

Hybrid Annuity Model for National Highways

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.

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).

This information was given by Union Minister for Road Transport and Highways Shri Nitin Gadkari in a written reply in Lok Sabha today.

RCJ/MS

(Release ID: 1592673)