



SIES College of Management Studies

Idea Research Paper Series
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Current Trends in Project Finance for the Road Sector in India

Abstract

Infrastructure is a key area since it provides the main thrust and impetus area in the growth of a developing nation like India. It is estimated that investment in infrastructure defined as road, rail, air and water transport, power generation, transmission and distribution, telecommunication, water supply, irrigation and storage will need to increase from 4.6% to around 8% of GDP in the 11th Plan period (2006-10). In other words, of the increase of 6 percentage points in total investment needed to accelerate growth from 7% to 9%, about half should be in infrastructure. This will place a heavy burden on the public sector which will have to invest more in this area (Planning Commission). The financing constraints from the Government of India has given rise to new era of Public Private Partnerships in India, which were first implemented in telecommunications, then in ports and roads, and in individual projects in other sectors. This report focuses on the Road sector specifically with regards to various models of PPP, Government's initiatives and constraints, recommendations from the industry experts and the way ahead in this area.

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The research team consisted of the following PGDBA 2nd year students:

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