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Delhi-Mumbai Expressway to spur NMP...

The Delhi Mumbai expressway is likely to be a sustainable template for road assets development and monetisation. With construction and residual ordering process in full swing, we see it as a vital cog in the wheel for road asset monetisation and overall growth opportunity, going ahead. If the traffic and toll expectations play out on expected lines, it is likely to fetch ~₹ 50000-80000 crore worth of monetisation proceeds, thereby providing a major boost to ambitious National Monetisation plan (NMP) wherein the government is aiming to monetise ₹ 6 lakh crores through core assets (~₹ 1.6 lakh crore from road assets) over FY22-25E.

Major connectivity mode an important corridor

Kickstarted in 2018 with the foundation stone being laid on March 9, 2019, the world's largest 1,380 km long eight-lane wide access-controlled Expressway connecting Delhi with Mumbai is on its way to become operational by March, 2023 (targeted). The expressway will not only shorten the travelling time between Delhi and Mumbai by ~50% (to ~12 hours) but is also likely to smoothen the connectivity between major cities of key states such as Haryana, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra. Furthermore, 94 wayside amenities like ATMs, hotels, retail shops, food courts and charging stations are also proposed to be built on the expressway to provide world-class transport facilities. As on September 10, 2021, contracts for 1,200+ km have already been awarded with construction being picked-up on 910 km+.

Cost and funding details of project

The total cost of the Delhi-Mumbai expressway project is estimated to be ~₹ 95,000 crore (including land acquisition cost of ~₹ 20,600 crore). The total capital expenditure during construction period is likely to be ~₹ 53,850 crore, which is planned to be funded through a combination of debt and equity. Thus, in order to fund the project, NHAI's dedicated SPV for Delhi-Mumbai Expressway - DME Developers Ltd has raised ~ ₹ 9,731 crore in CY21 and aims to mop up ~₹ 49000 crore as debt proceeds). With most packages being executed by EPC and HAM mode (31: EPC; 21: HAM), the major expense has to be made by the road authorities.

To pave way for NMP with potential of ₹ 50,000-80,000 crore

Being a high traffic density stretch, the Union Road Transport and Highways Minister has said that monthly toll revenues of ~₹ 1000-1500 crore are expected from the project ([Link](#)). Thus, it is estimated that Delhi-Mumbai expressway has monetisation potential of ₹ 50,000-80,000 crore. Additionally, the project is likely to pave the way for the success of the ambitious National Monetisation plan (NMP) wherein roads assets worth ₹ 1.6 lakh crore are being targeted to get monetised primarily via toll operate transfer (ToT) and infrastructure investment trust (InvITs) mode.

We also envisage that the monetisation model, if successful, would provide a visible long term financing mode and thus ordering opportunity in the road space. The key beneficiary of such ordering would be road based EPC/HAM contractors. From our coverage universe, we see KNR Construction, HG Infra, PNC Infratech and Ashoka Buildcon benefiting from such a huge opportunity.

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Exhibit 1: Alignment of expressway



Source: NHAI, Media Articles, ICICI Direct Research

Exhibit 2: State wise length

States	Length (in Km)
Delhi	9
Haryana	129
Rajasthan	373
MP	244
Gujrat	426
Maharashtra	171
A link road connecting to Jewar Airport in UP	31
Grand Total	1,380

Source: NHAI, MoRTH, ICICI Direct Research

Exhibit 3: Stretch wise break-up

Section	Length (in km)	Awarded (in km)	Expected completion schedule
Delhi-Faridabad-Sohna	90	60	FY24
Sohna - Vadodara	845	812	FY23
Vadodara - Virar	355	355	FY23
Virar - JNPT	90	-	FY23
Total	1,380	1,227	

