

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:5229

ANSWERED ON:14.08.2014

IRREGULARITIES IN EXECUTION OF PROJECTS UNDER PPP MODE

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Will the Minister of RAILWAYS be pleased to state:

- (a) the criteria adopted to select railway projects for execution under Public Private Partnership (PPP) mode in the country;
- (b) whether the Railways have been following the said criteria strictly for selection of private stake holders and the projects to be executed under PPP mode and if so, the details thereof;
- (c) whether some irregularities in this regard have been pointed out in the audit report;
- (d) if so, the details thereof along with the action taken by the Railways thereon; and
- (e) the steps taken/being taken by the Railways to prevent recurrence of such irregularities?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI MANOJ SINHA)

(a): Selection of Railway projects to be implemented through Public Private Partnership (PPP) mode depends on technical feasibility, financial viability, bankability and support of other stakeholders in the project.

Ministry of Railways had issued a policy in December 2012 on participative models, which lays down the criteria for applicability, project development, project structuring, selection of equity partner etc.

The policy also provides that under Joint Venture model, Equity Partners will be selected through transparent Expressions of Interest.

(b): Yes, Madam. After the issue of policy guidelines, the criteria are followed strictly.

(c): No, Madam. However, Comptroller and Auditor General of India (CAG) report on Railways, 2014 has recommended: (i) Framing a Model Concession Agreement for PPP projects on Indian Railways, (ii) Adopting Expressions of Interest for selection of all equity partners other than principal stakeholders, (iii) Accuracy of data and assumptions, (iv) Streamlining of approval process, (v) Time lines for achieving 'Financial Close' and (vi) Strengthening the monitoring mechanism of PPP projects.

(d) & (e): Ministry of Railways had initiated framing of Model Concession Agreement for Participative Model under Participative Model Policy of December 2012 which had already taken care of the concerns raised by Comptroller and Auditor General of India (CAG) Report.