

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

LOK SABHA
UNSTARRED QUESTION NO. 3303
ANSWERED ON 15TH MARCH, 2018

HYBRID ANNUITY MODEL

3303. SHRIMATI K. MARAGATHAM:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether the Government had introduced a hybrid annuity model wherein the Government gives 40% of the construction cost while the developers invest the remaining 60%;
- (b) if so, the returns provided to the developers in such projects;
- (c) whether it is also true that so far 26 projects have been awarded under the new model; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI MANSUKH L. MANDAVIYA)

- (a) & (b) Yes Madam. The Ministry had introduced the Hybrid Annuity Model for implementation of highway projects. The CCEA approved the Model in its meeting held on 27.01.2016. As per the Model, 40% the Project Cost is provided by the Government as 'Construction Support' while the private developers invest the balance 60%. Toll collection right for such projects is with the Government. Developers get their returns on their invested 60% of the project cost in the form of annuity payments from the Government over the concession period along with interest at market linked rates on outstanding amount. Further, there is separate provision for operation & maintenance (O&M) payments by the Government to the concessionaire.
- (c) & (d) 60 National Highway projects with aggregate length of around 3,719 km have already been awarded under the Model.
