

Project awarding accelerates after Nov'22; FASTag toll collections continue to gain traction

- Project awarding activity has picked up pace after Nov'22, with 4,290km of projects awarded till date in FY23 (v/s only 1,549km awarded in the first eight months of FY23). Road construction by NHAI till date in FY23 stood at ~3,150 km. With a target of 6,500 Kms in FY23, the remaining part of FY23 would require further acceleration in project awarding to achieve the targets.
- Toll collections have been improving, with FASTag-based toll collections of INR444b as of Jan'23 with a daily run rate of ~INR1.5b.
- Asset monetization is the key focus area for NHAI to raise funds outside of budgetary resources. The National Highways Infra Investment trust (NHAI InVIT) is planning to raise up to INR80b in the third tranche of asset monetization by Mar'23. NHAI InVIT successfully raised INR14.3b in the second tranche to partly fund three road assets stretching 246km. Additionally, NHAI InVIT raised INR15b from the issuance of non-convertible debentures (NCDs) in Oct'22.
- NHAI has prepared a pipeline to monetize 1,750km of assets in FY23, but a faster execution is required to meet the monetization target.
- DFCCIL has revised the timeline for Dedicated Freight Corridor projects and they are now expected to be completed by mid-2024.

Key Indicators

	FY21	FY22	FY23 (YTD)
Daily average FASTag toll INR b)	0.62	1.04	1.5
Tenders awarded by NHAI (km)	4,788	6,306	4,290
Road construction by NHAI (km)	4,184	4,325	3,147

NHAI awards 4,290km of projects till date in FY23; targets 6,500km in FY23

Project awarding activity has picked up pace after Nov'22, with 4,290km of projects awarded till date in FY23 (v/s only 1,549km awarded in the first eight months of FY23). In order to achieve its target of 6,500km in FY23, NHAI needs to accelerate project awarding in the remaining part of FY23. In terms of construction, NHAI is looking to construct 5,000km of projects in FY23 and has completed ~3,150km till date in FY23.

FASTag toll collections continue to rise

FASTag toll collections grew ~34% YoY on the daily average basis in Jan'23, while volumes rose 30% YoY to 301m. As of Jan'23, total FASTag toll collections stood at INR444b in FY23. Improvement in toll collections is critical for faster monetization of road assets by the Ministry of Road and Transport and would also help the companies that are looking to monetize their existing toll assets.

Third tranche of asset monetization underway

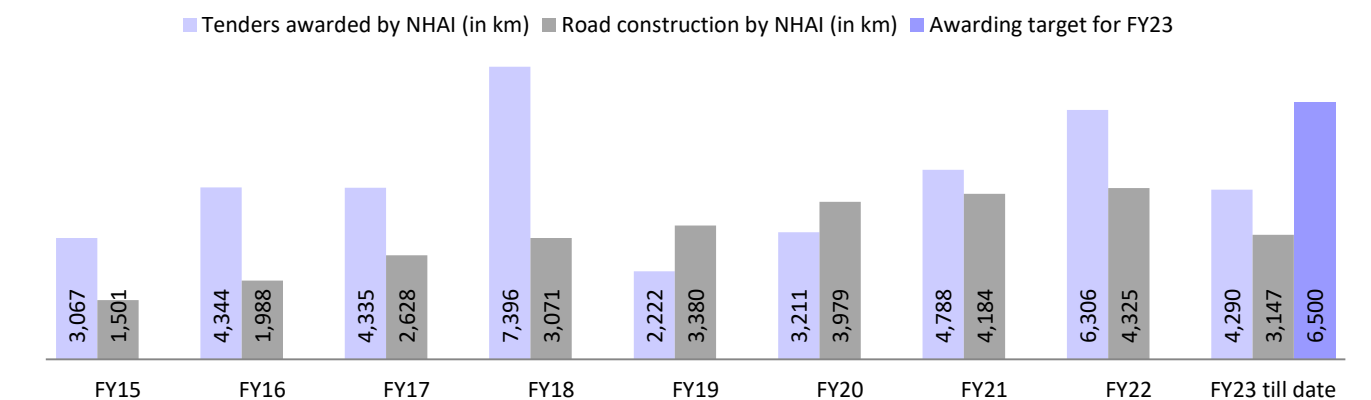
NHAI has been able to monetize its road assets via InVIT. NHAI InVIT raised a sum of INR14.3b in Oct'22 from domestic and international investors through a placement of its units, for part funding its acquisition of three additional road projects stretching 246km. Further, NHAI InVIT is looking to raise another INR75-80b by monetizing six road assets by Mar'23. Additionally, NHAI InVIT raised INR15b from the issuance of NCDs in Oct'22. The NCDs were subscribed 6.7x with a total collection of INR50b. The Ministry of Road and Transport has identified a list of projects aggregating to 1,750km to be monetized through ToT and InVIT in FY23. The authorities need to ensure a faster execution to meet the monetization targets.

Softening input prices to improve margins for contractors

The prices of steel and aluminum have declined ~25% and 30%, respectively, from their levels in Apr'22. Steel prices have been under pressure after the government's measures to curb exports and improve domestic supplies. However, cement prices have risen ~5% from their lows in Jul'22, primarily due to input cost pressure. Most contractors expect some improvement in profitability in 4QFY23.

