GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
RAJYA SABHA
UNSTARRED QUESTION NO -2829
ANSWERED ON – 12/08/2026

HIGHWAY INFRASTRUCTURE FINANCING AND INVESTMENT

2829. # SHRI NAVEEN JAIN:

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

(a) whether steps have been taken to broaden investment opportunities in highway infrastructure and if so, the details thereof;
(b) whether the Ministry has initiated any measure to encourage private investment in the development of National Highways, if so, the details thereof; and
(c) whether the concession framework governing Public-Private Partnership (PPP) projects has been amended to promote private investment in the development of National Highways, if so, the details thereof?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) Government in Ministry of Road Transport and Highways is primarily responsible for development and maintenance of National Highways (NHs). The Government has inter-alia decided to focus on development of Access controlled National High Speed Corridors (HSCs) / Expressways, development of ring road / bypasses of cities with population of more than One Lakh with priority on those cities which have population of more than Five Lakh, development of coastal roads, connectivity of ports as per the prioritization of Ministry of Shipping, Ports and Waterways, connectivity of airports as per the prioritization of Ministry of Civil Aviation and connectivity to Industrial nodes as per the priority of National Industrial Corridor Development Corporation (NICDC) for improving the logistics efficiency of the country. These steps are directed towards broadening investment opportunities in highway infrastructure.

(b) and (c) To attract more private players and make investment opportunities more attractive, the Government has taken several initiatives like reforms in Model Concession Agreement for Public Private Partnership (PPP) Projects, reforms in model contracts for monetization of NHs through Toll Operate and Transfer (TOT) basis, introduction of Public InvIT to widen investment scope, Stakeholder Conferences held with concessionaires, financiers, and major government bodies to showcase investment opportunities to private players as well as understand & address investors' concerns etc.

Major amendments in the standard bidding and concession documents for Build-Operate-Transfer (BOT) projects on NHs include: -

i. Enhanced bidder eligibility by permitting participation of Fund Houses on their financial strength. Upon successful award of project, they shall engage EPC contractors possessing the requisite technical experience for execution of the works.
ii. Learning from past litigations and contractual interpretations and for greater contractual clarity; provisions relating to Change in Ownership, Target Traffic, Damages, Compensation for Breach of Agreement, Compensation for Force Majeure Costs, Payment of Construction Support during the Construction Period in Capacity Augmentation projects, Compensation for Annual Passes, and Change of Scope have been amended.
iii. Provision for payment of Termination Compensation before the Commercial Operation Date (COD) where the physical progress of the project is 20% or more, thereby protecting the interests of both the Concessionaire and the lenders.
iv. Streamlined provisions relating to the determination of Debt Due to remove ambiguities and provide greater certainty in their application.
v. Streamlined Dispute Resolution mechanism – Dispute Resolution Board abolished; Disputes less than ₹ 10 Cr to be resolved through Arbitration and Disputes of ₹ 10 Cr and above through Conciliation or Mediation.

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