

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

UNSTARRED QUESTION NO:1731  
ANSWERED ON:05.03.2015  
FINANCIAL CRISIS IN CONSTRUCTION COMPANY  
Kesineni Shri Srinivas

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

- (a) whether there is any proposal to take action on Gamon-India which has abruptly stopped the works on Vijayawada-Gundugolanu bypass and if so, the details thereof;
- (b) whether it is also a fact that works on Vijayawada-Machilipatnam National Highway expansion and constructions of flyover near Benz circle in Vijayawada has also come to stand still because of financial crisis of construction company; and
- (c) if so, the action proposed to be taken by the Government in this regard?

**Answer**

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

- (a) The project of Vijayada-Gondugolanu bypass has been awarded on BOT basis. The progress of the project has been defined in terms of milestone. As per Concession Agreement, the first milestone was due on 27.02.2015. In case of failure of Concessionaire in achieving milestone within a period of 90 days from the date set forth for the milestone, action to be taken has been provisioned in the Concession Agreement.
- (b) & (c) Due to non-achievement of financial close by the concessionaire (M/s. Vijayawada-Machlipatnam Expressway Ltd.), Concession Agreement for 4-laning of Vijayawada-Machilipatnam section of NH-9 has been terminated and the bid security forfeited. The project is proposed to be taken up on the EPC mode.