

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

UNSTARRED QUESTION NO:3408

ANSWERED ON:18.03.2013

ROAD PROJECTS

Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan

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

- (a) whether a large number of projects awarded on premium in the last fiscal have become unviable for companies;
- (b) if so, the details and number of these projects along with the reasons cited by these companies;
- (c) whether the Government has identified the bottlenecks that have led to a slowdown in these road projects;
- (d) if so, the details thereof;
- (e) whether awardees of these projects have requested to reduce the premium amount for the initial few years; and
- (f) if so, the details thereof and the steps taken by the Union Government to resolve these bottlenecks?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI SARVEY SATHYANARAYANA)

(a) and (b) No such instances have been reported by any company. However, out of 32 National Highways projects awarded on premium during the year 2011-12, 18 projects have not succeeded in obtaining the financial closure.

(c) and (d) There has been slow down due to lack of equity with the concessionaires, unavailability of debt with the financial institutions and stringent stipulation introduced by the Ministry of Environment and Forests pursuant to the judgment of Hon'ble Supreme Court in the case of TN Godhavarman versus Union of India and others [LaFarge Uminm Mining case] by linking the Environment Clearances with Forest Clearance. Non-availability of aggregate and imposition of conditional ban on digging earth and imposition of provision of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 has also created additional problems leading to further slow down the pace of the road projects in addition to the existing issues of land acquisition and utility shifting.

(e) and (f) One concessionaire, GMR Kishangarh Udaipur Ahmedabad Expressways Limited has requested the National Highways Authority of India that they may be allowed to reduce the premium amount for the initial few years keeping the overall Net Present Value (NPV) of the premium unchanged. The Government has not agreed to the proposal and issued notice to the concessionaire and also sought appropriate adjudication from the Court of Law in the matter. As a result of the efforts made by the Government, Environment Clearances has now once again been delinked with the Forest Clearance and Ministry of Environment & Forests has also directed all the State Governments not to invoke provision of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 in case of linear road projects.