

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

UNSTARRED QUESTION NO:255

ANSWERED ON:18.02.2009

UNDER UTILIZATION OF FUNDS BY NHA

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Khaire Shri Chandrakant Bhaurao; Reddy Shri Magunta Sreenivasulu; Verma Shri Ravi Prakash

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

(a) whether National Highways Authority of India (NHA) is unable to spend one third of its targeted expenditure during the current financial year and is also running behind the schedule in awarding new projects as reported in The Times of India dated 27 January, 2009;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken by the Government to complete the targeted projects and to award new projects as per schedule?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI K.H. MUNIYAPPA)

(a) to (b) As against the budget estimates (2008-09) of Rs. 23409 crores, NHA has incurred an expenditure of Rs. 14501 crore on various projects till the end of January, 2009. The Government has decided that all projects under NHDP Phase-III and onwards would be awarded preferably on the Public Private Partnership (PPP) basis. It has taken more time in the bidding process following approval of Model Request for Qualification (RFQ) and Request for Proposal (RFP) documents by the Government. After resolving initial difficulties in evaluation of RFQ applications received on the basis of Model RFQ, works have been awarded for 05 projects, viz, Pimpalgaon-Nasik-Gonde (length 60 kms), MP/Maharashtra Border-Dhule (length 97 kms), Pune-Sholapur (length 110kms), MH/Gujarat Border-Surat-Hazira (length 133 kms) and Chennai Port to Maduravoyal (length 19 kms).

(c) Keeping in view the massive increase in cost of various inputs since the time of preparation of the Project/Feasibility Reports, the Government has allowed NHA to increase the Total Project Cost by 10% and 20% in respect of projects formulated in 2007 and 2006 respectively, to improve the bankability of the projects. The Government has also decided to allow release of entire Viability Gap Funding (VGF) during the construction phase itself. The Government has also announced fiscal stimulus packages which include the provision for raising bonds by IIFCL for funding infrastructure projects including roads. The Government has also approved National Highways Fee (Determination of Rate and Collection) Rules, 2008 which have been notified on 5th December, 2008.