Asset Management

GROWTH PULSE SERIES

May 2025

INDIA TOMORROW: EVERY ROAD LEADS TO AN OPPORTUNITY!

With over 6.3 million kilometers of roadways, India has already built the **world's second-largest road network,** surpassing even China in total route length. However, the Indian approach is now shifting from volume to value, with a focus on integrating advanced technologies, accelerating execution models, and ensuring long-term asset sustainability.

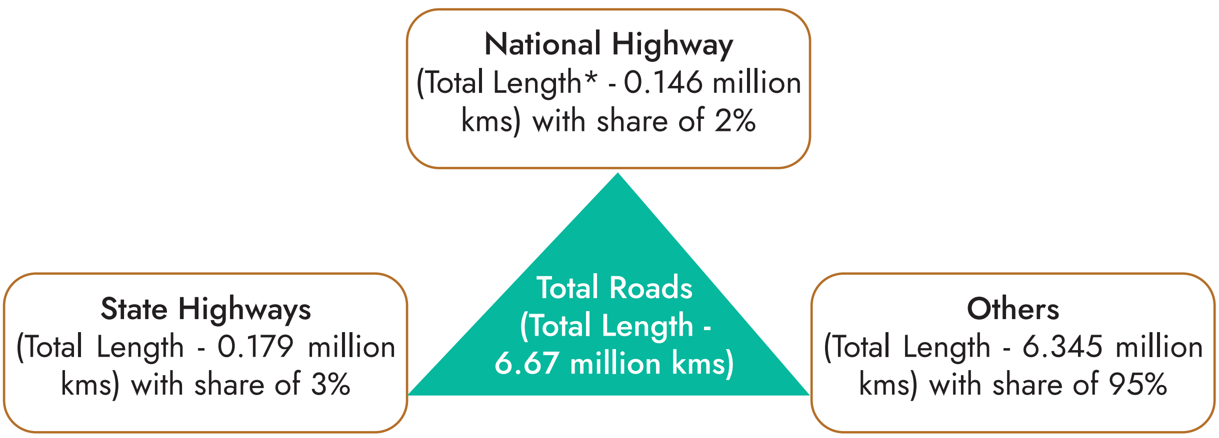
Compared to developed economies like the U.S, where digital twin technologies and predictive maintenance are being used to upgrade legacy interstate systems, or European nations emphasizing climate-resilient road design and low-emission logistics corridors, India is building infrastructure from the ground up, at scale and with increasing digital depth. Through programs such as Bharatmala Pariyojana, PM Gati Shakti, and the National Infrastructure Pipeline, India is targeting the development of high-speed expressways, economic corridors, border roads, and last-mile rural access with a unified planning architecture. The approach blends macroeconomic vision with micro-level execution using tools like BIM, geospatial mapping, drone surveying, and ITS integration, making India a unique case of concurrent scale and modernization.

This edition of the newsletter also looks at how India is opening the door for global collaboration. From rising foreign investments in EPC and HAM projects to technology transfer deals and partnerships with international infrastructure companies, there are growing opportunities for offshore players. As global companies rethink their supply chains and look for strong, fast-growing markets to invest in, India's road sector offers a compelling mix of political support, large-scale projects, and a real need for global expertise.

"Infrastructure is much more than cement and concrete. Infrastructure guarantees a better future. Infrastructure connects people." - Narendra Modi (Prime Minister of India)

Exhibit 1:

Classification of Roads



Source: IBEF, PIB, Ambit Asset Management - Data as December 2023, *- December 2024

1. Road & Highways Summary

2nd Largest Road network

- India has the second largest network in the world, next to USA
- Over 2/3rd of goods and 90% of total passengers uses road network.

Rising Budget allocation

- Union Budget 2025-26 - USD 33.07 Billion allocated to the Ministry of Roads and Highways
- In the Union Budget 2025-26, the government increased allocation for capital expenditure to US$ 129.0 billion, up 10.1%

Overseas investment for infrastructure development

- In February 2024, NHAI raised highest over US$ 1.88 billion through InviT mode
- FDI inflows in construction development stood at US$ 35.24 billion between April 2000-September 2024.
- Indian Government and Asian Development Bank signed US$ 500 million loan agreement to build the longest bridge in India

Rapid growth in national highways

- India's road network has grown 59% to become the second-largest in the world in the last nine years. India has nearly 6.7 Million km of total road network and the National Highways network alone stood at 0.14 Million km currently compared to 0.09 Million km in FY14.
- In March 2024, Prime Minister inaugurated and laid the foundation stone for 112 national highway projects across various states, with a total investment of approximately US$ 12.04 billion.