Diversified players with strong order book and balance sheet well placed

While order inflows have been muted, the tender pipeline is robust. Execution should improve in 4QFY23. Players with decent order books, strong balance sheets in hand and presence in two or more segments are better placed to capitalize on the opportunity of aggressive project awarding by NHAI in 4QFY23. Our top pick in this space is KNR Constructions Ltd.

Awarding and construction**Exhibit 1: NHAI awarding and construction trends (in km)**

Sources: NHAI, MOFSL

Exhibit 2: Civil Projects awarded in FY23 (Apr'22-Jan'23)

S.no	Project Name	Total Length (km)	State	PIU	Lanes	NH (New)	Mode	Concessioner	Total Awarded Cost (INR b)	Loa Date Civil work	Cumulative Length
1	Construction of Flyover at Km 936+440 of NH-216A [Jonnada Junction with Black Spot ID: AP – (02)-134], Flyover at Km 967+180 of NH-216A [Undrajavaram Junction with Black Spot ID: AP - (02)- 078], Flyover at Km 970+370 of NH-216A (Tetali Junction with Black Spot ID: AP – 005), VUP at Km 1006+525 of NH-216A (Kaikaram Junction with Black Spot ID: AP – 007) for rectification of Blackspots and construction of Flyover at Km 910+760 of NH-216A in Rajahmundry City (Morampudi Junction) in the State of Andhra Pradesh on EPC Mode	6.4	Andhra Pradesh	Rajamahendravaram	4L	216A,216 A,216A,21 6A,216A	HAM	Shrushti Contech Pvt. Ltd.	1.19	23-06-2022	0.00
2	Periodical Renewal of balance section of the project stretch including renewal of service road / slip road from Km 211.000 to Km 462.164 on Hyderabad - Bangalore section of NH 44	251.2	Andhra Pradesh	Anantapur	4L PS		Item Rate	Lakshmi Infrastructure & Developers India Pvt. Ltd.	1.81	06-04-2022	
3	4L PS Mydukur - Badvel from Km 585.820 to Km 630.960 of NH-67	45.1	Andhra Pradesh	Kadapa	4L PS	67	EPC	RITHWIK-NSPR Consortium	7.19	16-08-2022	0.00
4	Development of 4L Road from Samarlakota to Achampeta Junction as part of Kakinada Port Connectivity to NH- 16 (Rajanagaram Junction) in East Godavari District	12.3	Andhra Pradesh	Rajamahendravaram	4L	TBD	Item Rate	Rail Vikas Nigam Limited	4.08	29-09-2022	
5	4Lof Chillakuru Cross Road to Turpu Kanupuru (Part 1 ,Pkg-II) from Km 0.00 to Km 23.770 including 6L flyover and approaches on NH-16 and 6L of Turpu kanupuru to Port South Gate (Part 2,Pkg- II) from Km 91.910 to Km 103.154	36.1	Andhra Pradesh	Nellore	4L	516W	Item Rate	Megha Engineering and Infrastructure Ltd.	6.87	30-01-2023	
6	Rehabilitation and upgradation of 4L with PS from Anantapur(Km.0.000) to Muchukota(Km.37.000) (Package-I) of NH-544D	37.0	Andhra Pradesh	Anantapur	4L/2L PS	544D	HAM	SRC Infra Developers Private Limited	6.76	08-12-2022	
7	Rehabilitation and up gradation from	32.0	Andhra	Anantapur	4L/2L PS	544D	EPC	Megha	7.33	08-12-2022	

