

**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

**LOK SABHA**

**UNSTARRED QUESTION NO. 711.  
TO BE ANSWERED ON MONDAY, THE 21<sup>ST</sup> NOVEMBER, 2016.**

**PPP INVESTMENT IN INFRASTRUCTURE**

**711. SHRI BAIJAYANT JAY PANDA:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether Public Private Partnership (PPP) investment has been low in infrastructure sectors during the last four fiscal years and if so, the details thereof;
- (b) whether the decrease in private investments in PPP Projects is due to delays in project approvals and land purchases by the Government and complicated dispute resolution mechanism in concession agreements;
- (c) if so, the details thereof; and
- (d) the corrective steps taken by the Government in this regard?

**ANSWER**

**वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)  
THE MINISTER OF STATE (INDEPENDENT CHARGE)  
OF THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRIMATI NIRMALA SITHARAMAN)**

- (a) to (d):** The status regarding PPP investment in infrastructure in respect of various Ministries/Departments is Annexed.

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**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 711 FOR ANSWER ON 21.11.2016**

**1. Ministry of Road Transport and Highways (MoRTH):**

- (a) Yes. The award of MoRTH PPP projects in highway sector dropped in 2012-13 and 2013-14.

However, MoRTH identified the concerned issues and took suitable measures including introduction of a new PPP Model - the Hybrid Annuity Model which resulted in the revival of the sector in the following years.

- In 2015 -16, 7 BOT (Toll) projects with cost of around Rs 12,000 crores and 11 Hybrid Annuity Projects with cost of around Rs 8,700 crores were awarded.
- In 2016 -17 so far, 17 more Hybrid Annuity projects with cost of around Rs 16,300 crores have been awarded. Many more are in advanced stages of bidding.

- (b) The reasons for drop in award of PPP projects in 2012-13 and 2013-14 were delays in Land Acquisition, and regulatory clearances like Environment, Forest & Wildlife Clearances, over-leveraged financial of highway developers, lack of availability of debt products suitable for highway projects, banks reaching ceiling as per sectoral exposure norms and aggressive bidding. Even for awarded PPP projects, work could not start in many.

- (c) & (d) : Major policy initiatives undertaken by MoRTH to address the above include the following:

- i. Exit Policy - enabling developers to take out 100% equity and exit all operational BOT projects two years from COO.
- ii. One time fund infusion -enabling completion of languishing BOT projects that have achieved at least 50% physical progress, through one time fund infusion by NHAI, subject to adequate due diligence.
- iii. Enhanced Inter-Ministerial coordination - a Group has been created under Chairmanship of Hon'ble Minister of Road Transport Highways and Shipping to resolve issues related to Environment & Forests, Railways and Defence.
- iv. Rationalized compensation to concessionaires for languishing NH projects in BOT mode for delays not attributable to concessionaires - has been allowed.
- v. Premium deferment in stressed projects - enabling rescheduling of premium committed by concessionaires during bid stage for awarded projects.

**2. Ministry of Railways:**

- (a) to (d): Till now, investment of more than Rs. 35,000 crore has been committed for Public Private Partnership Projects in Railways. In 2015-16, Ministry of Railways received financial commitment of Rs. 15,082 crore through extra budgetary resources from other than Indian Railway entities.

Ministry of Railways has taken several policy measures to attract private investment namely, new Participative Policy for capacity augmentation, issuing Sectoral guidelines for Domestic/Foreign Direct Investment (FDI), preparing Model Concession Agreements (MCAs) for PPP

models, liberalizing Private Freight Terminal (PFT) policy, Station redevelopment policy, setting up Loco manufacturing units through PPP etc.

Clearance/permissions for the projects are obtained by the developers in terms of the conditions of the contract. The Concession Agreements provide for Conciliation, Arbitration and Adjudication for resolving disputes between Government and partners.

### 3. Ministry of Civil Aviation

(a) No.

(b) to (d) : Do not arise in view of (a) above.

### 4. Ministry of Power and Department of Industrial Policy and Promotion:

They do not have the Central Sector PPP Projects currently.

### 5. Ministry of Micro Small and Medium Enterprises:

NIL

### 6. Ministry of New & Renewable Energy

Most Renewable power projects are installed with private sector investment. As Renewable Power installations are constantly increasing in last many years there is no question of reduction in investment in the sector in PPP mode. Renewable installed capacity in last four years and current year is given below.

2012-13: 3163 MW

2013-14: 3640 MW

2014-15: 4089 MW

2015-16: 7072 MW

2016-17: 3163 MW (April'16 to Sept'16)

### 7. Ministry of Shipping

(a) During last four years, i.e., 2012-2016, a total of 55 projects have been awarded by major ports involving a total investment of Rs. 41810.11 crore, the year-wise details of which are given below:-

S. No.	Year	No. of Projects	Investment
1.	2012-13	19	6182.95
2.	2013-14	16	18640.83
3.	2014-15	10	9376.43
4.	2015-16	10	7669.90

(b) to (d) To increase investment and capacity enhancement in the Major Ports, Port Master Plan up to 2035 has been prepared and is being acted upon by all the Major Ports. In addition to this, various new proposals were identified in the Maritime India Summit held in April 2016, which will be implemented in the near future with an aim to increase PPP investment in the Port Sector.

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