Paving the Way: Investment Opportunities in India's Road Network

Higher investment

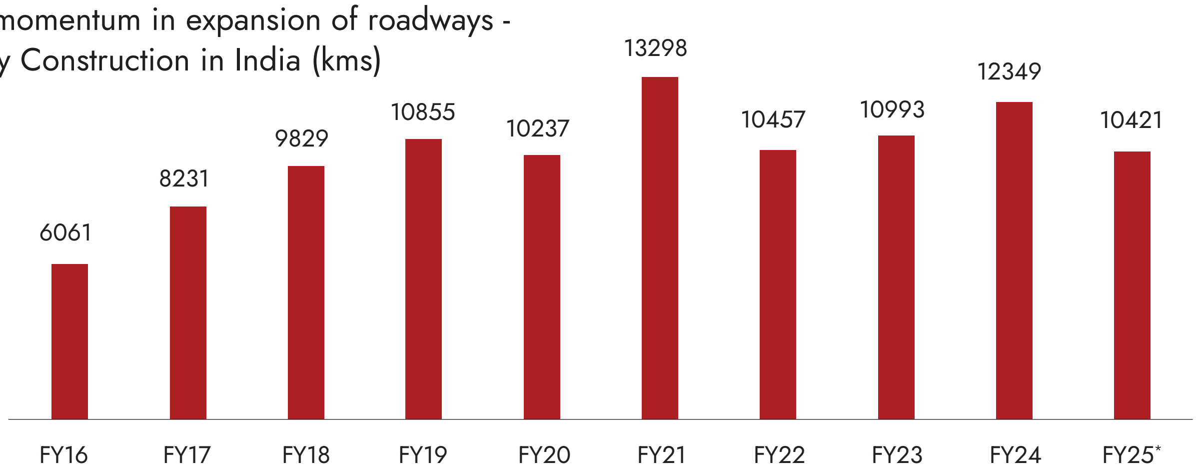
- NHIT raised US$ 1.92 billion in InvIT round- 3, stretches aggregate length of 889 kilometers of national highways, marking the largest transaction by the NHAI.
- Investment in road connectivity projects including Patna-Purnea expressway, Buxar-Bhagalpur highway and an additional two-lane bridge over the Ganga in Buxar for US$ 3.11 billion along with a new 2,400 MW power plant at Pirpainti costing US$ 2.56 billion

Attractive opportunities

- As of July 2023, there were 202 national highway projects totaling US$ 9.59 billion in progress in the country, covering a length of 6,270 km.
- India has joined the league of 15 of global alliance which will work towards the ethical use of smart city technologies.
- A total of 600+ sites are planned to be awarded by 2024-25 of which 144 Wayside Amenities (W`SAs) have already been awarded.
- A network of 35 Multimodal Logistics Parks are planned to be developed as part of Bharatmala Pariyojana, with a total investment of about US$ 5.55 billion, which can handle around 700 MMT of cargo.
- 100% Foreign Direct Investment (FDI) is allowed under the automatic route in the road and highways sector, subject to applicable laws and regulation

Exhibit 2:

Strong momentum in expansion of roadways - Highway Construction in India (kms)



Note: *- Provisional Target
Source: Ministry of External Affairs, MoRTH, IBEF, Ambit Asset Management

Sectors Impacted by Road's Opportunities

A. The Indian construction equipment industry

With infrastructure investment set to go up, demand for construction equipment will rise further.

The Indian construction equipment industry, which aspires to become the world's second-largest by 2030, is believed to have grown by 25% year-on-year in FY23, surpassing 100,000-unit sales for the second year in a row. In FY24, a total of 135,650 units of construction equipment were sold, registering an increase of 26%. In FY22, a total of 85,385 units of construction equipment were sold. The Government's move to cut the GST rate on construction equipment from 28% to 18% is supposed to give a boost to the industry.