S.no	Project Name	Total Length (km)	State	PIU	Lanes	NH (New)	Mode	Concessioner	Total Awarded Cost (INR b)	Loa Date Civil work	Cumulative Length
	Muchukota(Km.37.000) to Bugga(Km.69.000) (Package II) to 4L PS of NH-544D		Pradesh					Engineering and Infrastructure Ltd.			
8	6L Standalone Flyovers at Raha, Demow, Borghat, Kathiatoli junctions and ROB at Jagiroad on stretches of NH 36 and NH 27	12.1	Assam	Guwahati	6L	27	EPC	Dhariwal Buildtech Limited	1.75	29-08-2022	
9	4L of Greenfield Alignment from Km. 45.000 to Km. 89.090 of Tal Dashara to Bela Nawda Section of NH-119D	44.0	Bihar	Muzaffarpur	4L PS	119D	EPC	Ram Kripal Singh Construction Pvt. Ltd	16.88	06-05-2022	0.00
10	4L of Siwan- Masrakh section of Ram Janki Marg from Km 230.385 to Km 281.391 of NH-227A	51.0	Bihar	Motihari	4L	227A	EPC	Megha Engineering and Infrastructure Ltd.	12.21	29-12-2022	
11	Umagaon-Saharsa (Package-V) Bakaur-Parsarma-Bangaon-Bariyahi & Spur to Mahishi	39.1	Bihar	Supaul	2L	327E	EPC	Dhariwal Buildtech Limited	5.52	29-12-2022	
12	Umagaon - Saharsa Package - I (Combined) Umagaon-Kaluahi(0.000KM to 21.609Km) of NH227L;Saharghat- Rahika(0.000 Km to 26.130KM) of NH227J;Rahika-Rampatti (0.00 KM to 15.00KM) of NH527A;Bideshwarsthan-Bheja(0.000KM to 25.915KM) of NH527A.	88.7	Bihar	Supaul	2L	227L	Item Rate	Ram Kripal Singh Construction Pvt. Ltd	12.24	11-07-2022	
13	Durg-Raipur Bypass Section (Package - 1) from km. 0.00 to km. 44.50 (near Tendesara to near Khatti Village)	44.5	Chhattisgarh	Dhamtari	4L PS	53	Item Rate	SMS Ltd. in JV with Mehrotra Buildcon Pvt. Ltd.	7.90	27-12-2022	
14	Durg-Raipur-Arang Package - 2 from km. 44.50 to km. 92.23 (near Khatti Village to near Aurang)	47.7	Chhattisgarh	Dhamtari	4L	53	Item Rate	Kalyan Toll Infrastructure Ltd. - Shelke Construction	6.80	27-12-2022	
15	4L of Uрга - Palthagaon from Km. 70.200 to km. 157.745 of NH-130A	87.5	Chhattisgarh	Korba	4L	130A	Item Rate	Dilip Buildcon Ltd.	19.55	16-12-2022	
16	4L Kodinar - Veraval (Package VI) from km. 222.400 to km. 230.00 (Kodinar Bypass) of NH-8E (NH 51 new)	7.6	Gujarat	Somnath	4L	51	EPC	Kalthia Engineering & Construction Ltd.	1.63	07-04-2022	0.00
17	Construction of Greenfield Connectivity to Jewar International Airport from DND-	30.0	Haryana	CMU Mathura	6L	TBD	Item Rate	APCO Infratech Pvt.	16.61	01-08-2022	

S.no	Project Name	Total Length (km)	State	PIU	Lanes	NH (New)	Mode	Concessioner	Total Awarded Cost (INR b)	Loa Date Civil work	Cumulative Length
	Faridabad-Ballabhgarh Bypass KMP Link - Spur to Delhi Mumbai Expressway							Ltd.			
18	Karnal ring road (Lot-4/Pkg-1)	25.0	Haryana	Ambala	TBD	44	EPC	H.G. Infra	9.97	29-12-2022	0.00
19	4L (Greenfield) Jalbhera – Shahbad section from km. 0.000 to km. 22.850 of NH-152G	22.9	Haryana	Bhiwani-CHD-HR	4L	152G	EPC	Ceigall India Ltd.	6.84	02-06-2022	0.00
20	Jagadhari - HR/HP Border (Ponta Sahib)	34.0	Haryana	Chandigarh	4L	344	EPC	Raj Shyama Constructions Pvt.	5.42	30-06-2022	
21	Conversion of Partially Excavated Escape Tunnel to Uni-Directional 2L Tunnel(including construction of cross passages and approach roads on either side of the tunnel) from Km 12.732 to Km 14.568 of Kiratpur to Nerchowk Section of NH-21	1.8	Himachal Pradesh	Mandi	2L	21	Item Rate	Gawar Kiratpur Nerchowk Highway Private Limited	2.80	04-07-2022	0.00
22	Rehabilitation and Upgradation to 2L PS configuration & Strengthening of Padhar to Bijni section from Km 180.000 to Km 202.815 of NH-154 (Pkg-VA)	19.1	Himachal Pradesh	Palampur	2L PS	154	HAM	Gawar Construction Ltd	5.45	20-07-2022	
23	Rehabilitation and Up-gradation to 4L configuration & Strengthening of Thanpuri to Paror section from Km 85.135 to Km 100.840 of NH-154 (Pkg-IIC)	16.3	Himachal Pradesh	Palampur	4L	154	EPC	M/s Universal Contractors and Engineers Private Limited - Shree Riddhi Siddhi	2.60	10-08-2022	0.00
24	2L PS of Hamirpur Bypass from Km 121.175 to Km.138.295 of NH-103&3	17.1	Himachal Pradesh	Hamirpur	2L PS	103	HAM	Jandu Construction India Pvt. Ltd.	3.98	07-10-2022	
25	4L of Kathlighat to Shakral Village from Km 128.835 to Km 146.300 of NH- 5 (Shimla Bypass - Pkg I)	17.5	Himachal Pradesh	Shimla	4L	5	HAM	SP Singla Constructions Pvt. Ltd. - Rail Vikas	18.45	11-07-2022	0.00
26	4L of Shakral Village to Dhalli Section from Km 146.300 to Km 156.560 (Shimla Bypass - Pkg II) and Shimla connectivity from Km 0.000 to Km 0.725 of NH-5	11.0	Himachal Pradesh	Shimla	4L	05	EPC	Gawar Construction Ltd. - Bharat Construction (India) (P) Ltd. (JV)	20.70	11-07-2022	0.00
27	4/6L Access Control Expressway from Design Chainage Km 515.000 to 528.300 (Kunjwani to Sidhra Section of NH-44) and from Design	33.0	Jammu and Kashmir	Udhampur	4L	144	EPC	APCO Infratech Pvt. Ltd.	15.48	01-08-2022	0.00

