

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

STARRED QUESTION NO:587

ANSWERED ON:07.05.2015

PRIVATE INVESTMENT IN ROAD SECTOR

Kirtikar Shri Gajanan Chandrakant;Kushwaha Shri Ram Kumar Sharma

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

- (a) the road projects being undertaken by the National Highways Authority of India under Public Private Partnership (PPP) mode;
- (b) whether the Government has not been able to attract private investments in the road sectors under PPP mode and if so, the details thereof along with the reasons therefor including the corrective steps being taken in this regard;
- (c) whether a delegation recently visited Malaysia to study road project and seek investments and if so, the details thereof; and
- (d) the follow-up action taken thereon?

**Answer**

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

(a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 587 ANSWERED ON 07TH MAY, 2015 ASKED BY SHRI RAM KUMAR SHARMA AND SHRI GAJANAN KIRTIKAR REGARDING 'PRIVATE INVESTMENT IN ROAD SECTOR'

A total 208 highways projects are currently under different stages of implementation under Public Private Partnership (PPP) mode across the country.

Due to economic downturn resulting in uncertainty regarding the traffic projections and consequent revenue generation, non-availability of equity with the Concessionaires as well as due to other construction related issues, the response to NH projects under PPP mode has been poor in recent years. 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 PPP model like Hybrid Annuity Model to attract bidders for new projects.

A team of officers headed by Secretary in the Ministry of Road Transport & Highways visited Malaysia from 11th to 14th April 2015. Malaysian Government, industry, financial institutions and other stakeholders have shown keen interest for participation in highway projects under PPP mode, especially the new variant of the PPP mode viz. Hybrid Annuity Model. As a follow up, a Malaysian Delegation is visiting India shortly for further discussion about the modalities of procurement and participation in the bidding process.