

When it's about money... **#REBOOTINGINDIA**
BUDGET 2018

Co-sponsored By:

Associate Sponsors

[ET Home](#) › [Markets](#) › [Stocks](#) › [News](#)

Search for News, Stock Quotes & NAV's

11:03 AM 19 FEB LIVE	सेन्सेक्स 33,839 ▼ -171.57	निफ्टी 50 10,396 ▼ -56.00	सोने (एमसीएक्स) (₹/१० ग्रॅम) 30,758.00 ▼ -58.00	यू एस डी/भारती... 64.21 ▲ 0.30	पोर्टफोलियो निर्माण करा	ई-टी मार्केट्स आप उतरवून घ्या	CHOOSE LANGUAGE MAR
-------------------------------	--------------------------------------	-------------------------------------	--	--	----------------------------	----------------------------------	---------------------------

PM Modi gives weaker road builders a way to raise more funds

BY BLOOMBERG | FEB 16, 2018, 12.38 PM IST

Post a Comment

By Anurag Joshi and Dhvani Pandya

Prime Minister **Narendra Modi** has big plans for road building, and part of it includes giving weaker infrastructure contractors greater access to the local bond market.

Big Change:
 The end of Five-Year Plans: All you need to know

Stay up to date on market action,
 follow [ETMarkets@Twitter](#)

Finance Minister Arun Jaitley's proposal to lower the investment threshold on rupee bond purchases for investors including pension funds to A from AA is set to benefit local highway developers such as Dilip Buildcon Ltd. and Sadbhav Infrastructure Project Ltd. About 20 per cent of road builders with outstanding rupee bonds have single A ratings, according to data compiled by Bloomberg.

"The measure will **open** up a new source of funding for road construction companies, which are right now dependent on bank loans," Varun Mehta, chief financial officer at Sadbhav Infrastructure said in a phone interview. "It shifts funding to more sophisticated investors such as pension funds and **insurance** companies. It will also instill more financial discipline among companies."

Modi's government is seeking greater participation from private companies in expanding the nation's road network, a key government initiative to boost growth. Bonds from road builders may be attractive to insurers and pension funds because of their longer maturities, and offer contractors potentially lower financing costs than bank loans, according to Rajesh Mokashi, managing director at ratings firm CARE.

"There is a huge opportunity for road project funding from the bond markets," said Mokashi in an interview. "If road projects are structured correctly, there will be enough takers for their bonds."

Recommended By Colombia

<p>Never be stranded, help is just a call away! Bajaj Allianz</p>	<p>Get rid of hair loss problem using 10 Days' Hair Oil RATHIRA AYURVEDA</p>
--	---

Stay on top of business news with The Economic Times App. [Download it Now!](#)

Powered by	Live Market News Portfolio Mobile Live TV Biz Listings	Industry Newsletters Commodities Speed Blogs RSS	About Us Create Your Own Ad Advertise with Us Terms of Use & Grievance Redressal Privacy policy
------------	---	--	---

FOLLOW US

Download it from APP STORE	Download it from GOOGLE PLAY	Download it from Windows Store
-----------------------------------	-------------------------------------	---------------------------------------

Other Times Group news sites

[इकनॉमिक टाइम्स](#) | [ઇકોનોમિક ટાઇમ્સ](#) | [Pune Mirror](#) | [Bangalore Mirror](#) | [Ahmedabad Mirror](#) | [ItsMyAscent](#) | [Education Times](#) | [Brand Capital](#) | [Mumbai Mirror](#) | [Times Now](#) | [Indiatimes](#) | [नवभारत टाइम्स](#) | [महाराष्ट्र टाइम्स](#) | [ವಿಜಯ ಕರ್ನಾಟಕ](#) | [Go Green](#) | [AdAge India](#) | [Eisamay](#) | [IGN India](#) | [NavGujarat Samay](#) | [Times of India](#) | [Samayam Tamil](#) | [Samayam Telugu](#) | [Miss Kyra](#) | [Bombay Times](#) | [Filmipop](#) | [BrainBaazi](#) | [BrainBaazi APP](#)

Living and Entertainment

[Timescity](#) | [iDiva](#) | [Entertainment](#) | [Zoom](#) | [Healthmeup](#) | [Luxpresso](#) | [Gadget Reviews](#) | [Titanium & Platinum Credit Card](#) | [Online Songs](#) | [MensXP](#) | [Hotels](#) | [Travel Destinations](#) | [Cricbuzz](#) | [Recipes](#) | [Gaana](#) | [Happytrips](#) | [Getsmartapp](#)

Interest Network

[itimes](#)

Hot on the Web

[Budget Highlights](#) | [Tax Saving Investments](#) | [Income Tax Slabs](#) | [Aadhaar Card](#) | [How to Save Income Tax](#) | [Axis Bank IFSC Code](#) | [Income Tax](#) | [Sensex Today](#) | [Budget](#) | [Sensex](#) | [Income Tax Calculator](#) | [Aadhaar](#)

Services

[Book print ads](#) | [Online shopping](#) | [Matrimonial](#) | [Astrology](#) | [Jobs](#) | [Tech Community](#) | [Property](#) | [Buy car](#) | [Bikes in India](#) | [Free Classifieds](#) | [Send money to India](#) | [Used Cars](#) | [Restaurants in Delhi](#) | [Remit to India](#) | [Buy Mobiles](#) | [Listen Songs](#) | [News](#) | [TimesMobile](#) | [Real Estate Developers](#) | [Restaurant Deals in Delhi](#) | [Car Insurance](#) | [Gadgets Now](#) | [Free Business Listings](#) | [CouponDunia](#) | [Remit2India](#) | [Techradar](#) | [AliveAR](#) | [Getsmartapp App](#) | [ETMoney Finance App](#) | [Feedback](#) | [Auto](#)

In Case You Missed It

[Sun Pharma Share Price](#)

[Tata Motors Share Price](#)

[ICICI Bank Share Price](#)

[Best Mutual Funds to Buy](#)

[Repo Rate](#)

[BSE](#)

[Crude Oil Price](#)

[Upcoming IPO](#)

[Budget 2018](#)

[Sensex](#)

[NSE](#)

[Stock Market](#)

Copyright © 2018 Bennett, Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)