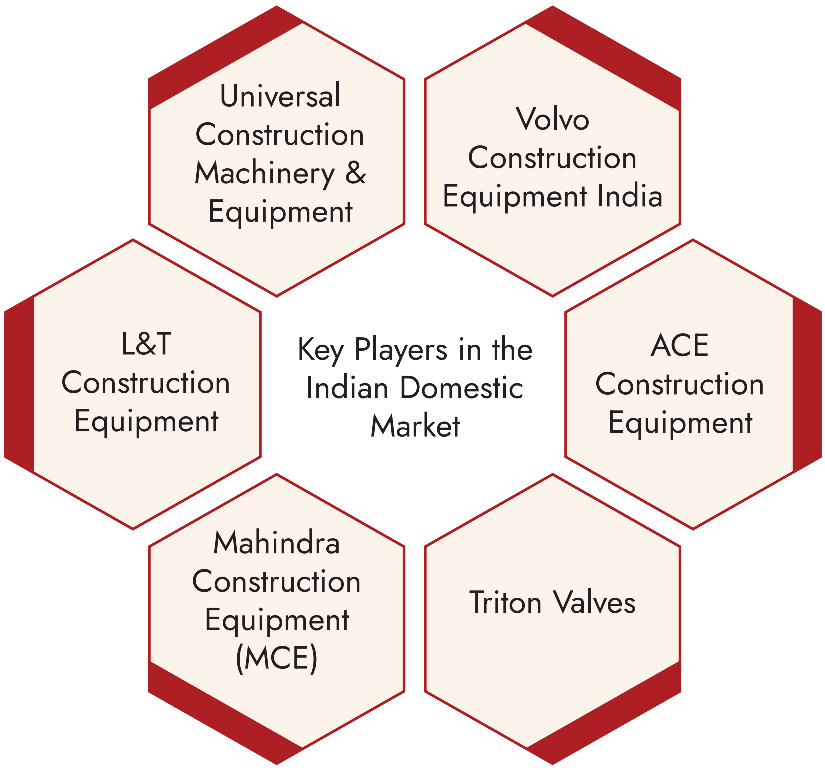
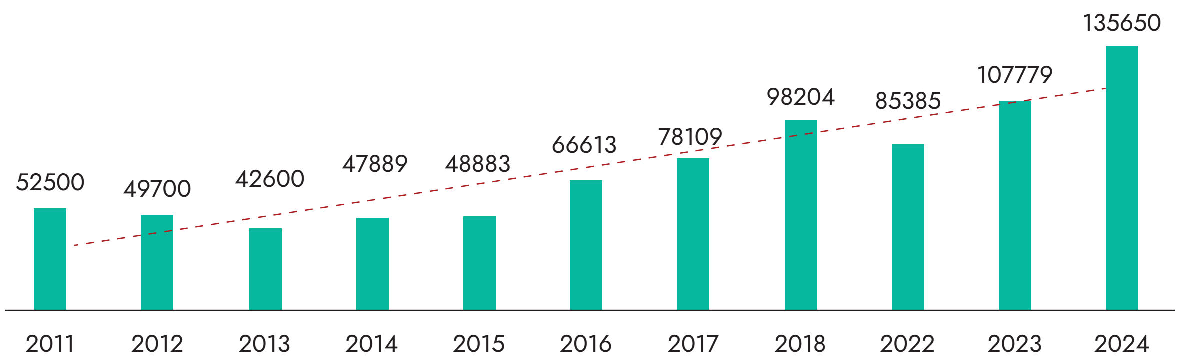


Exhibit 3:

Total number of construction equipment units sold



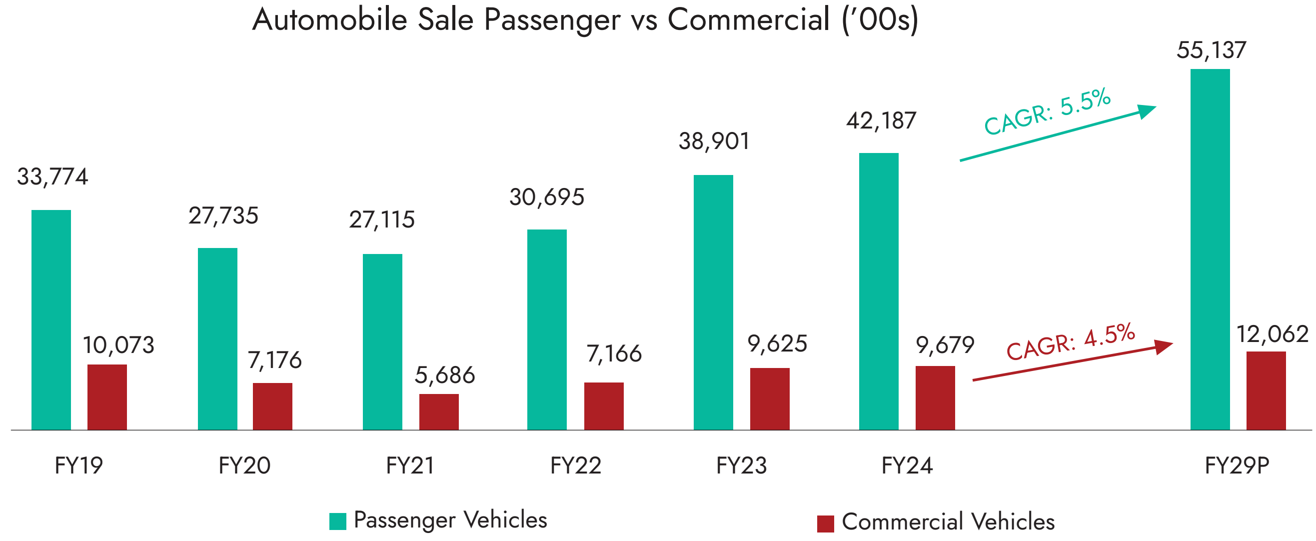
Source: NBM & CW, Mahindra Website, Indian Construction Manufacturers' Association, IBEF, Ambit Asset Management

B. Increased Automobile Spending complemented with Highways Construction at a Strong Pace

In FY24, 4.2 million units of passenger vehicles were sold compared to over 3.8 million units sold in the same period last year. India's passenger vehicle sales hit record high at 4.3 million units in FY25 and the commercial vehicle have been sold around 1 million units.

