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NHAI Pre-Pays Rs 15,700 Crore Debt Saving Rs 1,000 Crore In Interest, Eyes Further Cuts Via InvITs

Swarajya,
August 08, 2024

The National Highways Authority of India (NHAI) has pre-paid a substantial debt of Rs 15,700 crore using proceeds from its 2023-24 monetisation efforts, a move that has resulted in significant savings of Rs 1,000 crore in interest costs.

With this pre-payment, NHAI's outstanding debt has been reduced to approximately Rs 320,000 crore.

The early retirement of this debt is expected to save NHAI around Rs 1,000 crore in interest payments. Looking ahead, NHAI plans to further monetise projects worth Rs 15,000 to Rs 20,000 crore during the 2024-25 fiscal year through an infrastructure investment trust (InvIT).

NHAI's debt has ballooned over the past decade, jumping from Rs 24,188 crore in FY15 to its current level. This rapid rise is primarily due to heavy borrowing to fund ambitious highway development projects. While this strategy has undoubtedly expanded the national highway network, it comes at a cost, reports Mint.

A large portion of NHAI's budget, estimated at over Rs 30,000 crore in FY24, is currently allocated towards servicing this debt, leaving less for crucial infrastructure projects. This debt burden creates



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a vicious cycle, limiting NHAI's ability to generate revenue through tolls and user fees, further hindering its capacity to invest in new projects and improvements.

The government's ambitious goal is to reduce NHAI's debt by a substantial Rs 50,000 crore to Rs 75,000 crore annually over the next five years. This aggressive target, if achieved, would transform NHAI into a debt-free entity.

As per Times Of India report, In line with government directives, the proceeds from InvIT monetisation will be exclusively used to repay NHAI's debt. "With this strategy, NHAI's overall debt liability is expected to reduce further to around Rs 300,000 crore by the end of fiscal 2025," stated NHAI.

NHAI has been proactively working with lender banks to negotiate lower interest rates as part of its comprehensive debt management plan, leveraging InvIT monetisation proceeds.

As a result, banks have lowered their interest rates from the previous 8 per cent-8.1 per cent range to 7.58 per cent-7.59 per cent. Additionally, NHAI has repaid loans where interest rates could not be negotiated down.

By significantly reducing NHAI's debt burden, the government aims to unlock a new era of robust infrastructure development in India. Free from the constraints of high debt servicing costs, NHAI will have more resources to invest in building new highways, improving existing ones, and implementing advanced safety measures.

This will contribute to a more efficient and connected national highway network, facilitating the movement of goods and people across the country. A well-developed highway network is critical for fostering economic growth, creating jobs, and promoting regional development.

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Punjab to Enhance Road Infrastructure

CW Team,

August 08, 2024

The Punjab government has announced significant upgrades to its road infrastructure, focusing on improving connectivity and enhancing transportation efficiency across the state. The plan includes the development of new roads and the modernization of existing ones to address current infrastructure challenges.

Key components of the initiative involve the construction of high-quality roads, the implementation of modern traffic management systems, and the expansion of road networks to better connect urban and rural areas. These upgrades are expected to facilitate smoother traffic flow, reduce travel times, and boost overall economic activity by improving access to various regions.

The government aims to use advanced technologies and construction practices to ensure the durability and safety of the roads. Emphasis will also be placed on incorporating sustainable practices to minimize environmental impact.



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This road infrastructure enhancement is part of a broader strategy to support regional development and improve quality of life for residents. By investing in infrastructure, the Punjab government seeks to drive economic growth, support local industries, and create job opportunities.

Overall, the planned road upgrades represent a significant investment in Punjab's future, aiming to transform its transportation landscape and support long-term development goals.

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MahaMetro Progresses On Nagpur Metro Phase-II, Acquires Over 50 Per Cent Of Land For 44 Km Network Expansion

Swarajya,
August 09, 2024

To advance the expansion of Nagpur metro, the Maharashtra Metro Rail Corporation Limited (MahaMetro) has acquired over 50 per cent of the land required for the construction of Phase-II of the transit network.

Dr. Shravan Hardikar, Managing Director of MahaMetro, provided these updates, confirming that work permissions have been granted for 80 per cent of the land, and construction has already started, as per ET report.

The foundation stone of Nagpur Metro Phase II was laid down by the Prime Minister on 11 December 2022, and work began almost a year after in November 2023.

This phase includes four extensions to the existing two corridors, covering a total of 43.8 km.

One extension, Reach 2A, will add 13 km to the Orange Line, extending it northeast from Automotive Square to Kanhan River via 12 elevated stations.

Similarly, Reach 1A will stretch the Orange Line 18.7 km northwest from MIHAN to Butibori MIDC-ESR, passing through ten stations.

The Aqua Line will also see two extensions — a 6.7-km stretch from Lokmanya Nagar to Hingna in the west (Reach 3A) and a 5.5-km segment from Prajapati Nagar to Kapsi in the east (Reach 4A).

Currently, construction on Reach 2 is advancing rapidly, and work on the other reaches are also set to follow within a few months.

The Phase-II, which will cost Rs 6,708 crore, is scheduled for completion by December 2027.

The project, is being financed by the European Investment Bank (EIB) and the Asian Development Bank (ADB), along with Rs 3,100 crore from the central and state governments.

The ADB is contributing \$200 million, while the EIB is investing 239 million euros, together amounting to over Rs 3,500 crore.

Once Phase-II is operational, it will connect the satellite cities of Nagpur, bringing the total length of the Nagpur Metro to 82 km.

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National Waterway 2: Five Bridges Under Construction On Brahmaputra To Improve Dhubri-Sadia Connectivity

The PIB,
August 09, 2024

In a significant update to the Rajya Sabha, Union Minister Sarbananda Sonowal from the Ministry of Ports, Shipping, and Waterways provided details on the ongoing construction of bridges over the Brahmaputra River, integral to National Waterway-2.

Presently, five bridges are under construction across the Brahmaputra River, which extends 891 kilometres from Dhubri to Sadia, as per the PIB release.



National Waterway-2 (Iwai)

This waterway was officially designated as National Waterway-2 in September 1988.

Currently, the waterway is utilised by Assam government vessels, the Army, border security forces, tourism organisations, and various private operators.

Long cruise tourist vessels regularly travel between Pandu and Majuli Island near Neamati. From October to May, over-dimensional cargo (ODC) is also transported via this waterway periodically.

The Ministry emphasised that constructing any bridge over a National Waterway requires a "No Objection Certificate" (NoC) from the Inland Waterways Authority of India (Iwai). This certification



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is essential to ensure that bridges meet the safety standards necessary for navigational safety, particularly regarding horizontal and vertical clearances.

According to the Inland Waterways Authority of India (Classification of Waterways in India) Regulations, 2006 — amended in 2016 and 2022 — the Brahmaputra River is divided into two segments with specific classification requirements:

Dhubri to Dibrugarh: Classified as a Class-VII waterway, this segment requires a minimum horizontal clearance of 100 metres between piers and a minimum vertical clearance of 10 metres to ensure safe navigation.

Dibrugarh to Sadia: Classified as a Class-V waterway, this segment necessitates a minimum horizontal clearance of 80 metres between piers and a minimum vertical clearance of 8 metres.

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