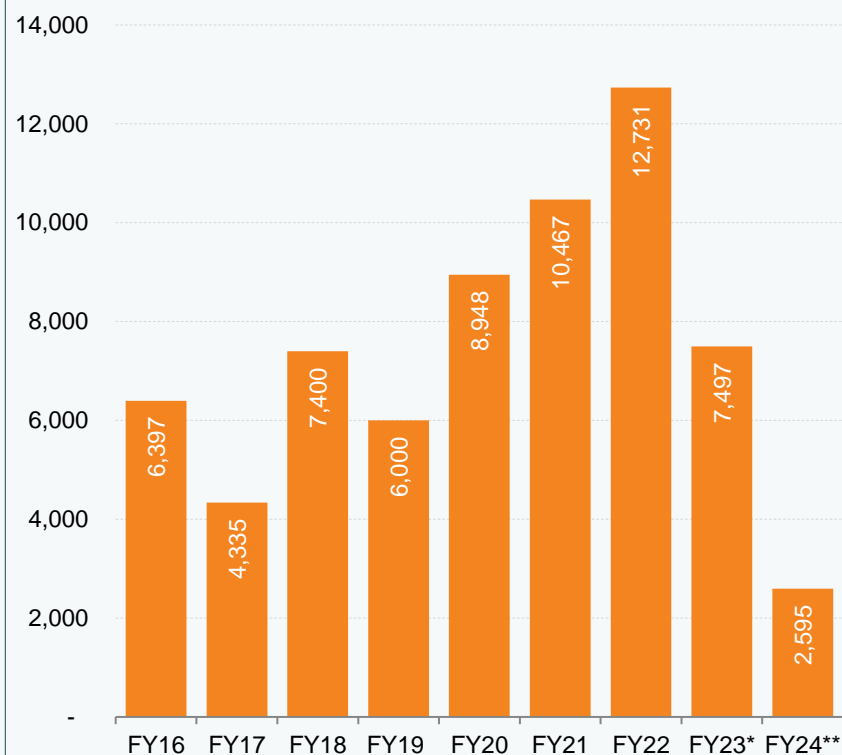
- To transform road infrastructure in Punjab, Haryana and Rajasthan, the Indian government has planned to construct roads extending 313 kms for Rs. 11,000 crore (US\$ 1.48 billion).
- In February 2022, NHAI rolled out a plan to construct 5,795 kilometres of highways that will connect 117 districts. The plan was worth Rs. 1 trillion (US\$ 13.09 billion).
- In December 2021, the Ministry of Road Transport & Highways planned projects worth Rs. 7 trillion (US\$ 91.71 billion) for the next 2-3 years.
- In September 2021, the Indian government announced road projects worth Rs. 1 lakh crore (US\$ 13.48 billion) to develop road infrastructure in Jammu and Kashmir. The region has also witnessed growth in national highways, from 7 in 2014 to 11 in 2021.
- In September 2021, the Ministry of Road Transport and Highways allocated Rs. 7,270 crore (US\$ 980.9 million) for road safety programmes in 14 states that constitute 85% of the total road fatalities in India.
- In July 2021, the Ministry of Road Transport & Highways allocated Rs. 165 crore (US\$ 22 million) under Economic Importance and Inter State Connectivity Scheme (EIC&ISC) for FY22.
- In August 2021, the Ministry of Road Transport & Highways extended certain relief measures provided earlier in view of the second COVID-19 wave. The following relief measures have been extended:
  - Relaxation in Schedule H/G with effect from July 01, 2021, until September 30, 2021, to improve liquidity of funds available with contractors and concessionaire.
  - Arrangement regarding direct payment to the approved sub-contractor through an escrow account can be continued until September 30, 2021, or completion of work by the sub-contractor, whichever is earlier.
- In August 2021, Union Minister of Road Transport and Highways, Mr. Nitin Gadkari, sanctioned Rs. 100 crore (US\$ 13 million) to restore roads affected by heavy rains in Konkan and Western Maharashtra. This includes Rs. 52 crore (US\$ 7.0 million) for temporary restoration and Rs. 48 crore (US\$ 6 million) for permanent restoration.

*Source: Respective Union Budgets, News Articles*

# Future prospects remain bright for the road sector...(1/2)

- The Ministry of Road Transport and Highways awarded road projects with a total length of 7,497 kms as of February of FY23.
- Mr. Nitin Gadkari, the Union Minister for Road Transport and Highways, informed that under “Parvatmala Pariyojana”, the Government of India plans to develop 250+ projects with a Ropeway length of 1,200+ km over five years.
- Up to October 2023 of FY24, the Ministry of Road Transport and National Highways awarded a total length of 2,595 kms.
- In FY22, the Ministry of Road Transport and Highways awarded road projects with a total length of 12,731 kms.
- A total of 600+ sites are planned to be awarded by 2024-25 of which 144 Wayside Amenities (WSAs) have already been awarded.
- The National Highways Authority of India (NHAI) is expected to award projects worth ~Rs. 2.25 lakh crore (US\$ 30.3 billion) with a total length of ~5,000 kms in FY22.
- In September 2021, the Government of Maharashtra approved a 173.7-kilometre long outer-ring road project in Pune, worth Rs. 26,831 crore (US\$ 3.61 billion).
- In December 2021, the government set a highway monetization target of Rs. 2 trillion (US\$ 26.20 billion) for the next 3 years.
- In December 2020, the Ministry of Road Transport and Highways (MoRTH) announced that the Government of India and the World Bank have inked a pact for a US\$ 500-million project to build green national highway corridors in Rajasthan, Himachal Pradesh, Uttar Pradesh and Andhra Pradesh.