Exhibit 4:

Total number of PV and CV units sold



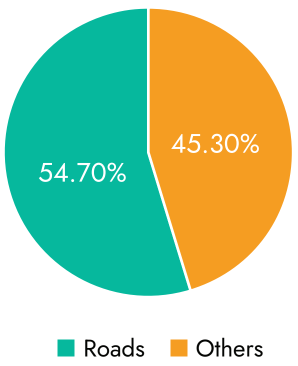
Category	FY 25	FY 24	YOY%
2W	19.61	18	8.93%
3W	0.74	0.69	7.14%
PV	4.30	4.22	1.96%
CV	0.96	0.97	-1.17%

Source: Society of Indian Automobile Manufactures, Ambit Asset Management

C. Accelerating in Private sector involvement–

Exhibit 5:

Total PPP Projects in India (as of February 2025)



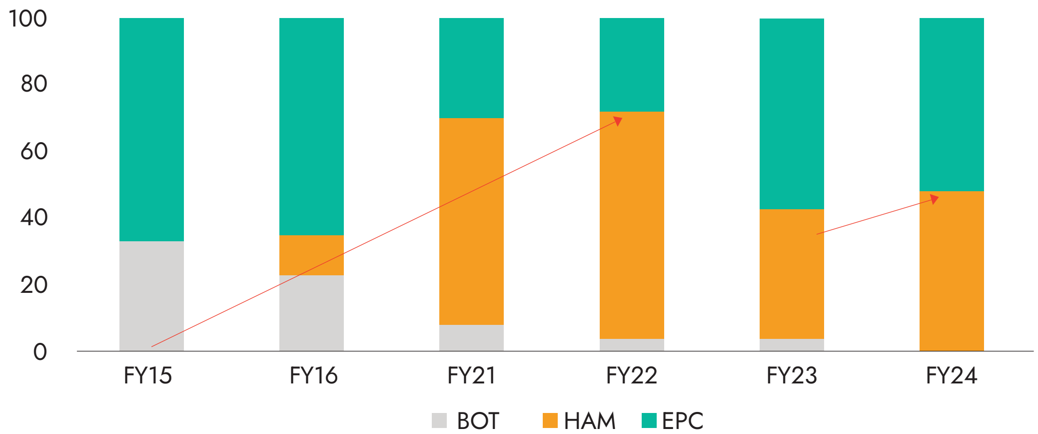
Note: PPP - Public-private partnership, BOT - Build-operate-transfer
Source: MoRTH, Department of Economic Affairs, IBEF, Ambit Asset Management

As of February 2025, there were 826 PPP road projects out of 1825 total projects in India. In a significant effort to enhance infrastructure, the Union government approved eight national high-speed corridor projects, involving the construction of 936 kilometers of highways at a total cost of US$ 6.09 billion. The government has successfully rolled out over 60 road projects in India worth over US$ 10 billion based on the Hybrid Annuity Model (HAM). HAM has balanced risk appropriately between private and public partners and boosted PPP activity in the sector.

Share of HAM projects improves in FY24 significant reason for the increase in the NHAI project awards in FY21 and FY22 was the revival in HAM project awards. From contributing ~62% to the total cost of NHAI projects awarded over FY17/18, the share of HAM projects fell to 32% in FY20. FY21 saw the share of HAM projects in the overall cost of projects awarded zooming to ~64%, which further increased to ~68% in FY22.

Exhibit 6:

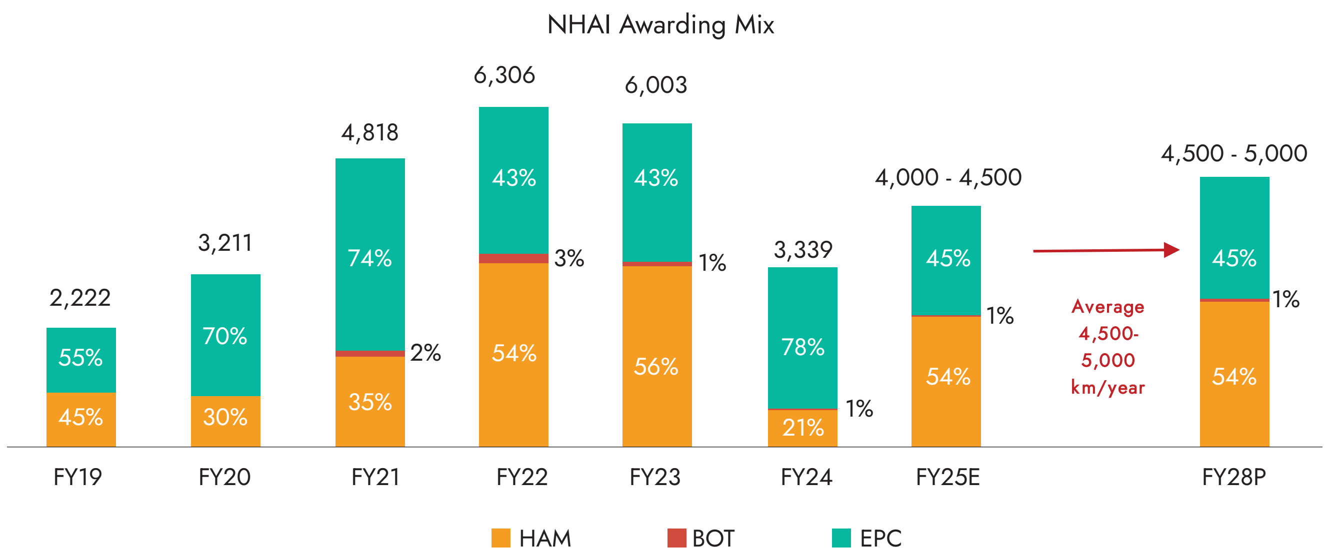
HAM projects are now preferred over other type of models over last Ten Years (Share in cost of projects awarded (%))



