

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

LOK SABHA
UNSTARRED QUESTION NO. 2231
ANSWERED ON 08TH MARCH, 2018

PPP ROAD PROJECTS

2231. SHRI CHANDRAKANT KHAIRE:
SHRIMATI PRATYUSHA RAJESHWARI SINGH:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

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 sector under (PPP) mode and if so, the details thereof along with the reasons thereof including the corrective steps being taken in this regard;
- (c) whether a delegation recently visited Malaysia to study road projects and seek investments and if so, the details thereof;
- (d) the extent of increase in public private partnership in road construction sector during the last three years along with the total investment made under the PPP mode in road construction sector till 31 December 2017;
- (e) whether the amount of NPA has increased to a large extent on fund invested for road construction under public-private partnership if so, the reasons therefor; and
- (f) the number of National Highways Projects being implemented across the country under public-private partnership along with the details thereof?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI MANSUKH L. MANDAVIYA)

- (a): 253 road projects have been undertaken by National Highway Authority of India under Public Private Partnership (PPP) mode;

(b): No madam.

It is true that there was a decline in award of highway projects in 2012-13 and 2013-14 and attracting private investment under PPP was difficult. Reasons for the same included inadequate project preparatory activities, land acquisition prior to project award, over-leveraged financials for the highway developers in the country, lack of debt products aligned with revenue stream profile of highway projects, some banks reaching the ceiling as per sectoral exposure norms and aggressive bidding based on unrealistic traffic projections.

However, corrective Steps were taken by MoRTH to address the above which included one to one interaction with contractors/concessionaires and other stakeholders, making amendments in contract document templates and implementing an innovative implementation model under PPP mode i.e. the Hybrid Annuity Model. As a result, award and construction of highway projects picked up, including projects under PPP mode. Till date 54 projects have been awarded under the Hybrid Annuity Model with aggregate length of 3,390 km and total cost of around Rs 60,000 crore.

(c): No, Madam.

(d): The road project under PPP mode in last three years are as follows:-

YEAR	NO. OF PROJECTS	LENGTH (IN KM)	INVESTEMENT (IN Rs. CRORES)
2015-16	15	1109	18890
2016-17	37	2739	38,974
2017-18(till Dec 2017)	11	701	15,981

The Total investment made under the PPP Mode in road construction Sector till December 2017 (April 2015 to December 2017) is around Rs. 73,845 crores.

(e): NPA for the highways sector have been addressed to a large extent by the Ministry and NHAI by resolving issues for awarded but languishing projects. Proactive policy measures like allowing 100% equity divestment two years post COD, premium deferment in stressed projects, rationalized compensation to concessionaires

for languishing NH projects in BOT mode for delays not attributable to concessionaires and one time fund infusion have been taken. As a result, all the NH projects languishing around three years back have been suitably revived.

(f): Currently, 70 National Highway Projects are being implemented across the country under PPP mode. They have overall cost of Rs.82, 672 crores & aggregate length of 5,421 km. Out of these, 54 projects are under Hybrid Annuity Model with overall cost of around Rs. 60,000 Crores and length of 3,390 km. Balance 16 projects are under BoT Mode with overall cost of around Rs 23,000 crores and aggregate length of 2031 KM.