Projects awarded (in kms)



**Note:** \*Until February 2023, \*\*Until October 2023

**Source:** NHAI, MoRTH Annual Report 2018-19, Crisil Research, PIB

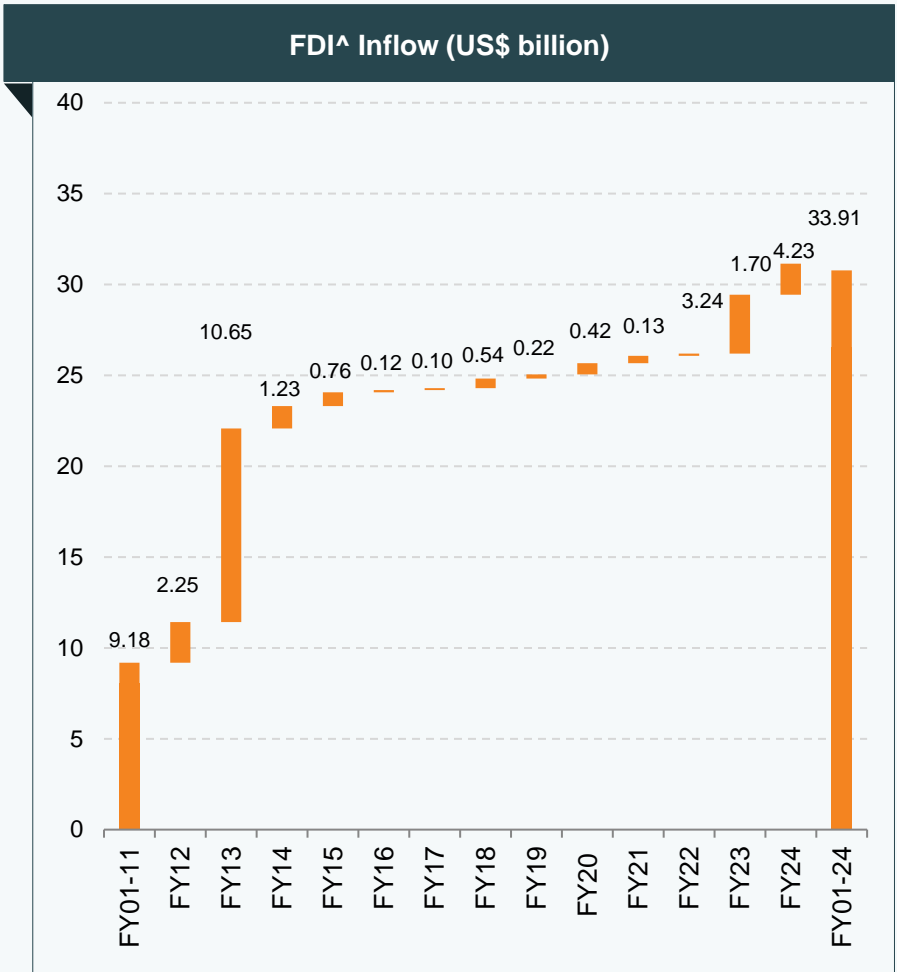
## Future prospects remain bright for the road sector...(2/2)