S.no	Project Name	Total Length (km)	State	PIU	Lanes	NH (New)	Mode	Concessioner	Total Awarded Cost (INR b)	Loa Date Civil work	Cumulative Length
	Chainage Km 550.900 to Km 566.520 (Domel to Katra Section) (Phase II Package XVII)										
28	Balance of Ring Road Srinagar	20.0	Jammu and Kashmir	Srinagar	4L	44	EPC	Rajinder Infrastructure Private Limited -	4.77	13-01-2023	
29	Corridor Efficiency Improvement including removal of black spots in Lakhanpur - Samba section of NH-44 from Chainage Km. 16.300 to Km. 74.100	30.0	Jammu and Kashmir	Jammu	4L	44	OMT	Satish Aggarwal & Co	1.88	10-08-2022	
30	4L from Km 219.600 (Khajuri) to Km 260.483 (Wyndhamganj) on NH-75 (Sec- V)	42.0	Jharkhand	Daltonganj	4L	75	EPC	MG Contractors Pvt. Ltd.	8.46	29-04-2022	
31	4L from Km 147.450 (Bhogu) to Km 196.870 (Sankha) on NH-75 (Sec-III)	49.0	Jharkhand	Daltonganj	4L	75	Item Rate	Dineshchandra R. Agrawal Infracon	8.18	31-10-2022	
32	4L of Mehgama - Hansdiha from km. 41.900 to km. 93.000 of NH -133A (Pkg-II)	51.8	Jharkhand	Deoghar	4L	133	EPC	Dilip Buildcon Ltd.	9.76	15-12-2022	
33	4/6L of Bangalore - Pune Section of bypass connecting Dharwad - Hubli from km. 403.80 to km. 433.20	30.4	Karnataka	Dharwad	4L/6L	4	EPC	APS Hydro Pvt. Ltd. - Mathiyan Construction Pvt.	5.80	29-07-2022	
34	6L of MH/KN Border (Nimbal Village) to KN/TS Border (Singnodi Village) from Km. 97.000 to Km. 162.500 in Yadgir of NH-150C (Pkg-III)	65.5	Karnataka	Gulbarga	6L	150-C	EPC	Dilip Buildcon Ltd.	14.16	16-12-2022	
35	Aroor-Thuravoor Thekku	13.0	Kerala	Cochin	4L	66	HAM	Ashoka Buildcon	16.69	02-12-2022	
36	Widening/Development of Existing NH-85 from Km 0.000 to Km 124.636 section to 2L/@L+PS section in the state of Kerala on EPC Mode under Bharatmala Pariyojana	124.6	Kerala	Cochin	2L PS	85	EPC	EKK Infrastructure Limited	9.11	19-12-2022	
37	Additional works (2VUPs, MR-10 junction flyover and underpass) in Six lane Indore-Dewas section of NH-52 in the state of Madhya Pradesh on EPC Mode	4.3	Madhya Pradesh	Indore	6L	52	EPC	Mehrotra Buildcon Private Ltd.	1.38	12-10-2022	
38	4L Boregaon Buzurg to Shahpur (Pkg I of Boregaon Buzurg to Muktainagar) of NH 753L	47.0	Madhya Pradesh	Khandwa	4L	753L	OMT	Kalyan Toll Infrastructure Ltd.	9.44	23-12-2022	
39	4- Laning of Mohari to Satai Ghat section NH-	39.6	Madhya	Sagar	4L	34	HAM	Shree Girrajjee	3.51	31-12-2022	0.00

S.no	Project Name	Total Length (km)	State	PIU	Lanes	NH (New)	Mode	Concessioner	Total Awarded Cost (INR b)	Loa Date Civil work	Cumulative Length
	934 from Km 50+300 to Km 89+875 (Total length 39.575 km) (Package-2) in the State of Madhya Pradesh on EPC Mode		Pradesh					Infra Heights Private Limited in JV with Jeet Asia Private Limited			
40	Outer Ring Road of Jabalpur Town from Barela to Manegaon (Pkg-1)	16.2	Madhya Pradesh	Jabalpur	4L	TBD	HAM	Jandu Construction India Pvt. Ltd.	4.49	30-12-2022	
41	6L of Kagal-Satara section from Km 592.240 to Km 658.000 of NH-48 (Pkg-I)	61.9	Maharashtra	Kolhapur	6L	48	Item Rate	Roadway Solutions India Infra Ltd.	10.25	26-08-2022	
42	Balance work of 4L Panvel to Indapur section of NH-66 (Old NH- 17) from km 0.000 (Panvel) to km 42.300 (Kasu)	42.3	Maharashtra	Panvel	4L	66	Item Rate	J.M. Mhatre infra Pvt. Ltd.	1.51	31-01-2023	
43	Balance works of 4L Panvel - Indapur section of NH-66 (old NH-17) from km 42.300 (kasu) to km 84.600 (Indapur)	42.3	Maharashtra	Panvel	4L	66	Item Rate	Kalyan Toll Infrastructure Ltd.	3.32	25-10-2022	
44	4L of Aurangabad-Paithan	52.0	Maharashtra	Aurangabad	4L	752E	EPC	OJSC Euro-Asian Construction Corporation (EVRASCON) - V.P. Sethi Constructions - Courage Infra Pvt.	2.89	31-10-2022	0.00
45	6L of Southern Ludhiana bypass connecting NE-5 and NH-44	26.5	Punjab	Ludhiana	6L	44 , NE-5	EPC	Ceigall India Ltd.	7.02	02-06-2022	0.00
46	4L of Greenfield section from Sirhind to Mohali	26.4	Punjab	Chandigarh	4L	TBD	EPC	Varindera Constructions Limited (Lead Member of JV of M/s Varindera	6.79	16-12-2022	
47	6L of Ambala-Chandigarh greenfield section from Km. 0.000 to Km. 25.000 with 4L spur to Lalru from Km. 0.000 to Km. 5.828 & spur to PR-7 road from Km. 0.000 to Km. 11.157	42.0	Punjab	Ambala	6L	TBD	EPC	VRC Constructions (India) Pvt. Ltd.	9.42	14-12-2022	0.00
48	Strengthening/Overlaying on 6L Gurgaon–	64.4	Rajasthan	Jaipur	6L	48	EPC	Winner	2.38	12-05-2022	

