

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:396

ANSWERED ON:25.02.2016

Hybrid Annuity Model for Construction

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

- (a) whether the Government has approved the hybrid annuity model for building National Highways to speed up the construction of roads in the country by renewing interest of private developers in highway projects;
- (b) if so, the details thereof along with the objectives of the Hybrid annuity model;
- (c) whether the Government proposes to bring in long-term infrastructure funds like pension funds into the sector, if so, the details thereof;
- (d) whether the Government will collect the toll tax under the hybrid annuity model; and
- (e) if so, the details thereof?

Answer

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

(SHRI PON. RADHAKRISHNAN)

(a) and (b) Government has approved the hybrid annuity model for building National Highways to speed up the construction of roads in the country by renewing interest of private developers in highway projects. 40% the Project Cost is to be provided by the Government as Construction Support during the construction period and the balance 60% as annuity payments over the operations period along with interest thereon to the concessionaire. The objective is to maximize the quantum of implemented projects within the available financial resources of the Government and to revive private sector participation in the sector.

(c) Modalities are being worked out to bring in long-term infrastructure funds like Pension Funds into the road sector.

(d) and (e) Toll fee collection from the project highways developed under the hybrid annuity model shall be the responsibility of the Government/Authority.
