

GOVERNMENT OF INDIA  
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS  
**LOK SABHA**  
**STARRED QUESTION NO. 76**  
ANSWERED ON 21<sup>ST</sup> NOVEMBER, 2019

**HYBRID ANNUITY MODEL FOR NATIONAL HIGHWAYS**

\*76. SHRI KOTHA PRABHAKAR REDDY:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS  
सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether the Government has approved the Hybrid Annuity Model (HAM) for building National Highways (NHs) worth more than Rs. 36,000 crore this fiscal year and if so, the details thereof;
- (b) whether this move is likely to speed up the construction of NHs in the country by renewing the interest of private developers in highway projects and if so, the details thereof;
- (c) whether the Government will invest 40 per cent of the construction cost for building highways in five instalments and the balance will come from the private developer under the PPP model and if so, the details thereof;
- (d) whether the private developer will recover his investment from the Government by receiving annuity payments over a period of 15 years and the highway toll tax will be collected by the Government under this model, if so, the details thereof; and
- (e) whether this model will bring in long-term infrastructure funds like pension funds into the sector and double the speed of highway construction in the country due to utilisation of resources and expertise of the private sector and if so, the details thereof?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) to (e) A STATEMENT is laid on the table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (A) TO (E) OF LOK SABHA  
STARRED QUESTION NO. 76 ANSWERED ON 21<sup>ST</sup> NOVEMBER, 2019 ASKED BY  
SHRI KOTHA PRABHAKAR REDDY REGARDING “HYBRID ANNUITY MODEL  
FOR NATIONAL HIGHWAYS”**

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(a) to (d) Government has approved the hybrid annuity model (HAM) for building National Highways (NH) to speed up the construction of roads in the country by renewing interest of private developers in highway projects. 40% the Project Cost is to be provided by the Government as Construction Support during the construction period and the balance 60% as annuity payments over the operations period along with interest thereon to the concessionaire.

National Highway projects worth approximately Rs.10,000 crore have been approved in this financial year (till 31.10.2019) under the hybrid annuity mode. The objective is to maximize the quantum of implemented projects within the available financial resources of the Government and to revive private sector participation in the sector. Toll fee collection from the highways projects developed under the hybrid annuity model is the responsibility of the Government/Authority.

(e) In order to tap the benefit of long term funds like pension fund, insurance fund, wealth fund etc into road construction sector, MoRTH has introduced models like HAM and TOT (Toll-Operate-Transfer).

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