

**GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 506
ANSWERED ON 06TH FEBRUARY, 2025**

INVESTMENT IN ROAD CONSTRUCTIONS

**506. SHRI DINESHBHAI MAKWANA:
SHRI DHARAMBIR SINGH:
SMT. SHOBHANABEN MAHENDRASINH BARAIYA:**

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) the manner in which National Highways Authority of India Limited (NHAI) plans to manage investor interest and ensure equitable allocation under the closed bidding system with a green shoe option to retain oversubscriptions of upto Rs. 500 crore;**
- (b) the manner in which this initiative aligns with India's broader sustainability and climate change goals; and**
- (c) whether there are provisions for the long-term maintenance and effectiveness of these eco-friendly measures and if so, the details thereof?**

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) National Highways Authority of India (NHAI) has not raised any market borrowing since September 2022 as Government has not given any mandate for raising Loans / Borrowings from market by

NHAI since September 2022. Accordingly, NHAI does not have any plan to raise funds through any Bonds or other instrument.

However, M/s DME Development Ltd (SPV of NHAI) has raised funds through 'Green Bonds' amounting to ₹ 775 crore, in December 2024.

The issue of green bond by DME Development Ltd has been supported by an un-conditional and irrevocable "Letter of Comfort" issued by NHAI to all lenders. Accordingly, the interest of investors has been protected.

The issue has been allocated equitably under the criteria provided by the closed bidding system on private placement through Electronic Bidding Platform of Bombay Stock Exchange Ltd. The DME issuance was regulated by SEBI guidelines also.

(b) DME Development Ltd has been allowed by SEBI to raise Green Bonds only after verification by a third party of the Green activities carried out in the project. These activities have positive environmental impact e.g., animal underpasses, clean renewable energy, saving emissions, plantation, waste recycling, use of fly ash, etc. These activities are aligned with UN Sustainable Development Goals (SDGs) and subsequently country level sustainability goals.

(c) Yes Sir, to maintain effectiveness of these measures, DME Development Ltd /NHAI has instituted robust governance around the same, such as defining Key Performance Indicators(KPIs) for each activity to measure impact it has caused. These KPIs are monitored closely by NHAI/DME Development Ltd .
