



# NEWSLETTER

CONSTRUCTION INFRASTRUCTURE UPDATES

WEDNESDAY, JUNE 17, 2026

[^ TOP](#)

**CFI is now on social media!** We'd love your support in increasing our visibility. Please take a moment to like and repost our posts. Your engagement will certainly help us reach more people! Check us out here: [CFI LinkedIn](#).

*Thank you for your support!*

- ✓ [De-Risking the Highway: How India's HAM Model Rewrote the Rules for Construction Giants](#)
- ✓ [NHAI Moves From Conventional Highway Maintenance To Predictive Framework Using AI And Road Survey Data](#)
- ✓ [Centre To Launch VB-G RAM G From Andhra Pradesh On 1 July As New Rural Employment Framework Takes Shape](#)
- ✓ [Kerala Plans PPP Redevelopment Of Vizhinjam Minor Port To Support Booming International Container Hub](#)
- ✓ [Petroleum Ministry Dismisses Reports On Oman-Gujarat Deepwater Pipeline, Says No Such Proposal Under Consideration](#)

*"Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra"*



# De-Risking the Highway: How India's HAM Model Rewrote the Rules for Construction Giants

June 17, 2026



Introduced By NHAH (2016)	Sector National Highways & Road Projects	Contract Type Public-Private Partnership (PPP)	Payment Mode Semi-annual Annuity Payments	Traffic Risk NHAH Bears	Concession Period 15 Years (Usually)
------------------------------	---	---	--	----------------------------	---

### KEY FEATURES OF HAM

- 40:60 Funding Model**  
40% of Project Cost paid by NHAH during construction. Remaining 60% arranged by the Concessionaire through equity and debt.
- No Toll Collection by Contractor**  
Unlike BOT (Toll), the contractor does not collect toll. Toll collection remains with NHAH.
- Annuity Payments**  
NHAH pays the contractor fixed annuity amounts every six months after project completion.
- Operation & Maintenance**  
Contractor maintains the highway throughout the concession period and receives O&M payments.

### HAM AT A GLANCE

Full Form	Hybrid Annuity Model
Introduced By	National Highways Authority of India (NHAH)
Sector	National Highways and Road Projects
Contract Type	Public-Private Partnership (PPP)
Design Responsibility	Concessionaire / Contractor
Construction Responsibility	Concessionaire / Contractor
Financing Pattern	40% by NHAH and 60% by Concessionaire
Construction Period	Generally 2 - 3 Years
Operation & Maintenance	By Concessionaire during Concession Period
Revenue Collection	NHAH collects toll revenue
Payment to Contractor	Semi-annual annuity payments by NHAH
Traffic Risk	NHAH bears traffic risk
O&M Period	Usually 15 years after COD
Applicable Documents	HAM Concession Agreement, MoRTH Guidelines, NHAH Policies

### COMPARISON: EPC vs HAM vs BOT (TOLL)

Parameter	EPC	HAM	BOT (Toll)
Design Responsibility	Contractor	Contractor	Contractor
Construction Responsibility	Contractor	Contractor	Contractor
Financing by Contractor	No	Partial (60%)	Yes (100%)
Toll Collection	NHAH	NHAH	Contractor
Traffic Risk	NHAH	NHAH	Contractor
Revenue Risk	NHAH	NHAH	Contractor
O&M Responsibility	Limited / DLP	Yes	Yes
Payment Mode	Construction Milestones	Annuity Payments	Toll Revenue

### REFERENCES

- MoRTH HAM Guidelines Ministry of Road Transport and Highways, Government of India
- NHAH Model Concession Agreement for HAM Projects
- Model Concession Agreement Hybrid Annuity Model

**“HAM is a balanced partnership model that ensures quality infrastructure delivery while sharing risks and responsibilities for sustainable growth.”**

Let's build the future, together. #HAM #Infrastructure #NHAH #PPP #CivilEngineering #Contracts #ProjectManagement

**“Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra”**



The Hybrid Annuity Model (HAM) is a Public-Private Partnership (PPP) framework introduced by the Government of India in 2016 to accelerate infrastructure development. It perfectly balances risk by splitting the project cost between the government and private developers, making it a cornerstone for highway and road construction.

### How the Financials Work 💰

The model essentially merges the features of the traditional Engineering, Procurement, and Construction (EPC) model and the Build-Operate-Transfer (BOT) model.

