

**Penalty on Delhi-Gurgaon concessionaire**

3052. SHRIMATI SYEDA ANWARA TAIMUR:  
SHRI VIJAY JAWAHARLAL DARDA:

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

(a) whether it is a fact that National Highway Authority of India (NHAI), did not impose a penalty on the concessionaire of Delhi-Gurgaon expressway, who failed to complete the pending works, within stipulated 180 days, after provisional commercial date of 'operation-permission' was granted; and

(b) if so, whether the NHAI is required to obtain the permission of the Ministry before action as indicated in (a) above, is taken even when it is specifically provided in the Concession Agreement (as revealed during a meeting of Members of Committee on Public Undertakings with NHAI on 9th September, 2009)?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH): (a) The matter of imposing a penalty on the Concessionaire for non-completion of pending works has been referred to an Independent Consultant (IC) for examination. Further action may be taken after receipt of the recommendation of the IC.

(b) National Highways Authority of India does not require permission of the Ministry to implement the provisions of the Concession Agreement.

**Funds needed for Highways Development Programme**

3053. SHRI JABIR HUSSAIN:  
DR. T. SUBBARAMI REDDY:

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

(a) whether National Highway Authority of India would need about Rs. 1,90,000 crores as borrowings till 2031 for the highways development programme;

(b) whether this was given in a report by the B.K. Chaturvedi Committee to Prime Minister;

(c) if so, the main other recommendations made in the report;

(d) whether 40 per cent of all road construction contracts experience cost overruns between 25 per cent and 50 per cent and sector is plagued by corruption, poor governance and non-adherence to dispute mentioned in World Bank Report; and

(e) the steps being taken to remove all hurdles and also recommendations made by the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH): (a) and (b) The Chaturvedi Committee has estimated that NHAI may require to borrow Rs. 1,91,948 Crores spread over a period between 2005-06 to 2024-25, based on the estimation that 56 % of roads will be constructed on BOT basis, 35 % on Annuity and

the remaining 9 % on EPC basis. The peak cumulative outstanding debt at the end of 2019-20 would be about Rs. 71,449 Crores. It has been decided by the Government that the recommendations of the Chaturvedi Committee in this regard shall be considered by a recently constituted Empowered Group of the Ministers (EGoM) to arrive at the final Financing Plan for 2010-11 onwards for the National Highways Development Project (NHDP).

(c) Details of the recommendations made in the report have been summarized and given in the Statement (See below).

(d) These facts get a mention in a World Bank Report titled “India: Indian Road Construction Industry: Capacity Issues, Constraints and Recommendations” and the context is “Key Issues for the Road Construction Industry”. The reasons for cost overruns in the earlier projects was because of variation and extra works necessitated due to public demand, e.g., service roads, underpasses etc. Escalation, which is a contractual payment for delays not attributable to the contractor, has also contributed to the cost over-run. There is a casual reference of corruption in the report. As regards dispute resolution, the report blames the parties to the dispute and not Government/NHAI alone.

(e) Recommendations of the B.K. Chaturvedi Committee have been accepted and are being acted upon.

#### ***Statement***

*Summarized details of the main recommendations of the Committee headed by Shri B.K. Chaturvedi given in his report on — “Revised strategy for implementation of the National Highways Development Project (NHDP) — Framework and Financing” as approved by the Government.*

- (i) Modifications to the existing MCA, RFQ, and RFP documents for the road sector, as per details given below:—
- a. Termination Provisions in Road Concession Agreements **(Para 5.1.1)**.
  - b. Exit Policy for (Developer) Concessionaire in MCA. **(Para 5.1.2)**.
  - c. Issue of Security to Lenders in MCA **(Para 5.1.3)**.
  - d. RFP Provisions — Forfeiture of bid security of bidders on account of non-responsiveness **(Para 5.1.4)**.
  - e. Eligibility of applicants/conflict of interest as per RFQ provisions-common shareholding levels **(Para 5.1.5)**.
  - f. Eligibility of applicants/conflict of interest as per RFQ provisions —Continuation of conflict of interest **(Para 5.1.6)**.
  - g. Associate — definition in RFQ thereof **(Para 5.1.7)**.
  - h. “Threshold technical capability” “Eligible projects” (TTC) in latest RFQ **(Para 5.1.8)**.

