

No. NH-37012/01/2019-H  
Government of India  
Ministry of Road Transport & Highways  
(Highways Section)  
Transport Bhawan, 1, Parliament Street, New Delhi-110001.

Date: 01 January, 2020

CIRCULAR

**SUBJECT: AUTHORISING NATIONAL HIGHWAYS AUTHORITY OF INDIA  
(NHAI) TO SET UP INFRASTRUCTURE INVESTMENT TRUSTS  
AND MONETISE COMPLETED AND OPERATIONAL NATIONAL  
HIGHWAY PROJECTS**

The Competent Authority has approved the proposal contained in the Note for Cabinet dated 18.11.2019 on subject "Authorising National Highways Authority of India (NHAI) to set up Infrastructure Investment Trusts and monetize completed and operational National Highway Projects" in the meeting held on 11<sup>th</sup> December, 2019 (Case No.346/39/2019) and conveyed its approval vide communication no. 39/CM/2019(i) dated 13.12.2019.

2. In order to enhance NHAI's resource mobilisation, the Cabinet after considering the proposal of the MoRTH has accorded the following approval:

- a) NHAI is authorized to set up Infrastructure Investment Trust(s) to monetise completed and operational National Highways and to empower the Committee under Chairmanship of Cabinet Secretary to take decisions as per the proposal(s) mentioned below :
  - i) NHAI is authorized to set up Infrastructure Investment Trust(s) as per InvIT Guidelines issued by SEBI, to monetise completed National Highways that have a toll collection track record of at least one year and NHAI reserves the right to levy toll on the identified highway.
  - ii) NHAI is authorized to incorporate SPV(s) which are essential and integral part of the entire InvIT structure.
  - iii) NHAI is authorized to set up its first InvIT as per the structure approved by NHAI Board and to incorporate two SPVs which are essential and integral part of the InvIT structure:
    - An SPV to hold all identified public funded projects to be placed in an InvIT
    - An SPV to act as an Investment Manager in the proposed InvIT

iv) NHAI is authorized to create a reserve fund in line with the provisions of Rule 9 of "The National Highways Authority of India (Budget, Accounts, Audit, Investment of Funds and Powers to Enter Premises) Rules, 1990" from the sums received from InvIT, which shall be kept in a separate account for repayment of debt.

v) Committee constituted under chairmanship of Cabinet Secretary vide order no 581/2/2014-Cab. dated 11<sup>th</sup> September 2014 comprising Secretaries of the Ministry of Road Transport and Highways, Department of Economic Affairs, Department of Expenditure, Department of Financial Services and Department of Legal Affairs which has been empowered to take decisions on amendments to Model Concession Agreements in respect of Highway Projects; to also decide on issues related to management structure of the InvITs, procedure for appointment of Investment Manager/Project Manager and other related matters that may be required for setting up of NHAI InvIT(s).

b) Chairman, NHAI is empowered to select projects to be placed in NHAI InvIT(s) and for taking steps for operationalizing NHAI InvIT(s).

3. This issues with the approval of Competent Authority in the Ministry.



(Ramandeep Chowdhary)  
Deputy Secretary to the Government of India  
Telephone No. 011-23718575

To,

1. CEO, NITI Aayog, Parliament Street, New Delhi
2. Secretary, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi
3. Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi
4. Chairman, National Highways Authority of India, Dwarka, New Delhi
5. Special Secretary & Financial Adviser, MoRTH
6. Director General (Roads) & Special Secretary, MoRTH
7. Managing Director, National Highway Infrastructure and Development Company Limited, PTI Building, Parliament Street, New Delhi
8. All ADGs/Co-ordinators/CEs in MoRTH

9. SE (BP&SP - I & II)/ US (P&P)

10. NIC cell for uploading the circular on Ministry's website.

Copy to: Cabinet Secretariat [Shri S.G.P. Verghese, Director] Rashtrapati Bhawan,  
New Delhi with reference to Cabinet Secretariat's communication  
No.39/CM/2019 (i) dated: 13.12.2019.

Copy for information to: PS to Hon'ble Minister (RT&H)/ PS to Hon'ble MoS  
(RT&H)/ Sr. PPS to Secretary (RT&H)/ PPS to JS (H)/ PPS  
to DS (H).