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	Kotputli-Jaipur section from Km 42.700 to Km 107.100 of NH-48 (Old NH-8)							Construction Private Limited			
49	Additional Works on 6L Jaipur-Kishangarh Ajmer-Beawar section of NH-48, NH-448 and NH-58	0.0	Rajasthan	Ajmer	6L	58	HAM	Apex Tarmac Pvt. Ltd.	2.48	27-06-2022	
50	6L flyover at the junction of Bhankrota (Ch. 278.278), Narsinghpura (Ch. 282.640), Mahalan (Ch. 301.090), Mokhampura (Ch. 312.347), Padasoli (Ch. 339.879) and 3L Flyover at Heerapura Junction (Ch. 278.891) on Jaipur Kishangarh section of NH-8 (New NH-48)	6.3	Rajasthan	Jaipur	6L	48	EPC	J.K. Associates	1.09	17-06-2022	0.00
51	Balance works of four lane from km 43.950 (Thiruvallur Bypass) to km 61.470 (Veppampattu Bypass) passing through Thannerkulam, Thozur and Sevapet Bypass (17.520 kms) of Tirupathi- Tiruttani- Chennai section of NH 205	17.5	Tamil Nadu	Chennai	4L/2L PS	205	HAM	EKK Infrastructure Limited	3.05	10-05-2022	0.00
52	Improvement of Geometrics of Kalkallu to Gundla Pochanpalli from Km 454.00 to Km 471.00 of NH-44	17.0	Telangana	Kamareddy	4L/6L	44	Item Rate	Lakshmi Infrastructure & Developers Pvt Ltd	5.33	03-08-2022	
53	Improvement of Geometrics of Thondupally to Kothur from Km 22.300 to Km 34.14 of NH-44	11.8	Telangana	Hyderabad	6L	44	EPC	Lakshmi Infrastructure & Developers India	3.11	11-11-2022	0.00
54	4L of Karimnagar-Warangal section from km 49.500 to km 117.820 of NH-563	68.3	Telangana	Warangal	4L	563	EPC	Dilip Buildcon Ltd.	16.47	15-12-2022	0.00
55	Construction of left out portion of Agra Inner Ring Road connecting village Deori to NH-44 village Bad from Km. 0.000 to Km. 7.772	7.8	Uttar Pradesh	Agra	6L	TBD	EPC	Baba Construction Private Limited in JV with Shree Girrajee Infra Heights Private	1.51	30-11-2022	
56	4L Bypasses for Jagatpur, Babuganj, Unchahar, Alapur Bypass, and Sai river bridge of Raebareli- Prayagraj section of NH-30	24.2	Uttar Pradesh	Raebareli	4L	24B	HAM	R&C Infra - JPS (JV)	4.37	18-07-2022	0.00