- i. Increase in Equity Grant (VGF) to 40% by merging 20% equity and 20% O&M Grant into Equity Grant (Para 5.1.9).
  - j. RFQ process – project wise pre-qualification be substituted with annual/periodic pre-qualification (Para 5.1.10).
  - k. Premium provisions under RFP/MCA (Para 5.1.11).
- (ii) Issuance of the RFQ and RFP for the road sector projects after incorporating the recommendations made by the Committee in the Model RFQ and RFP documents issued by the Ministry of Finance, as referred to at clause 1 (i) above.
  - (iii) Further amendments to RFQ and RFP provisions, where necessary, will be carried out by the Ministry of Road Transport and Highways (MoRTH) on the basis of recommendations of the NHAI Board.
  - (iv) Setting up of an Inter-Ministerial Group (IMG) under the Chairmanship of Secretary, MoRTH with representatives of DEA, Department of Expenditure, Planning Commission and Ministry of Law and Justice to consider issues relating to MCA. Where there is unanimity in the decision, the same will be then put up to the Minister, Road Transport and Highways for approval. Where there is no unanimity in the decision, the matter will be placed before the Empowered Group of Ministers (EGoM) comprising the Finance Minister, Minister of Road Transport and Highways and Deputy Chairman, Planning Commission. The EGoM will also consider and take decision on all issues where there is no unanimity in committees at the level of officers and which do not require approval of the Cabinet/CCI.
  - (v) Continuance of endeavour to award projects within the available overall budgetary ceilings, as per the detailed Work Plan for the current year (2009-10) for 12,652 km presented by the NHAI to the Committee.
  - (vi) Recommendations made by the Committee as regards the ‘Modes of Delivery’ and the ‘Financing Plan’ approved with the proviso that the financing plan for 2010-11 onward would be considered by the Empowered Group of Ministers for further action, including such changes to the work plan as may become necessary.
  - (vii) Carrying out implementation of road projects on all the three modes of delivery viz. BOT (Toll), BOT (Annuity) and EPC (Item Rate Contract) concurrently rather than sequentially. Roads below a certain threshold in terms of traffic do not merit testing on BOT (Toll) as the process only leads to delays in implementation and award. Hence, a road not found *prima facie* suitable for BOT (Toll) can be implemented directly on BOT (Annuity) subject to the overall cap as envisaged in the Work Plan. The decision of shifting a project from BOT (Toll) to BOT (Annuity) would be taken by the IMG chaired by Secretary, MoRTH and approved by Minister, Road Transport and Highways.

- (viii) Before implementing a project on EPC basis, it will be compulsorily tested for BOT (Annuity) and only if unacceptable bids are received then only the project will be awarded on EPC basis. Normally, an Annuity bid working out to an Equity IRR of up to 18% will be acceptable as per these norms. However, in the event of bids exceeding the Equity IRR of 18%, the same will be bid out on EPC. In case of difficult areas having law and order problems, security, inhospitable terrain etc., a bid working out to an Equity IRR of up to 21% will be acceptable considering the risk premium of 3%, on case to case basis. PPPAC will be empowered to give approval for projects to be moved from Annuity to EPC where acceptable bids have not been received.
- (ix) In case of projects under NHDP Phase IV, if the traffic is less than 5,000 PCUs, the project will directly be taken up on EPC. For the specific EPC km lengths recommended in the Work Plan, specific EPC packages will be presented before the existing EFC in the MoRTH for approval.
- (x) Based on the feasibility report, the projects would be tried first on BOT (Toll) and in case of non-viability/poor response, the same would be shifted to BOT (Annuity) failing which on EPC. For the projects where NHAI is not able to get bids, the process of preparation of detailed project report may be initiated immediately to save time in case such projects are required to be taken up on EPC.
- (xi) Empowering the Board of NHAI to accept single bids after examining the reasonableness of the same.
- (xii) Raising of overall VGF cap of 5% to 10% for the entire six-laning programme, and consideration of individual projects in low traffic GQ stretches with VGF up to 20% within an overall cap of 500 km out of the 5080 km of the Phase-V programme yet to be awarded.
- (xiii) Funding of the NHDP Projects under SARDP-NE and in Jammu and Kashmir with Additional Budgetary Support (ABS) over and above the cess that the Government provides to NHAI on a yearly basis.
- (xiv) 'In Principle' approval of the Government Support to the NHAI for:—
- a. Issuance of Tax exempted bonds
  - b. Guarantee cover to the Borrowing Plan of NHAI.
  - c. Out of the borrowing approval of Rs. 30,000 crores earlier provided to Indian Infrastructure Finance Company Limited (IIFCL), Rs. 10,000 crores under the fiscal stimulus package will be transferred to NHAI, as per the its borrowing requirement.
  - d. Assistance in negotiating non-sovereign multilateral loans from World Bank, ADB, JBIC etc. by providing back to back support, if necessary.

- e. Providing a Letter of Comfort from Ministry of Finance confirming the availability of Cess at least till 2030-31.

**Extension of golden quadrilateral project upto Kanyakumari**

3054. SHRI S. ANBALAGAN: Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether there is any proposal to extend the golden quadrilateral project upto Kanyakumari;
- (b) if so, the details thereof alongwith the time-frame; and
- (c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH): (a) No, Sir.

- (b) Does not arise.

(c) Golden Qadrilateral project connects four metros namely Delhi, Kolkata, Chennai and Mumbai, North-South corridor connects Srinagar to Kanyakumari under National Highways Development Programme (NHDP).

**Wastage of fuel at toll plazas on NHs**

3055. SHRI ISHWAR SINGH:

SHRI N.K. SINGH:

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

- (a) whether Government is aware of wastage of fuel worth crore of rupees per day due to long snarls of vehicles on various toll plazas at National Highways;
- (b) if so, the details thereof;
- (c) whether the Union Government is also aware that long queues of vehicles at toll plazas are not only wasting fuel but wasting time also;
- (d) if so, the details thereof and whether Government propose to make toll free National Highways in view of wastage of fuel and time; and
- (e) if so, by when and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH): (a) to (e) Long queues have been reported at some of the toll plazas near major cities during peak hours, which could result in wastage of fuel. No such study has been, however conducted by National Highways Authority of India (NHAI). While modernization of toll collection system is envisaged through pilot projects using Electronic Toll Collection Systems, following measures have been adopted to minimize the queuing problems at Toll Plazas:

- (i) Minimizing clearance time of a vehicle by toll operators at the plaza.
- (ii) By installing Electronic Toll Collection System (ETC) at the plazas as pilot testing project.