

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
RAJYA SABHA
UNSTARRED QUESTION NO -3630
ANSWERED ON – 02/04/2025

PRIVATE INVESTMENT AND FINANCIAL RISKS IN HIGHWAY PROJECTS

3630. SHRI TIRUCHI SIVA:

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

- (a) whether it is a fact that private investment in road projects has declined from 51 percent in 2014-15 to 25 per cent in 2023-24, if so, the reasons thereof;
- (b) whether the Ministry has explored the introduction of new debt instruments aligned with the revenue stream profile of highway projects to address asset-liability mismatches; and
- (c) whether the Ministry has considered mandating in-principle lender approval for bidders, as recommended by IIFCL, to mitigate financial risks and prevent non-performing assets?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) The Government in Ministry of Road Transport and Highways is primarily responsible for development and maintenance of National Highways (NHs). Private investment is made for NHs development projects executed on Public Private Partnership (PPP) Mode. Accordingly, the Government achieved private investment of ₹19,232 crore during 2014-15 and of ₹34,805 crore during 2023-24.

(b) The Government raises funds for investment on NHs through innovative financing mechanism of monetization of NHs through TOT (Toll Operate and Transfer), InvIT (Infrastructure Investment Trust) and Project based financing modes. The Government has successfully raised about ₹1.20 Lakh crore through various modes of Monetization of NHs since 2018-19.

Further, National Highways Authority of India (NHAI) has not raised any borrowings since October, 2022 and retired higher cost bank loan and National Small Saving Fund (NSSF) loans. This has resulted in the reduction of NHAI debt.

(c) At present, no such proposal is under consideration of the Government.