S.no	Project Name	Total Length (km)	State	PIU	Lanes	NH (New)	Mode	Concessioner	Total Awarded Cost (INR b)	Loa Date Civil work	Cumulative Length
57	Improvement and Up-Gradation of Existing Road to 2/4L PS from Km 40.000 to 88.750, start of Khutar bypass to start of Shahjahanpur bypass of NH 731(Pkg-I)	48.8	Uttar Pradesh	Bareilly	2L PS	731	HAM	SRSC Infra (P) Ltd.- Rajinder Infrastructure (P) Ltd. (JV)	3.39	20-06-2022	0.00
58	Improvement and Up-Gradation of Existing Road to 4L PS from Km 123.650 to 175.080, from Start of Shahabad Bypass to End of Hardoi bypass of NH 731 (Pkg-2B)	51.4	Uttar Pradesh	Bareilly	4L	731	HAM	Raj Corporation Ltd.	6.60	30-11-2022	
59	Improvement and Up-Gradation of Existing Road to 4L PS from Km 88.750 to 123.650, from Start of Shahjahanpur Bypass to start of Shahabad bypass of NH 731(Pkg.-2A)	34.9	Uttar Pradesh	Bareilly	4L	731	Item Rate	Raj Corporation Ltd.	5.65	30-11-2022	
60	Construction of Four Lane Highway form Ghazipur- Ballia-UP/Bihar State Border (Greenfield) section of NH-31: Package I [from Hridaipur (km 0.000) to Shahapur (km 42.500)] on EPC Mode in the state of Uttar Pradesh.	42.5	Uttar Pradesh	Azamgarh	4L	NH-31	Item Rate	Ravi Infrabuild Projects Private Limited	6.21	12-12-2022	0.00
61	Construction of Four Lane Highway from Ghazipur- Ballia-UP/Bihar State Border (Greenfield) section of NH-31: Package III [from Pindari (km 78.150) to Rawalganj Bypass (Km 117.120)] on EPC Mode in the state of Uttar Pradesh.	39.0	Uttar Pradesh	Azamgarh	4L	NH-31	EPC	NKC Projects Private Limited	6.60	30-11-2022	0.00
62	Construction of Four Lane Highway from Ghazipur- Ballia-UP/Bihar State Border (Greenfield) section of NH-31: Package IV [from Buxur Spur of length km 17.270 on EPC Mode in the state of Uttar Pradesh.	17.3	Uttar Pradesh	Azamgarh	4L	NH-31	Item Rate	BCPL-PRL (JV)	2.44	07-12-2022	0.00
63	6L with access control provision Saharanpur bypass to Ganeshpur section from 13.89 Km to 41.820 Km of Delhi- Dehradun Economic Corridor (package-2)	27.9	Uttarakhand	Roorkee	4L/6L	3,44,307	EPC	OJSC Euro-Asian Construction Corporation (Evrasccon) JV with Pawan Kumar	4.13	30-06-2022	0.80

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64	Access road/bridge connectivity from NH- 09 at km.40 near Jagbuda Bridge (India) to Boundary pillar no. 802/11 of Indo-Nepal Border	4.0	Uttarakhand	Rudrapur	4L	109D	Item Rate	SHREE RIDDHI SIDDHI BUILDWELL LIMITED	1.77	07-09-2022	
65	4L of Haridwar – Nagina section (Design Ch. LME from km 13.829 to km 17.110 & km 26.077 to km 27.508 and Design Ch. RME from km 13.839 to km 17.120 & km 26.078 to km 27.509) of EUP mitigation measures on NH74	4.7	Uttarakhand	Najibabad	4L	734	HAM	Ashok kumar	1.20	18-04-2022	0.00
66	4L Poanta Saheb–Mednipur from Km. 435.65 to km. 458.65 of NH-07(Pkg-1)	18.7	Uttarakhand	VasantViharDehradun	4L	07	HAM	Ram Kumar Contractor	3.90	13-06-2022	0.00
67	4L Medinipur to Ballupur from Km. 458.65 to Km. 487.65 of NH-07(Pkg-2)	26.1	Uttarakhand	VasantViharDehradun	4L	07	EPC	MKC Infrastructure Ltd.	5.17	30-05-2022	0.00

Source: NHAI

Third tranche of asset monetization underway

India's National Highways Infra Trust (NHAI InVIT) is planning to raise INR 75-80b by monetizing the next tranche of six road assets by March 2023. NHAI InVIT will take possession of roads including the Gwalior-Shivpuri (Madhya Pradesh) of length 125.4 km, Chichira-Kharagpur (West Bengal) of length 56.1 km, and Orai-Bara (Uttar Pradesh) of length 125.8 km by March 2023.

Previously, NHAI InVIT had raised INR 14.3b in Oct'22 to part fund its purchase of three road projects from NHAI. Units were subscribed by investors including Canada Pension Plan Investment Board (CPPIB), Ontario Teachers' Pension Plan Board, SBI, TATA AIG and Star Union Daiichi Life Insurance.

In addition to the above, NHAI InVIT had raised INR 15b from issuance of Non-convertible Debentures (NCDs) in Oct'22.

Exhibit 3: NHAI fund raised via InVIT

Month	Amount raised (INR b)	Number of Projects	Length (kms)	Investors
Nov-21	80.0	5.0	390.0	❖ Key investors include Canada Pension Plan Investment Board (CPPIB), Ontario Teachers' Pension Plan Board
Oct-22	14.3	3.0	246.0	❖ Key investors include Canada Pension Plan Investment Board (CPPIB), Ontario Teachers' Pension Plan Board, State Bank of India, L&T Staff Provident Fund
Total	94.3	8.0	636.0	

