

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

UNSTARRED QUESTION NO:1872  
ANSWERED ON:19.08.2013  
ROAD PROJECTS UNDER BOT  
Pradhan Shri Nityananda

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

- (a) whether the Government proposes to bring in a new system to fast-track construction of roads under Build-Operate-Transfer (BOT) mode;
- (b) if so, the details thereof;
- (c) whether the Government also proposes to grant certain exemptions to the developers of BOT projects; and
- (d) if so, the details thereof?

**Answer**

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

(a) No, Madam.

(b) Does not arise.

(c) and (d) In view of the difficulties being faced by Concessionaires in Public-Private-Partnership (PPP) Projects, Government has decided to permit the substitution of existing Concessionaires, in a harmonious manner, in accordance with the existing provisions of the Model Concession Agreement (MCA) applicable to all National Highway projects under PPP mode awarded/yet to be awarded on Build-Operate-Transfer (BOT) mode of delivery. Government has also authorised lenders to facilitate such substitution of concessionaire in the national highway projects that have achieved the Commercial Operation Date (COD) subject to satisfaction about the credentials of the substituting entity and the new entities having adequate experience of operating and maintaining the completed road projects. In case of an on-going project, where COD has not been achieved due to failure of the concessionaire to raise equity, such substitution has also been permitted subject to the substituting consortium/entity having the requisite financial and technical qualifications to bid for a project of the same size and willing to take over all the obligations under the project as per concession agreement. Under such substitution, National Highways Authority of India (NHAI) is to be fully discharged of any claims by the earlier consortium or the Special Purpose Vehicle (SPV) for any delays or any other action till the transfer of management of SPV to new consortium/entity. This is done to help facilitate flow of resources for the revival of the road sector leading to timely completion of the projects which are otherwise languishing due to financial distress.