

24% more funds to drive India onto super highway

TNN | Feb 2, 2017, 04.30 AM IST



24% more funds to drive India onto super highway

In line with the government's thrust on expanding the highway network, the allocation for the sector has been increased by 24% over 2016-17 to Rs 64,900 crore. In addition, Rs 27,000 crore will be spent on building roads in rural areas under the Pradhan Mantri Gram Sadak Yojana (PMGSY) over the next two years.

The additional provision in the Budget for National Highways Authority of India (NHAI) to raise nearly Rs 59,300 crore through borrowings would mean that both the ministry and NHAI can undertake projects worth over Rs 1 lakh crore during 2017-18. The tax exemption on 'masala' bonds (bonds through which Indian companies can raise funds from global markets in rupees at cheaper rate) is likely to help the NHAI fund projects. While the NHAI executes its own projects, the ministry implements

programmes through state public work departments.

FM Jaitley said 2,000km of coastal roads had been identified for construction and development to facilitate better connectivity with ports and remote villages. "Besides government investment, we also expect substantial private investment in the highways sector. There is ample scope to continue and take up works worth Rs 1.5 lakh crore," said a government official.

Highways minister Nitin Gadkari termed the Budget revolutionary on account of its focus on infrastructure.

However, what remains a matter of concern is the inadequate allocation for highway maintenance, which is almost unchanged at Rs 3,000 crore.