- **Construction Phase (Government pays 40%):** The government pays 40% of the project cost as a construction support grant, distributed in five equal installments tied to project milestones.
- **Operations Phase (Developer arranges 60%):** The private developer funds the remaining 60%, which they recoup post-construction through semi-annual annuity payments from the government, along with interest and operational costs.

### Key Advantages ✨

- **No Traffic Risk for Developers:** Unlike traditional toll-based models, developers are not impacted by unpredictable daily traffic flow. The government handles toll collection and guarantees payment, ensuring a stable cash flow.
- **Easier Bank Financing:** Because the revenue is backed by the government, banks are much more willing to lend to these projects, decreasing the burden of raising capital.
- **Shared Financial Burden:** It prevents the government from bearing the 100% upfront cost of EPC models while relieving private players of full financial exposure.

### Challenges 🚧

- **Long-Term Fiscal Liabilities:** Since the government takes on long-term annuity obligations, it can strain public finances over the 15- to 20-year operational lifecycle.
- **Land Acquisition Delays:** Delays in handing over encumbrance-free Right of Way (RoW) often stall HAM projects, leading to time and cost overruns.

To understand how this policy framework is utilized for national highways, you can refer to the [Ministry of Road Transport & Highways](#) guidelines. For UPSC preparation or deeper

*“Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra”*



academic review, resources like the [Vajiram & Ravi UPSC Portal](#) break down the intricacies of the model in detail.

[^ TOP](#)

## NHAI Moves From Conventional Highway Maintenance To Predictive Framework Using AI And Road Survey Data

Swarajya,  
June 17, 2026

The National Highways Authority of India (NHAI) has undertaken a significant shift in highway operations and maintenance through the adoption of predictive asset management.

The progressive transition from conventional maintenance practices to a predictive maintenance framework underlines NHAI's dual focus on building National Highways at scale, while ensuring maintenance of highways to the highest standards.

Predictive maintenance will help to identify deterioration early and enable timely intervention, to keep National Highways in optimal condition.

The transition is anchored on three strategic pillars, with the first being large-scale asset condition monitoring. NHAI has deployed Network Survey Vehicles across the National Highway network under operations and maintenance to collect pavement condition data such as roughness, rutting, cracking and structural distress.

The pavement condition surveys will be carried out using 3D laser-based systems capable of capturing and reporting road defects automatically without any human intervention with the help of high-resolution 360-degree cameras, DGPS, IMU and DMI.

These are equipped with versatile data acquisition and processing software to accurately measure and report the inventory and pavement condition data.

This allows data to support multiple use cases and stakeholders across the operations and maintenance ecosystem, enabling NHAI to move beyond fragmented inspections and develop a continuously updated digital view of National Highway asset health.

Data collected through surveys will be uploaded on NHAI's AI-based portal Data Lake, where it will be analysed by a dedicated team of experts at NHAI to transform data into knowledge and subsequent actionable insights.

*“Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra”*



The authority has invited bids from qualified companies to deploy these systems across 23 states covering 20,933 kilometres.

The third pillar is predictive monitoring and risk-based decision-making. By combining historical condition data, inspection records and ongoing asset monitoring, NHAI will be able to identify trends early, prioritise vulnerable stretches and intervene before the shortcomings become critical.

Underpinning these pillars is proactive intervention and performance management enabled through standardised maintenance manuals, improved maintenance contracts and robust ecosystem support.

The initiative represents a comprehensive approach to highway maintenance, with the initiative providing an advanced and data-driven approach to operations and maintenance of the National Highway network.

Through the integration of advanced monitoring technologies, artificial intelligence and data analytics, NHAI aims to enhance maintenance standards across India's expanding highway infrastructure, which now spans over 146,000 kilometres nationwide.

[^ TOP](#)

## Centre To Launch VB-G RAM G From Andhra Pradesh On 1 July As New Rural Employment Framework Takes Shape

Swarajya,  
June 17, 2026

Union Minister for Rural Development and Agriculture Shivraj Singh Chouhan announced that the national launch of the Viksit Bharat – Rozgar aur Aajeevika Mission (Gramin), or VB-G RAM G, will take place from Andhra Pradesh on 1 July.

The announcement came during a meeting with Andhra Pradesh Deputy Chief Minister Pawan Kalyan at Krishi Bhavan in New Delhi, where the two leaders reviewed rural development programmes, employment generation initiatives and panchayat development projects in the state.

