

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

UNSTARRED QUESTION NO:2313
ANSWERED ON:24.07.2014
FUNDING OF NHS PROJECTS
Reddy Shri Ponguleti Srinivasa

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

- (a) whether banks are reluctant in financing highway projects due to disputes between NHA and private players;
- (b) if so, the details of the amount stuck in the disputes along with the measures taken to convince banks for financing projects; and
- (c) the steps taken by the Government to garner funds for timely completion of highway projects?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI KRISHANPAL GURJAR)

(a) to (c) Debt to road sector was being classified as unsecured by lenders and due to overall sectoral ceiling, availability of debt to road sector was low. The total amount pending in dispute is Rs. 26,556.40 crore. On the instance of the Ministry of Road Transport and Highways and the Ministry of Finance, Reserve Bank of India (RBI) has now advised all scheduled commercial banks to treat road sector debt as secured within the limits of 90 % of debt due enabling banks to allocate a larger portion of lending to road sector and also to reduce the cost thereon.