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## Construction awards to go up

## Budgetary outlay for national highways increased to ₹64k crore; private players cheer hike

## Rouhan Sharma

RIVATE players in the roads sector have welcomed the increase in budgetary outlay for national highways (NHs) to ₹64,000 crore in 2017-18 from ₹57,676 crore in 2016-17. Apart from the NHs, the Budget has also earmarked ₹27,000 crore for the Pradhan Mantri Gram Sadak Yojana (PMGSY).

AKS Chauhan, COO, GR Infraprojects, believes that the increased allocations have imparted a feel-good factor and that the government has stuck to its theme of building and improving the country's roadnetwork. And while allocations have been rising for infrastructure, Chauhan said "what will be crucial is exactly how much of the targets the government is actually able to achieve by the year-end".

With a 12% increase in outlay over the last year, the budgetary allocation on NHs is in line with expectations, said Alok Deora, analyst at IIFL Wealth. He added that this would help improve the pace of execution of projects. "This will also lead to healthier project awarding and construction, thereby leading to strong business opportunities for both road developers and engineering, procurement and construction (EPC) contractors," said Deora.

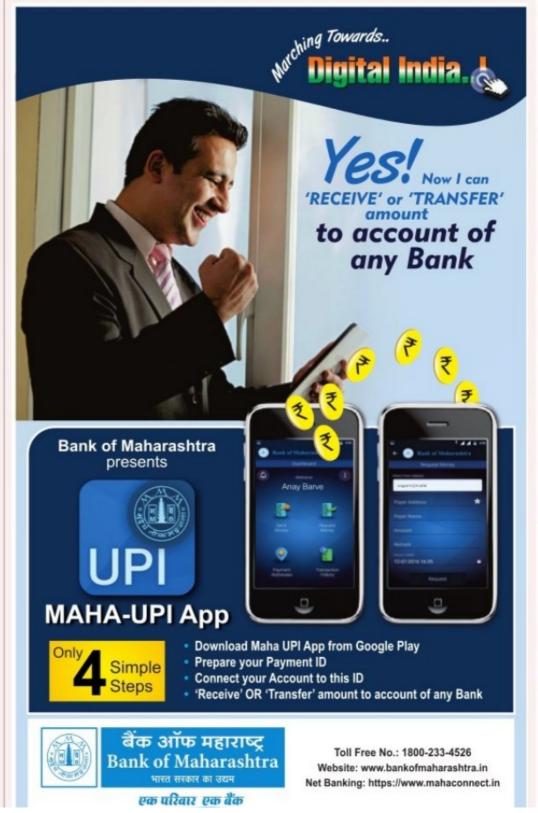
Indeed, companies say they are looking forward to more projects coming up for bidding. Arun Lakhani, CMD, Vishvaraj Infrastructure, said: "More spending power by the government will result in more number of projects put up for bidding under both EPC and the hybrid annuitymodel (HAM). We won a HAM project in January worth ₹1,000 crore and will participate in the bids for five more HAM projects this month," he told FE.

Rohan Suryavanshi, direc-

the increased outlay provides "better visibility of more work coming in the future". "There are also many investors looking to invest in roads today and it will give them comfort to see the kind of vision that the government has for this sector," he said.

In addition to the outlay

on highways and on rural roads, Jaitley added that 2,000 km of coastal connectivity roads have been identified for construction.



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tor, strategy & planning, Dilip Buildcon, said, for road developers and other stakeholders,

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