- In October 2021, the Indian government announced five road projects in Ladakh, measuring 255 kms in length, to boost connectivity in the region.
- In January 2021, the MoRTH announced that it has constructed 8,169 kms of national highways between April 2020 and January 2021 and aims to complete 11,000 kms of national highways by end-FY21.
- In January 2021, the Government of India approved Rs. 8,528 crore (US\$ 1.02 billion) for national highway projects in Maharashtra.
- The NHAI awarded highway projects (extending 1,330 kms) in the first half of FY21. This was 1.6x of the total awards in FY20 and 3.5x of the FY19-levels. NHAI, the nodal authority for building highways across the country, has set a target of awarding projects (up to 4,500 kms) in FY21.
- In April 2021, the NHAI has decided to deploy Network Survey Vehicle (NSV) to enhance quality of the national highways. Carrying out road condition survey using NSV on the national highways was made mandatory for certifying completion of the project and every six months thereafter.
- The Union Ministry of Environment, Forests and Climate Change (MoEF & CC) has asked the National Highways Authority of India (NHAI) and other agencies to use fly ash to build roads within a 300-km radius of coal or lignite-based thermal power plants.
- In July 2021, the Ministry of Road Transport and Highways granted 162 kms road highway (New NH-365BG), as part of the economic corridor under the Bharatmala Pariyojana, with an aim to connect Andhra Pradesh and Telangana via a robust road infrastructure that supports speed of 100kms/hour. The total project cost is Rs. 2,600 crore (US\$ 350 million).
- In August 2021, Union Minister of Road Transport and Highways, Mr. Nitin Gadkari, announced to launch 1,080-km (road construction) projects worth Rs. 25,370 crore (US\$ 3.4 billion) in Gujarat under the Bharatmala Pariyojana—the ambitious road and highways project that aims to build highways from Maharashtra, Gujarat, Rajasthan, Punjab, Haryana and then cover the entire string of Himalayan territories.
- In 2018, the Indian government announced its plan to construct the Delhi-Mumbai Express Highway (extending 1,380 kms), to improve connectivity from Delhi to Mumbai, covering states such as Haryana, Rajasthan, Gujarat and Madhya Pradesh. As of September 2021, contracts for >1,200 kms have been awarded. The estimated cost to construct the Delhi-Mumbai Express Highway is Rs. 98,000 crore (US\$ 13.08 billion).
- In 2018–19, the government announced a plan to construct a bi-lane road tunnel at an altitude of 13,000 ft. in Arunachal Pradesh, to strengthen security on the border with China. As of October 2021, the project is in final stage and is expected to be completed by June 2022.

*Source: NHAI, MoRTH Annual Report 2018-19, Crisil Research*

# Encouragement private funding to reduce finance constraints

- Cumulative FDI inflows in construction development stood at US\$ 33.91 billion between April 2000-March 2024.
- Maif 2 Investments India Pvt. Ltd. became the first-largest foreign investment in Indian roads sector under toll-operate-transfer (TOT) mode worth Rs. 9,681.5 crore (US\$ 1.50 billion).
- In October 2020, the Asian Development Bank (ADB) and the Government of India signed a US\$ 177 million loan to upgrade 450 kms of state highways and major district roads in Maharashtra.
- In January 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US\$ 646 million for upgrading the state highway and district road networks in Andhra Pradesh.







**Note:** ^ - FDI in construction development Includes: Townships, housing, built-up infrastructure and construction-development projects

**Source:** DPIIT, Asian Development Bank (ADB)

# Key Industry Contacts



# Key industry contacts

	Agency	Contact Information
	Ministry of Roads Transport and Highways	Transport Bhavan 1, Parliament Street New Delhi -110001 Phone: 91-11-23719097, 23719955 E-mail: <a href="mailto:ifcmst@nic.in">ifcmst@nic.in</a> Website: <a href="https://morth.nic.in/">https://morth.nic.in/</a>
	National Highway Authority of India	G 5 and 6, Sector 10, Dwarka New Delhi - 110 075 Phone: 91-11-25074100, 25074200 Fax: 91-11-25093507, 25093514 Website: <a href="https://nhai.gov.in/">https://nhai.gov.in/</a>
	Indian Roads Congress	Sector 6, (Near RBI Quarters), RK Puram, New Delhi - 110022 Phone: 91-11-26185303 Secretariat: 91-11-26716778, 26183669, 26185273, 26185315, 26185319 Fax: 91-11-26183669 E-mail: <a href="mailto:secretarygen@irc.org.in">secretarygen@irc.org.in</a> Website: <a href="http://www.irc.nic.in/">http://www.irc.nic.in/</a>
	Central Road Research Institute	Delhi-Mathura Road, New Delhi - 110 025 Phone: 91-11-26848917, 26832173 Fax: 91-11-26845943 E-mail: <a href="mailto:director.crri@nic.in">director.crri@nic.in</a> Website: <a href="https://www.crridom.gov.in/">https://www.crridom.gov.in/</a>





# Glossary

---

- BOT: Build Operate Transfer
- CAGR: Compound Annual Growth Rate
- EPC: Engineering, Procurement and Construction
- FDI: Foreign Direct Investment
- FY: Indian Financial Year (April to March) - So FY10 implies April 2009 to March 2010
- GOI: Government of India
- Rs.: Indian Rupee
- LCV: Light Commercial Vehicles
- MoRTH: Ministry of Roads Transport and Highways
- NH: National Highway
- NHAI: National Highway Authority of India
- NHDP: National Highway Development Project
- US\$ : US Dollar

# Exchange rates

**Exchange Rates (Fiscal Year)**

Year	Rs. Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49
2020-21	73.20
2021-22	74.42
2022-23	78.60
2023-24	82.80
2024-25**	83.42

**Exchange Rates (Calendar Year)**

Year	Rs. Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89
2020	74.18
2021	73.93
2022	79.82
2023	82.61
2024*	83.22

*Note: \*- Until June 2024, \*\*- April-June 2024*

*Source: Foreign Exchange Dealers' Association of India*

# Disclaimer

---

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of IBEF's knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability, damages or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

IBEF shall not be liable for any special, direct, indirect or consequential damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.