

GOVERNMENT OF INDIA  
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

LOK SABHA  
UNSTARRED QUESTION NO. 1398  
ANSWERED ON 26<sup>TH</sup> JULY, 2018

FUND NHs UNDER HAM

1398. DR. SHRIKANT EKNATH SHINDE:  
DR. PRITAM GOPINATH MUNDE:  
SHRI ANANDRAO ADSUL:  
SHRI ADHALRAO PATIL SHIVAJIRAO:  
SHRI SHRIRANG APPA BARNE:  
SHRI DHARMENDRA YADAV:  
SHRI VINAYAK BHAURAO RAUT:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether public sector banks, reeling under massive NPAs, are hesitant to finance more works and some private banks have shown interest to fund national highways projects under the Hybrid Annuity Model (HAM);
- (b) if so, whether the Government takes the maximum risk and financiers are largely insulated under HAM model;
- (c) if so, the facts thereof
- (d) whether the Union Government is working on options including reaching out to foreign pension funds to buy long term NHAI bond and if so, the details thereof;
- (e) whether the State Bank of India has shown interest to finance more highway projects on its own rather than by forming any consortium; and
- (f) if so, the response of the Ministry of Road Transport and Highways thereon?

ANSWER

THE MINISTER OF STATE IN THE  
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI MANSUKH L. MANDAVIYA)

- (a) As regards public sector banks there is no such report with the Ministry. However, some private banks have shown interest to fund Hybrid Annuity Model (HAM) projects.

(b) & (c) Funding arrangement are as per the terms of the Concession Agreement signed between NHAI and Concessionaire.

(d) National Highways Authority of India (NHAI) plans to raise funds through Masala bonds for which MTN (Medium Term Note) programme has been set up. Foreign pension fund may go for investment in these bonds.

(e) & (f) No, Madam. However, under Hybrid Annuity Model (HAM), financial closure of the project is the responsibility of the Concessionaire and the financial arrangement is solely between the Concessionaire and the Banks. The Ministry has no role in this.

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