

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

UNSTARRED QUESTION NO:4411
ANSWERED ON:07.12.2010
ROAD PROJECTS UNDER PPP
Shantha J.

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

- (a) whether private sector entities involved in the road sector are facing resource crunch;
- (b) if so, the details thereof;
- (c) whether the Government proposes to allow private sector entities including those engaged in the road sector to raise money from the markets through infrastructure bonds;
- (d) if so, the details thereof;
- (e) the benefit likely to accrue in implementing National Highways projects in the country;and
- (f) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH)

(a) and (b) No specific complaint of resource crunch has been reported to this Ministry.

(c) and (d) In exercise of the power conferred by Section 80 CCF of the Income Tax Act, 1961 (43 of 1961) the Central Government has specified, vide Notification No. S.O. 1639(E) dated 9th July, 2010, as Long Term Infrastructure Bonds, such bonds as may be issued by (i) Industrial Finance Corporation of India, (ii) Life Insurance Corporation of India,(iii) Infrastructure Development Finance Company, and(iv) A Non-Banking Finance Company classified as an Infrastructure Finance Company by the Reserve Bank of India. The details of the terms and conditions as indicated in Gazette Notification No.48/2010/F.No. 149/84/2010-SO(TPL) dated 9th July 2010 are annexed hereto at Annexure.

(e) and (f) The major economic & social benefits likely to accrue in implementing National Highways projects in the country are increased connectivity, reduced vehicle operating cost, reduced travel time, fuel saving, reduced accidents and area development as well as employment generation.