

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 1188
For answer on 22/12/2017

PPP Model

†1188. Shri Devji M. Patel:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has no account of the extent of profits being earned by private companies through the projects run under the Public Private Partnership (PPP) model and if so, the details thereof;
- (b) whether no clear policy has been formulated for capping the duration of time for levying of development charges under the PPP model;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Government proposes to bring projects under the PPP model within purview of the CAG; and
- (e) if so, the details thereof and action taken thereon?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON RADHAKRISHNAN)**

- (a) PPP projects are being undertaken by various Sponsoring Authorities at Central and State and Local Bodies level. The data relating to profits being earned by the private companies is not captured centrally;
- (b)&(c) All project specific parameters including concession period are factored into the financial model while structuring a project for delivery through the PPP model and are executed as per the Concession Agreement signed between the Concessionaire and the Public Authority;
- (d)&(e) All aspects of the public sector role in a PPP project starting from the pre-procurement stage to the end of the Concession period, i.e, the return of the asset to the Public Authority, are subject to statutory audit. Further, Special Purpose Vehicles (SPVs) formed for implementation of PPP projects are covered by the Companies Act 2013 and the prescribed audit procedure therein.
