

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
RAJYA SABHA
UNSTARRED QUESTION NO - 266
ANSWERED ON – 24/07/2024

ROAD CONSTRUCTION INITIATIVES

266. SHRI AYODHYA RAMI REDDY ALLA:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) how the Ministry plan to sustain and accelerate 25 percent increase in road construction, aiming for 12,500-13,000 km per year over the current and next fiscal years;
- (b) the details on how the introduction of the Hybrid Annuity Model (HAM) has been highlighted as a positive factor;
- (c) how HAM has contributed to speed up execution and attracting investments in road construction; and
- (d) how initiatives like Atmanirbhar Bharat and the emergence of infrastructure investment trusts (InvITs) supporting the road construction sector have had a positive impact?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

- (a) At the beginning of the current financial year 2024-25, under ongoing/awarded projects, the Ministry had about 20,000 km balance length of National Highways (NHs) for construction. Moreover, the Ministry has a shelf of projects under DPR and tendering process, to further augment the construction progress during the current and next fiscal years. The Ministry is leveraging the mechanism of review and resolution of bottlenecks/hindrances in ongoing projects, in active collaboration with the State Governments and other stakeholder. Ministry is also making full efforts to expedite the availability of necessary clearances / approvals and the fulfilment of conditions precedent, for new projects. However, no specific annual rate of increase in construction has been planned so far.
- (b) & (c) The Government has approved Hybrid Annuity Model (HAM) for building NHs to speed up construction pace in the country by renewing interest of private developers in highway projects. The objective is to maximize the quantum of projects that can be implemented within the available limited financial resources of the Government. Further, HAM allows sharing of risk between private developers and the Government. By contributing 40% of the project cost during construction period, the government shares the financial burden with private players, while traffic/ revenue risks lie with the Authority.
- (d) Under the Atmanirbhar Bharat initiative, this Ministry has been able to provide various relaxations to the contractors & concessionaires to ensure sufficient cash flow to the projects and reduced working capital requirements. Further, Innovative Financing methods like InvIT

have unlocked value of completed road assets. Through InvIT, the Ministry has been able to generate alternate source of capital in addition to traditional sources of funds such as budgetary allocation & toll revenue, and there is greater participation in O&M of private players.