Source: Nuvama Research, Ambit Asset Management

Exhibit 7:

Changes in the HAM agreement protecting developers' returns and easing their cash flows during the construction period led to spurt in the HAM awards



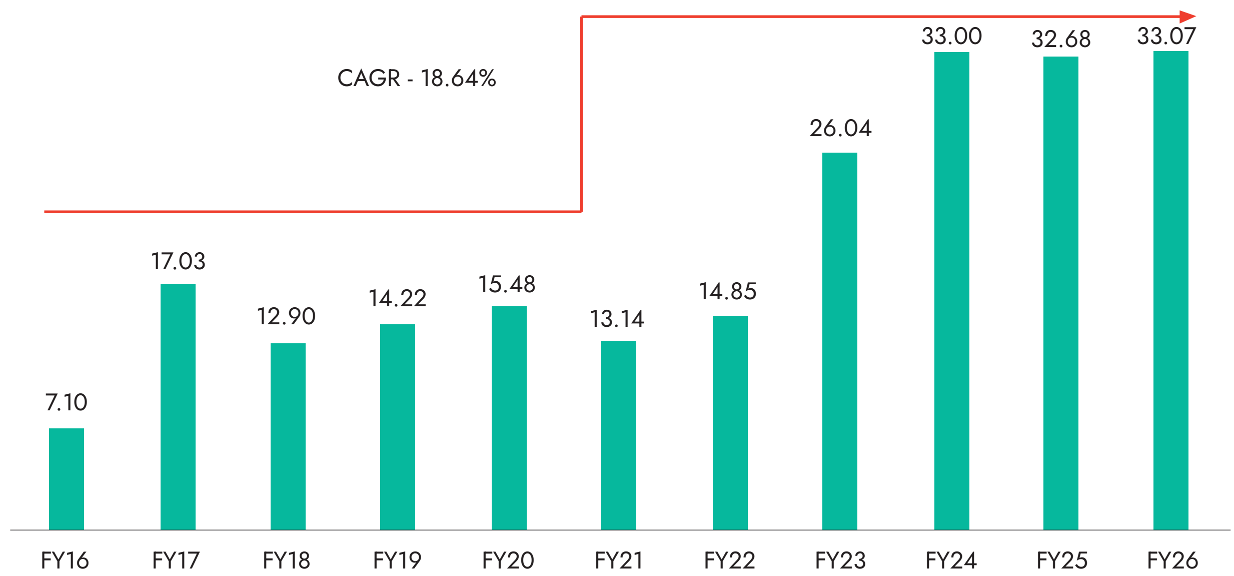
Source: MoRTH Annual Report FY24-FY25 (as of Dec'24); IBEF Report Nov'24 and Crisil Report

The National Highway Authority of India (NHAI) has surpassed the highway construction target for 2024-25 and built 5,614 kilometers of national highways during the FY 2025

Budget outlay for roads –

Exhibit 8:

Outlay for roads under the respective Union Budgets (US$ billion)



Source: Union Budgets, IBEF, Ambit Asset Management

Modes – TOT and InViT mode

Monetization by NHAI: The authority has various modes of asset monetization at its disposal. These include:

- **Toll-operate-transfer (ToT) mode:**

  The NHAI had commenced monetization of National Highways through the Toll-Operate-Transfer (ToT) mode from FY19.

Particulars	ToT 8	ToT 9	ToT 10	ToT 11	ToT 12	ToT 13	ToT 14
Total Length	139	73	125	85	316	110	163
Highest Bid (USD Mn)	PATH Infra - 153	NIIF - 367	Sekura - 137	Cube - 252	IRB Infra - 518	IRB Infra - 196	Cube - 900

Source: Nuvama Research, Ambit Asset Management

- **InViT mode:**

  In FY22, the NHAI raised ~USD 0.86 Bn through an InViT issue. During FY23, it raised USD 0.33 Bn through its InViT. The amount raised by InViT rose to ~USD 1.33 Bn in FY24. In FY25, NHAI concluded the fourth round of monetization through InViT, raising USD 2.07 Bn, the highest-ever single round InvIT receipt.

