

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

UNSTARRED QUESTION NO:2686

ANSWERED ON:12.03.2015

AUCTIONING OF HIGHWAY STRETCHES

Chavan Shri Ashok Shankarrao; Gupta Shri Sudheer; Kirtikar Shri Gajanan Chandrakant; Paswan Shri Chirag; Radhakrishnan Shri T.; Singh Shri Kunwar Haribansh

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

- (a) whether the Government proposes to auction highway stretches constructed from Government funds;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has fixed any criteria for collection of toll from these stretches and if so, the details thereof;
- (d) whether the Government proposes to attract foreign, pension and insurance funds investment on the highway projects;
- (e) if so, the details thereof; and
- (f) the steps taken/being taken by the Government for speedy construction of new stretches?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI PON. RADHAKRISHNAN)

(a) to (c) The right of collection of user fee (toll) in respect of the entrusted highways stretches constructed under Engineering Procurement Construction (EPC) and Build-Operate-Transfer (BOT) (Annuity) mode is being auctioned by National Highways Authority of India (NHAI). The user fee rates are determined as per National Highways Fee (Determination of Rates and Collection) Rules, 2008 as amended from time to time.

(d) and (e) For the purpose of completing national highway projects under different phases of the National Highways Development Project (NHDP) by 2015-16, it has been estimated that NHAI needs to borrow approx. Rs. 1,80,000 crore from the market in addition to general budgetary support and toll plough back etc. Foreign Direct investment (FDI) upto 100% is permitted in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular tunnels, ports and harbours under automatic route. Many options, including possible investment by Employees Provident Fund Office (EPFO), are being explored to supplement the funding of NHAI.

(f) Ministry of Road Transport & Highways and NHAI have taken a number of steps for speedy and timely completion of highway projects including streamlining of the process of land acquisition and other statutory clearances, harmonious substitution of Concessionaire, re-schedulement of Premium quoted by concessionaires, getting Reserve Bank of India (RBI) to treat road sector loans as secured, introduction of revamped dispute resolution mechanism and close coordination with other ministries etc. Apart from these steps, Government is also considering new variants of Public-Private Partnership (PPP) model like Hybrid Annuity Model to attract bidders for new projects.