

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

UNSTARRED QUESTION NO:2454
ANSWERED ON:16.03.2017
Revival of Road Projects
Singh Dr. Bhola

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

- (a) whether the Union Government has decided to announce a slew of initiatives to help in reviving the road projects languishing for want of funds as well as to encourage private developers to invest in the sector;
- (b) if so, the details thereof;
- (c) whether the reputed private developer are not showing any interest in road projects; and
- (d) if so, the reasons therefor and the extent to which the new initiatives taken by the Government will revive the completion of pending road projects in a timeline?

Answer

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

(SHRI PON. RADHAKRISHNAN)

(a) to (d) The reasons for the National Highway projects being stalled include delays in land acquisition and utility shifting, non-availability of Soil/Aggregates, poor performance of contractors, delay in statutory clearances, public agitation, disputes etc. The Government has taken various steps to address the bottlenecks including fund crunch in such highway projects. These include one-time fund infusion to revive and physically complete languishing national highway projects under Public-Private Partnership (PPP) mode and also allowed Rationalised Compensation to concessionaires, in case delays are not attributable to them. With a view to ameliorate the shortage of equity and improve liquidity, Government has also allowed Securitization of future cash flows, Deferment of Premium in stressed highway projects, Harmonious Substitution in financially stressed highway projects and 100% Equity Divestment after 2 years of construction of all highway projects under PPP mode. Various other steps have also been taken by the Government/ NHAI to remove the hurdles affecting the construction of NH projects which includes streamlining of land acquisition and regulatory clearances, close coordination with other ministries, revamped Disputes Resolution Mechanism etc. A Group on Infrastructure (GoI) has also been constituted to discuss and resolve the hurdles/issues at the highest level with the concerned Ministries/Departments. As a result, Government has been able to resolve most of the stalled NH projects and many such projects have effectively been put back on track.
