

## FAQ'S

**Sectoral****Roads and Highways****1. What is new highways development programme, namely Bharatmala?**

Bharatmala Project is a new highways development programme, wherein the plan is to develop road length 44,000 kms at an estimated cost of \$ 97.20 bn.

**2. What is National Highways program of Government of India for development of 63,591 kms of highway in India?**

Government of India aims to develop a total of 63,591 kms of National Highways under various programmes such as: 1) National Highways Development Project (NHDP). 2) Special Accelerated Road Development Program for the North-East region (SARDP-NE). 3) Development of roads in Left Wing Extremism (LWE) affected areas. 4) National Highways Interconnectivity Improvement Project (NHIIP).

**3. What is the Green Highways (Plantation, Transplantation, Beautification & Maintenance) Policy? What are the benefits of adopting this policy?**

This is a Policy to promote greening of highway corridors with participation of the community, farmers, private sector, NGOs, and government institutions. Further, the policy provides comprehensive guidelines to ensure uniformity of operations pertaining to enhancement of highway landscapes. The community shall be benefited in terms of huge generation of employment opportunities, entrepreneurship development and environmental benefits. Overall, adoption of the policy will contribute to economic development of the country and the local groups can access their rights to the non-timber produce from the trees.

**4. What are the Fiscal incentives provided by the Government in Road and Highway Sector?**

Fiscal incentives for the sector are as follows: 1) 100% FDI through automatic route allowed subject to

applicable laws and regulation. 2) Right of way (RoW) for project land made available to concessionaires free from all encumbrances. 3) NHAI/GOI to provide capital grant (Viability Gap Funding/Cash Support) up to 40% of project cost to enhance viability on a case to case basis. 4) 100% tax exemption for five years and 30% relief for next five years, which may be availed of in 20 years. 5) Duty free import of modern high capacity construction equipment.

## 5. What are the initiatives taken by the Indian government in highway sector?

Government of India has undertaken major initiatives to upgrade and strengthen highways and expressways in the country including enabling policy measures to facilitate private investments in this sector. Some of the key initiatives include Bharatmala, National Highway Development Program, E-Highway. In addition to highway development, focus remains on efficient operations & network management for improving logistics efficiency, which shall give rise to new investment opportunities.

## 6. What is the definition of PMGSY?

The Prime Minister's Gram Sadak Yojana (PMGSY) is a scheme for development of rural roads in India. The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under the scheme. All villages in the country are expected to be connected through a road network by 2019, as against 2022 previously, under the PMGSY.

## 7. What is the tax benefit in road and highway sector in India?

Companies enjoy 100 per cent tax exemption in road projects for five years and 30 per cent relief over the next five years. Companies have been granted a capital of up to 40 per cent of the total project cost to enhance viability. The GST on construction equipment has been reduced to 18 per cent from 28 per cent, which is expected to give a boost to infrastructure development in the country. Infrastructure finance companies, such as India Infrastructure Finance Corporation (IIFCL), National Highways Authority of India (NHAI), Housing and Urban Development Corp (HUDCO), Power Finance Corporation (PFC) and India Railway Finance Corporation (IRFC), have been permitted to issue tax-free bonds for a total value of \$ 3.27 billion for FY15, promotion of infrastructure debt funds is the top agenda.

## 8. What is the purpose of IIFCL?

Government of India has set up the India Infrastructure Finance Company Limited (IIFCL) to provide long-term funding for infrastructure projects. IDF income is exempt from income tax. In May 2018, IIFCL Mutual Fund launched infrastructure debt fund (IDF) scheme with Corporation Bank, Oriental Bank of Commerce & IIFCL as investors and Canara bank & HUDCO as strategic investors.

### 9. What is Value Engineering Programme?

The Ministry of Road Transport and Highways, Government of India plans to implement 'Value Engineering Programme' in order to promote use of new technologies and material in highway projects being executed in India.

### 10. What is the definition of SARDP-NE?

Ministry of Road Transport and Highways has taken up an ambitious Special Accelerated Road Development Programme (SARDP-NE) for development of road network in the north eastern States of the Country. This programme envisages providing road connectivity to all the district headquarters in the north eastern region by minimum 2 lane highway standards apart from providing road connectivity to backward and remote areas, areas of strategic importance and neighbouring countries.