Source: NHAI, MoRTH, ICICI Direct Research

Exhibit 4: Package details and ordering status

Package	Section	Name of Contractor	Length (in km)	State	Physical Progress* - as on 10th Sept 2021	Scheduled/Expected completion date
1	Delhi-Vadodara	APCO Infratech	19.0	Haryana	62%	Mar'21
2	Delhi-Vadodara	APCO Infratech	29.0	Haryana	55%	Mar'21
3	Delhi-Vadodara	Centrodorstroy India Pvt Ltd	32.0	Haryana	84%	Mar'21
4	Delhi-Vadodara	HG Infra	37.0	Rajasthan	82%	Mar'21
5	Delhi-Vadodara	KCC Buildcon	36.0	Rajasthan	75%	Mar'21
6	Delhi-Vadodara	KCC Buildcon	31.0	Rajasthan	79%	Mar'21
7	Delhi-Vadodara	Gawar Constructions	31.0	Rajasthan	84%	Mar'21
8	Delhi-Vadodara	HG Infra	33.0	Rajasthan	39%	Jan'23
9	Delhi-Vadodara	HG Infra	46.0	Rajasthan	29%	Jan'23
10	Delhi-Vadodara	Dhaya Maju Infra - Crescent EPC Proje	26.0	Rajasthan	7%	Jan'23
11	Delhi-Vadodara	L&T Ltd	12.0	Rajasthan	10%	Jan'23
12	Delhi-Vadodara	GR Infra	28.0	Rajasthan	11%	Jan'23
13	Delhi-Vadodara	CDS Infra	29.0	Rajasthan	24%	Jan'23
14	Delhi-Vadodara	Dhaya Maju Infra - Crescent EPC Proje	31.0	Rajasthan	4%	Jan'23
15	Delhi-Vadodara	Dilip Buildcon - Altis - Holding Corp	8.3	Rajasthan	0%	Jan'23
16	Delhi-Vadodara	Dinesh Chandra R. Agrawal	25.0	Rajasthan	21%	Jan'23
17	Delhi-Vadodara	JiangXi Construction Eng- MKC Infra	32.0	Madhya Pradesh	43%	Nov'22
18	Delhi-Vadodara	GR Infra	33.0	Madhya Pradesh	66%	Nov'22
19	Delhi-Vadodara	JiangXi Construction Eng- MKC Infra	30.0	Madhya Pradesh	22%	Nov'22
20	Delhi-Vadodara	GHV (India)	25.0	Madhya Pradesh	52%	Nov'22
21	Delhi-Vadodara	GR Infra	30.0	Madhya Pradesh	65%	Nov'22
22	Delhi-Vadodara	L&T Ltd	25.0	Madhya Pradesh	41%	Nov'22
23	Delhi-Vadodara	GR Infra	25.0	Madhya Pradesh	44%	Nov'22
24	Delhi-Vadodara	GR Infra	21.0	Madhya Pradesh	54%	Nov'22
25	Delhi-Vadodara	GR Infra	23.0	Madhya Pradesh	51%	Nov'22
26	Delhi-Vadodara	Yet to be awarded	30.0	Gujarat	Bids-Received - Under evaluation	Jan'23
27	Delhi-Vadodara	GHV (India)	29.0	Gujarat	0%	Jan'23
28	Delhi-Vadodara	GHV (India)	26.0	Gujarat	0%	Jan'23
29	Delhi-Vadodara	PNC Infratech	23.0	Gujarat	15%	Jan'23
30	Delhi-Vadodara	Patel Infrastructure	22.0	Gujarat	0%	Jan'23
31	Delhi-Vadodara	PNC Infratech	19.0	Gujarat	10%	Jan'23
32	Vadodara - Mumbai Section	IRB Infrastrcture	24.0	Gujarat	80%	Mar'21
33	Vadodara - Mumbai Section	IRCON International	32.0	Gujarat	81%	Mar'21
34	Vadodara - Mumbai Section	Patel Infrastructure	31.0	Gujarat	82%	Mar'21
35	Vadodara - Mumbai Section	Ashoka Buildcon	13.0	Gujarat	92%	Mar'21
36	Vadodara - Mumbai Section	Sadbhav Engineering	25.0	Gujarat	10%	Jan'23
37	Vadodara - Mumbai Section	GR Infra	37.0	Gujarat	0%	Jan'23
38	Vadodara - Mumbai Section	IRB Infrastrcture	27.0	Gujarat	0%	Jan'23
39	Vadodara - Mumbai Section	Roadway Solutions India Infra	36.0	Gujarat	0%	Jan'23
40	Vadodara - Mumbai Section	Roadway Solutions India Infra	26.0	Gujarat	0%	Jan'23
41	Vadodara - Mumbai Section	Roadway Solutions India Infra	25.0	Gujarat	0%	Jan'23
42	Vadodara - Mumbai Section	RKC Infrabuilt	26.0	Maharashtra	0%	Jan'23
43	Vadodara - Mumbai Section	Montecarlo	26.0	Maharashtra	0%	Jan'23
44	Vadodara - Mumbai Section	GR Infra	27.0	Maharashtra	0%	Jan'23
45	Delhi Spur	Dinesh Chandra R. Agrawal	9.0	Delhi	0%	Oct'23
46	Delhi Spur	Dinesh Chandra R. Agrawal	25.0	Haryana	1%	Oct'23
47	Delhi Spur	Dinesh Chandra R. Agrawal	26.0	Haryana	1%	Mar'23
48	Delhi Spur	Yet to be awarded	30.0	Uttar Pradesh	1%	Oct'23
49	JNPT Spur	Yet to be awarded	17.0	Maharashtra	Bids - Yet to be Invited	Oct'23
50	JNPT Spur	Yet to be awarded	23.0	Maharashtra	Bids Invited	Oct'23
51	JNPT Spur	Yet to be awarded	27.0	Maharashtra	Bids Invited	Oct'23
52	JNPT Spur	Yet to be awarded	9.0	Maharashtra	Bids Invited	Oct'23
53	JNPT Spur	Yet to be awarded	15.0	Maharashtra	Bids - Yet to be Invited (to be developed by MMRDA)	Oct'23

Source: NHAI, MoRTH, ICICI Direct Research

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