*“Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra”*



The launch event will showcase Andhra Pradesh's successful models in rural governance, including its Gram Panchayat Development Plan, model panchayats and zero-waste gram panchayats.

Rural Development Ministers from all states and Union Territories will participate in the launch programme through video conferencing from various field locations across the country.

Kalyan thanked the Centre for allocating over Rs 7,700 crore to Andhra Pradesh under the initiative.

The VB-G RAM G scheme replaces the Mahatma Gandhi National Rural Employment Guarantee Act from the same date.

Under the new framework, every rural household with adult members willing to undertake unskilled manual work will be entitled to 125 days of wage employment annually, up from 100 days under the previous scheme.

For 2026-27, the Centre has allocated Rs 95,692.31 crore, the highest budget estimate for a rural employment programme.

Chouhan praised Andhra Pradesh's development efforts, describing the state as one of the most progressive in the country with a reputation for taking swift decisions on development-related matters.

During the meeting, Kalyan briefed the Union Minister on the progress of various rural development schemes in Andhra Pradesh, noting that all projects have been geo-tagged to ensure transparency and prevent corruption.

He also informed that work on a face recognition-based beneficiary verification system is nearing completion.

[^ TOP](#)

Kerala Plans PPP Redevelopment Of Vizhinjam Minor Port To Support Booming International Container Hub  
Business Standard,  
June 17, 2026

*"Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra"*



The move comes as Vizhinjam International Seaport continues its remarkable growth trajectory.

Kerala is moving to leverage the rapid rise of the Vizhinjam International Seaport by transforming the neighbouring Vizhinjam minor port into a logistics and cargo support hub through a public-private partnership (PPP) model.

The Kerala Maritime Board (KMB) has submitted a proposal to the state government seeking approval for the redevelopment of the underutilised facility.

The objective is to integrate the minor port's infrastructure with the adjacent international container terminal, creating a larger and more efficient maritime logistics network capable of handling growing cargo volumes.

While the proposed PPP project is expected to take time to materialise, the board has already initiated short-term measures to attract private investment.

It has invited bids from companies interested in leasing its warehouse facilities near the port for cargo storage, logistics operations and related commercial activities.

Under the tender floated earlier this month, the successful bidder will be granted a three-year lease to operate the warehouse for handling, storage and value-added logistics services linked to the international port.

Applications have been invited through the state's e-tender platform, with submissions open until late July.

The move comes as Vizhinjam International Seaport continues its remarkable growth trajectory.

The port recently crossed the two-million TEU mark within just 18 months of operations, while gateway cargo services and capacity expansion projects are driving demand for additional warehousing, logistics and multimodal transport infrastructure in the region.

[^ TOP](#)

Petroleum Ministry Dismisses Reports On Oman-Gujarat Deepwater Pipeline, Says No Such Proposal Under Consideration  
Business Standard,

*"Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra"*



June 17, 2026

The Ministry of Petroleum and Natural Gas has dismissed reports suggesting India is actively pursuing a deep-sea energy pipeline connecting Gujarat with Oman and other Gulf countries.

The ministry said no such proposal is under consideration, following widespread media speculation about the project.

In an official statement issued yesterday (16 June), the ministry clarified that it had taken note of reports referring to a proposed Middle East-India Deepwater Pipeline (MEIDP).

There are no active discussions or negotiations with Oman or any other Gulf countries on this project at any level in the ministry, the statement emphasised.

The clarification comes amid heightened attention on India's energy security due to ongoing geopolitical tensions in the Middle East.

The proposed Oman-Gujarat Deep-Sea Gas Pipeline, estimated to cost around Rs 40,000 crore, would transport natural gas directly from Oman to Gujarat through an underwater pipeline stretching nearly 2,000 kilometres across the Arabian Sea, earlier reports had suggested.

PIB Fact Check, the government's official fact-checking unit, also labelled certain media claims as fake.

The project, which has remained on the drawing board for more than three decades, was seen by some policymakers and energy experts as a possible way to reduce India's dependence on shipping routes passing through the Strait of Hormuz.

The Directorate General of Shipping has separately advised shipping companies and maritime recruitment agencies to restrict deployment of Indian seafarers in Middle East conflict areas.

The advisory was issued days after three Indian seafarers aboard commercial vessel MT Settebello were killed following a US military strike off the Oman coast.

[^ TOP](#)

\*\*\*\*\*

*"Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra"*