Sources: PIB, MOFSL

Exhibit 4: ToT bundles bid out by NHAI

Sl. no	Bundle	Date	Length	Value (INR b)
1	TOT Bundle 1	Aug-18	682 km	96.8
2	TOT Bundle 2	Feb-19	586 km	Bid cancelled
3	TOT Bundle 3	Nov-19	566 km	50.1
4	TOT Bundle 4	Sep-20	401 km	Bid cancelled
5	TOT Bundle 5A-1	Jan-21	54 km	10.1
6	TOT Bundle 5A-2	Jan-21	106 km	12.5
7	TOT Bundle 6	Mar-22	108km	Bid cancelled
8	TOT Bundle 7	Mar-22	135km	62.7
9	TOT Bundle 8	Mar-22	139km	Bid cancelled
10	TOT Bundle 9	Apr-22	73km	30.1
11	TOT Bundle 10	Apr-22	125km	Bid cancelled
12	TOT Bundle 11*	Mar-23	85km	Bid yet to open
11	TOT Bundle 12*	Mar-23	316km	Bid yet to open

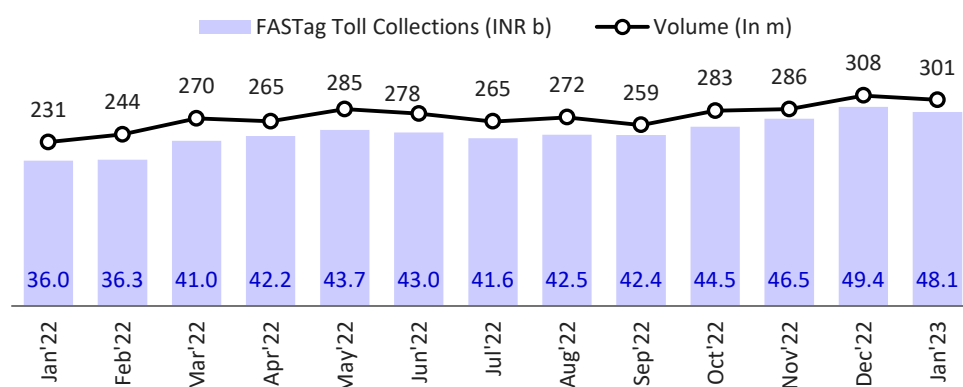
*Note: Bid submission process is underway and end date is in Mar'23

Sources: NITI Aayog, MOFSL

Daily average Fastag toll collections remain strong

After robust logistics activity in Nov'22, the demand for logistics improved further in Dec'22. However, there was a pause in Jan'23 momentum. The daily average FASTag toll collection dropped ~3% MoM to INR1.5b/day. Volume (no of transactions) stood at 9.7 mn per day on an average in Jan'23 (-2.3% MoM on daily average basis). Freight carriers constitute 80-85% of the Toll Collections on highways. Improving traffic movement and Fastag implementation is leading to strong toll collections. Improved toll collections are critical for faster monetization of road assets by the Road Ministry and would also help companies looking to monetize their existing toll assets.

Exhibit 5: FASTag toll collections continues to gain traction



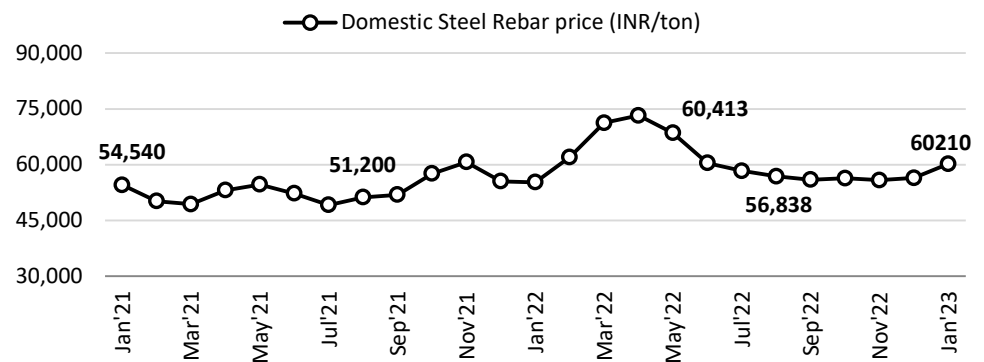
Sources: NPCI, RBI, MOFSL

NHAI has released an indicative list of 1,750kms of road assets to monetize through ToT/InvIT/toll securitization modes, helping the authority to raise INR200b in FY23.

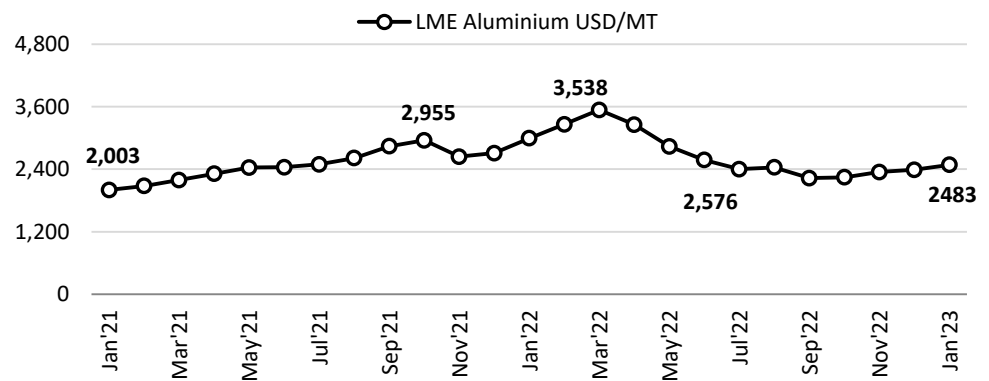
Exhibit 6: Pipeline of assets to be monetized by NHAI in FY23