Particulars	Bundle 1	Bundle 2	Bundle 3	Bundle 4
Total length (km)	389	246	889	821
Concession Fee (USD Bn)	0.86	0.33	1.83	2.07

Source: Nuvama Research, Ambit Asset Management

- **SPV funding:**

  Apart from raising debt on its own balance sheet, the NHAI has utilized innovative sources of funding. For example, its fully-owned SPV DME Developers (DMEDL) is developing the greenfield 1,276km Delhi– Mumbai Expressway. The SPV has raised funds from various banks to partfund the project over the past few years. MoRTH has suggested that NHAI should consider securitization of toll receivables from banks and financial institutions through special purpose vehicle on the lines of DMEDL. It has directed the NHAI to formulate a scheme to implement the models of securitization and monetization.

Over the course of this series, we've explored India's road infrastructure—its evolution, economic impact, comparative global standing, and the models that drive its expansion. From national highways to last-mile rural connectivity, India's roadways are not just arteries of commerce but lifelines of inclusive growth.

Infrastructure builds reach, but defense builds resolve. With mobility secured, our attention now turns to security. Our next series, **#DefenceofIndia,** will focus on India's defense architecture—how the nation protects its sovereignty, adapts to modern warfare, and strengthens its position on the global strategic map.

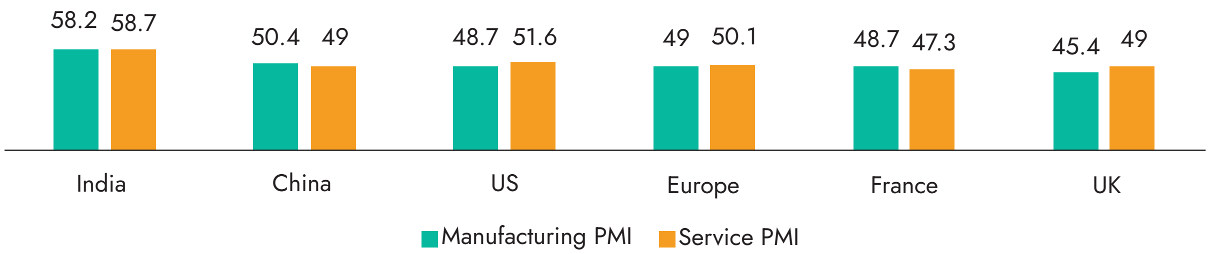
After Connectivity, Comes Security — India's Next Frontier

2. Macro Updates

2.1 PMI

Exhibit 9:

India v/s other countries for April 2025



Source: Trading Economics, Ambit Asset Management

2.2 INFLATION

Exhibit 10:

Indian consumer price index

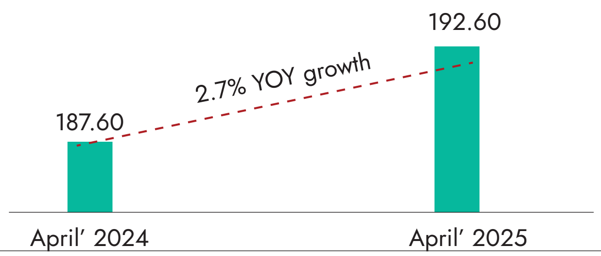
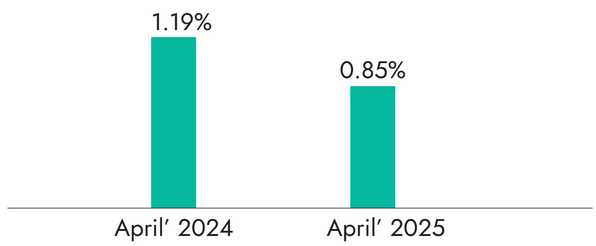


Exhibit 11:

India Wholesale Price Index Change (YoY %)



Source: Trading Economics, Ambit Asset Management

2.3 EIGHT CORE INDUSTRIES

Sector	Coal	Crude oil	Natural Gas	Refinery Products	Fertilizers	Steel	Cement	Electricity	Overall Index
Mar-24	256.0	78.9	79.3	147.0	116.6	219.8	219.4	204.2	175
Mar-25	260.2	77.4	69.2	147.3	126.9	235.5	244.8	216.9	181.7
YOY Growth	1.6%	-1.9%	-14.6%	0.2%	8.1%	6.7%	10.4%	5.9%	3.7%

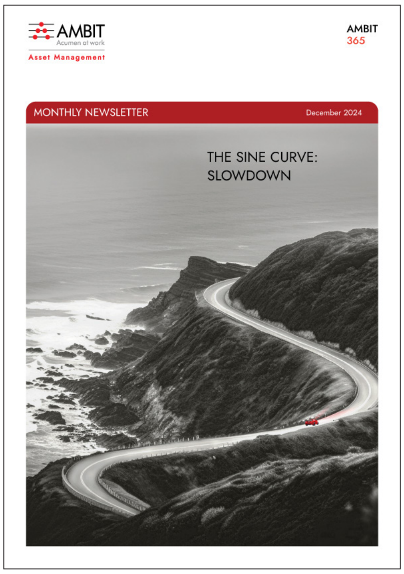
Source: Ministry of Commerce & Industry, Ambit Asset Management

