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GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT & HIGHWAYS
(Highways Section)

TRANSPORT BHAWAN
1 - PARLIAMENT STREET
NEW DELHI - 110001

No: RW/NH-24028/14/2014-H (Vol III)

Date: 10.10.2016

OFFICE MEMORANDUM

Sub: **HYBRID ANNUITY MODEL FOR IMPLEMENTING HIGHWAY PROJECTS-
PHYSICAL PROGRESS REG.**

It has been brought to the notice of this Ministry by the National Highways Builders Federation (NHBF) and lenders that many projects being implemented on Hybrid Annuity Model are facing difficulties in achieving financial closure.

2. Subsequent to discussions with lenders, concessionaires and other stakeholders, it has been decided that an Independent Engineer will certify the achievement of 10% of the physical progress of individual projects under intimation to the Authority and the lenders.

3. This is in addition to existing provisions prescribed in the Hybrid Annuity Model Concession Agreement as follows:

Sl. No.	Construction Milestones	Payment	Existing provisions - physical progress achieved
1.	I		20%.
2.	II		40%.
3.	III		60%
4.	IV		75%
5.	V		90%

It is further clarified that the Authority will continue to make the construction payments pertaining to the milestones as per the extant dispensation, as per the table above.

5. The above said certification of 10% physical progress is to provide comfort to the lenders in order to process disbursements.

6. This bears the approval of the Competent Authority in the Ministry.

Uttam Prakash

(Uttam Prakash)

Under Secretary to the Government of India

- To,
- Secretary, Department of Economic Affairs, North Block, New Delhi
 - Secretary, Department of Expenditure, North Block, New Delhi
 - CEO, NITI Aayog, Yojna Bhawan, New Delhi
 - Adviser(PPPAU), NITI Aayog, Yojna Bhawan, New Delhi

- (v) Chairman, NHAI, Dwarka, New Delhi
- (vi) DG(RD) & SS , MoRTH, New Delhi
- (vii) AS & FA, MoRTH, New Delhi
- (viii) MD, NHIDCL, New Delhi
- (ix) All ADGs/Co-ordinators /CEs in MoRTH, New Delhi
- (x) Chairman &MD, IIFCL, 8th Floor, Hindustan times Office,18 & 20, Kasturba Gandhi Marg , New Delhi-1
- (xi) Chairman, Indian Banks Association, World Trade Centre, Centre1, 6th Floor, Cuffe parade, Mumbai
- (xii) SE(PPP)-I & SE(PPP)-II, MoRTH, New Delhi

Copy to:

- (i) PS to Hon'ble Minister (RT,H &S)/ PS to Hon'ble Minister of State (RT,H &S) / PPS to Secretary(RT &H)/ PPS to JS(H)/ PPS to Director(H)