Sl. no	Name of Stretch	Length (in Km)
1	Handia-Rajatalab (UP)	75.0
2	Gwalior Shivpuri (MP)	125.0
3	Orai-Bara (UP-TP Usaka)	61.1
4	Chicira-Kharagpur (WB-TP Balibhasa)	54.4
5	Palanpur-Radhanpur (Gujarat-TP Makhel)	64.3
6	Kota Bypass and Cable Stayed Bridge across River Chambal on Kota Bypass approaches	27.8
7	Hyderabad-Bangalore	251.6
8	Agra Bypass Shivpuri-Jhansi Borkhedi-Kelapur-Telangana/Maharashtra Border	225.0
9	Rewa-Katni-Jabalpur-Lakhnadon (MP)-TP Odhaki Paipkhar, Kherwasani, Mohtara, Boharipar)	280.0
10	Srikakulam-Vijaywada	239.0
11	Hyderabad-Nagpur	252.0
12	Vadodara-Surat (Bridge across river Namada)	6.5
13	Gandhidham-(Kandla)-Mundra Port(TP Mokha)	55.8
14	Chennai Bypass	32.6
Total (Asset Monetization)		1750.1

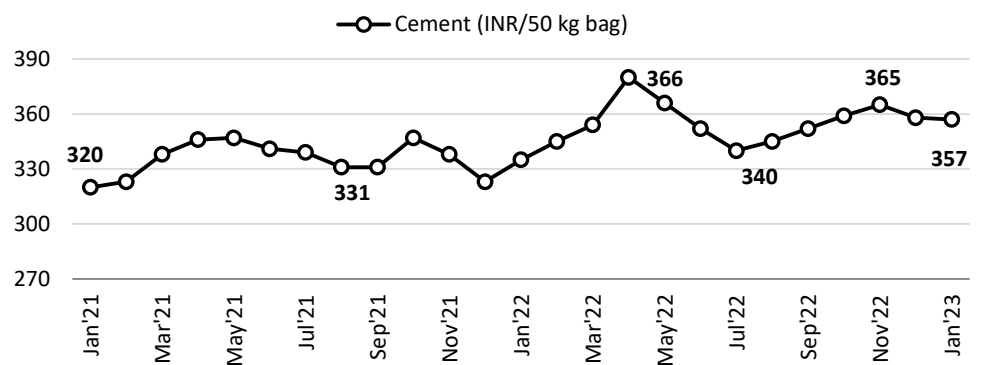
Sources: NHAI, MOFSL

Exhibit 7: Domestic steel rebar price (INR/ton) declined ~25% over Apr'22-Jan'23

Source: MOFSL

Exhibit 8: LME Aluminum price (USD/MT) cooled down by ~30% over Apr'22-Jan'23

Sources: MOFSL

Exhibit 9: Cement price (INR/50kg bag) fairly stable in Jan'23

Sources: MOFSL

Timelines revised for DFCs

The Dedicated Freight Corridor Corporation of India (DFCCIL) has so far commissioned ~2,300 kms of the proposed 2,843kms, pertaining to stretches undertaken by the government for both the corridors.

The completion deadline for the Eastern and Western Dedicated Freight Corridors (DFCs) has been extended to Mar'24, due to pandemic-induced challenges and land acquisition delays.

Exhibit 10: Completion status of WDFC and EDFC

Section/packages		Length	Commissioning target	Financial progress
WDFC				
Rewari-Palanpur	Rewari-Madar	306km	Commissioned	82%
	Madar-Palanpur	353km	Commissioned	
Palanpur-Makarpura		290km	Dec’23	
Makarpura-Sachin		135km	Jun’23	
Sachin-Vaitarna		186km	Jun’23	
Vaitarna-JNPT		109km	Mar’24	
Dadri-Rewari		127km	Mar’23	
EDFC				
Bhaupur-Khurja		351km	Commissioned	94%
Bhaupur-DDU		402km	Mar’23	
DDU -Sonnagar		137km	Commissioned	
Khurja-Dadri		46km	Commissioned	
Pilkhani–Ludhiana		179km	Jun’23	
Khurja-Pilkhani		222km	Jun’23	

Sources: DFCCIL, MOFSL

Exhibit 11: Govt has budgeted to spend INR7.5t in capex in FY23

Sl. no	Ministry	FY23 Budget capex estimates (INR b)	Actual capex in Apr-Dec'22 (INR b)	% of Actual capex in Apr-Dec to BE
1	Road transport and highways	1,877.4	1,494.9	79.6
2	Railways	1,371.0	1,223.3	89.2
3	Housing & urban affairs	273.4	198.7	72.7
4	Ports, shipping and waterways	5.7	4.2	73.7
5	Others	3,968.9	1,978.4	49.8
Total		7,496.5	4,899.4	65.4

Sources: Controller General of Accounts, MOFSL

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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