

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3997

ANSWERED ON:20.03.2015

PPP PROJECTS

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Will the Minister of FINANCE be pleased to state:

- (a) the number of projects cleared by the Public Private Partnership (PPP) Appraisal Committee during the last three years and the current year along with the details of projects pending clearance as on date;
- (b) whether Government has any Fast Track process in existence for clearing the projects under (PPP);
- (c) if so, the details thereof and the time by which the pending projects are likely to be cleared;
- (d) whether the PPP projects in the country are subjected to any kind of Government audit; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE FOR FINANCE (SHRI JAYANT SINHA)

(a): 107 projects have been cleared by the Public Private Partnership (PPP) Appraisal Committee (PPPAC) during the last three financial years and 13 in the current financial year, so far. The projects pending appraisal by the Committee are:

- i. Four laning of Guna-Biaora section from Km 332.100 to km 426.100 (package II) in Madhya Pradesh on BoT (Toll) on DBFOT under BHDP Phase IV
- ii. Four laning of Biaora-Dewas section of NH 3 from Km 426.100 to km 566.450 (package III) in Madhya Pradesh on BoT (Toll) on DBFOT under BHDP Phase IV
- iii. Development and operation of 4 laning of Amaravati-Chilki Section of NH 6 in Maharashtra on BOT (Toll) under NHDP Phase IV
- iv. Development and operation of 4 laning of Chilki-Fagne section (package-II) of NH 6 in Maharashtra on BOT (Toll) under NHDP Phase IV
- v. Development and operation of 4 laning of Fagne to Gujarat-Maharashtra Border (package-3) from Km 510 to km 650.794 in the State of in Maharashtra on BOT (Toll) under NHDP Phase IV

(b) & (c): Government of India has notified guidelines for formulation, appraisal and approval of central sector PPP projects to ensure speedy appraisal of projects, adopting of international best practices and have uniformity in appraisal mechanism and guidelines. The Public Private Partnership Appraisal Committee (PPPAC), has been set-up with the objective to fast track the appraisal and approval of PPP projects of all sectors.

(d) & (e): The SPV formed to implement a PPP project is a private sector entity, governed by provisions for financial and performance audit for private sector entities in the country under the Company Act and their respective Boards. Compliance audit is carried out in respect of these private entities by various regulatory authorities in the country. There are adequate provisions to ensure appointment of independent auditors, additional auditors and concurrent auditors by the Implementing Department (the 'Authority') of the PPP Projects as per the provisions of the Concession Agreement. PPP Projects, through normal audit of the procedures followed by the Contracting Authority are subjected to audit by CAG which would include,

- i. Process compliance during procurement stage;
- ii. Procedures observed in releasing payments where due from the public sector from time to time;
- iii. Adherence to the Concession Agreement in terms of ensuring fulfilment of conditions precedent, performance assessments, imposition of penalties for non-performance and reckoning of termination payments, data and documents (including executed Concession Agreement; correspondence between Contracting Authority and the Concessionaire; Reports submitted by the Independent Engineers, Independent Monitors and Independent Auditors as the case may be) relating to the Bids and Bid processing.

(The books of the government authority, are subject to Government audit as per extant guidelines/rules.).