2.4 GST COLLECTIONS

Revenue (USD Bn)	Mar-24	Mar-25	Growth (YOY%)
Gross Domestic Revenue	20.22	22.40	11%
Gross Import Revenue	4.58	5.54	21%
Total Gross GST Revenue	24.81	27.93	13%

Source: GST.gov, Ambit Asset Management

3. Readings



May Newsletter: ADAPT OR GET DISRUPTED

Disruption across the consumer landscape is unfolding on two fronts. Established industries are being upended by changing consumer behavior, digital innovation, and the rise of challenger brands. Simultaneously, entirely new categories are emerging in response to these shifts. Traditional models are under pressure from agile, experience-led, and digital-first players. At the same time, disruption is catalyzing growth in segments such as lab-grown diamonds, premium direct-to-consumer (D2C) brands, and curated consumption platforms that are reshaping value chains and consumer expectations. This dual impact underscores a structural transformation in how demand is created, captured, and sustained.

Click here to read more

Asset Management

4. Ambit Asset Management Overview

Ambit Investment Advisors Private Limited (AIAPL) is a SEBI registered Portfolio Manager. AIAPL is a subsidiary of Ambit Private Limited (APL). Ambit is one of India's premier providers of financial advice and capital. The Ambit group provides financial advice and capital to enable clients across Institutions, Corporates, High Networth Individuals, Self-employed Individuals and Small & Medium Enterprises, to achieve their goals. Currently, AIA offers Discretionary, Non-Discretionary Portfolio Management Services and Advisory Services to its clients.

Ambit Coffee Can Portfolio

Since March 2017

Aims to deliver steady returns with minimal risk to create wealth over long term

Large-cap oriented portfolio

Great companies with a long proven track record of consistent growth and high RoE

Ambit Good & Clean Midcap Portfolio

Since March 2015

Focuses to deliver superior risk adjusted returns by identifying the large caps of tomorrow

Mid-cap oriented portfolio

Proven track record of efficient capital allocation and sustainable growth

Ambit TenX Portfolio

Since December 2021

Targets to compound wealth by investing in businesses with potential to multiply earnings by ten times

Flexi cap portfolio with Mid & Small cap orientation

Companies leveraging technology and innovation in under-penetrated categories

Ambit Emerging Giants Small Cap Portfolio

Since December 2017

Seeks to create wealth over a long period of time by investing early in undiscovered businesses

Small-cap oriented portfolio

Low leveraged, well governed, high growth niche segments

Ambit Micro Marvels Portfolio

Since July 2024

Our investment strategy centers on micro-cap companies within niche markets, emphasizing high earnings growth, low leverage, and strong corporate governance.

Micro-cap oriented portfolio

Based on our proprietary 'Good' and 'Clean' framework with extensive use of the Scuttlebutt approach.

Ambit 365

Since October 2023

A directional long-short fund focused on absolute returns, across cycles with lower drawdowns & aims to generate consistent returns, irrespective of market direction.

Equity-oriented Long Short Category III open-ended AIF

Concentrated portfolio of long and short stocks with stock selection driven by our Sine Curve framework and a rule-based approach to use Nifty as a hedge.

Ambit TenX India Fund

Since October 2024

A dollar-denominated fund offering a gateway to growth opportunities in India and targeting to invest in businesses with the potential to multiply earnings by ten times over the next 12-13 years

Equity-oriented GIFT City AIF

Meticulously researched opportunities with dynamic toggling across the credit and tenor curve.

Ambit India Ascension Fund

Since January 2025

A tailored investment offering for Japanese investors through India's GIFT City, investing in small-cap companies backed by Ambit's proprietary framework with an objective to generate superior long-term risk-adjusted returns.

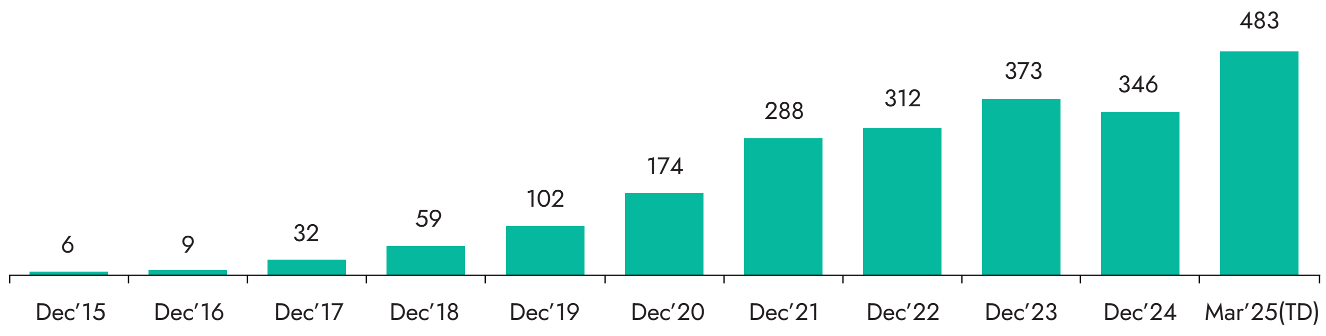
Equity-oriented Long-Only Category III AIF

Ambit Portfolio	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25 YTD	Since Inception
Ambit Coffee Can Portfolio			25.9%	4.9%	16.8%	18.8%	20.3%	-14.2%	17.0%	11.4%	2.9%	12.1%
MSCI India			15.9%	-8.6%	6.1%	13.7%	25.5%	-8.7%	20.8%	10.0%	1.3%	8.7%
Ambit Good & Clean Midcap Portfolio	-6.7%	12.4%	37.2%	-6.0%	12.0%	13.0%	27.4%	-10.5%	32.7%	18.3%	-9.9%	10.5%
MSCI Midcap	-11.4%	4.2%	54.2%	-20.2%	-11.1%	15.8%	30.7%	-16.1%	36.5%	20.0%	-5.2%	7.0%
Ambit Emerging Giants Small Cap Portfolio			7.5%	-15.3%	-2.4%	40.8%	42.1%	-8.6%	25.2%	2.4%	-20.0%	7.1%
MSCI Smallcap			6.8%	-26.5%	-5.6%	19.3%	51.5%	-13.9%	43.3%	21.0%	-11.9%	8.0%
Ambit TenX Portfolio							2.0%	-9.7%	31.2%	8.5%	-15.0%	3.3%
MSCI Midcap							4.5%	-16.1%	36.5%	20.0%	-5.2%	9.6%
Ambit Micro Marvels Portfolio										-2.5%	-18.6%	-20.6%
MSCI Smallcap										-2.3%	-11.9%	-13.9%

*Returns as on 30th April 2025

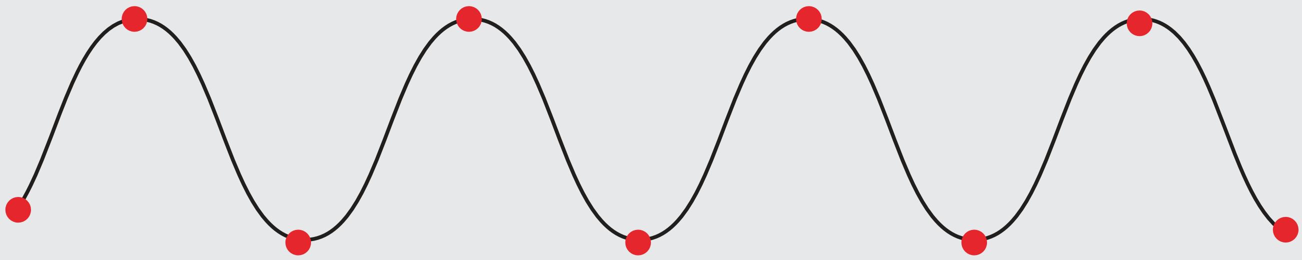
*Nifty 50 TRI is the selected benchmark for the Ambit Coffee Can Portfolio while BSE 500 TRI is the selected benchmark for the Ambit Good & Clean Midcap, Ambit Emerging Giants, Ambit TenX Portfolio and Ambit Micro Marvels Portfolios. The same is reported to SEBI. We have indicated MSCI India, MSCI India Midcap, and MSCI India Smallcap indices for information purposes only. The same should not be relied upon for performance benchmarking in any manner.

AUM in USD (Mn)



Source: Ambit Asset Management

INVEST SUCCESSFULLY ACROSS MARKET CYCLES WITH AMBIT ASSET MANAGEMENT



Successful investing takes acumen

The acumen to have a solution for every need

The acumen to navigate volatile conditions

The acumen to always stay true to character

At Ambit Asset Management, it is this acumen that helps you invest successfully, with products that stay true to character across market cycles

To know more visit : https://gift.ambit.co/

AMBIT
Acumen at work
Asset Management

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The product 'Ambit Coffee Can Portfolio' has been migrated from Ambit Capital Private Limited to Ambit Investments Advisors Private Limited. Hence some of the information in this presentation may belong to the period when this product was managed by Ambit Capital Private Limited.

The performance data for coffee can product between 6th march 2017 - 19th June 2017 represents model portfolio returns. First client was onboarded on 20th June 2017. The performance data for G&C product between 1st June 2016 to 1st April 2018 also includes returns for funds managed for an advisory offshore client. Returns are calculated using TWRR method as prescribed under revised SEBI (Portfolio Managers) Regulations, 2020.

You may contact your Relationship Manager for any queries.