

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
RAJYA SABHA
UNSTARRED QUESTION NO - 580
ANSWERED ON – 04/02/2026

DELAYS AND COST OVERRUNS IN NATIONAL HIGHWAY PROJECTS

580. SHRI VIVEK K. TANKHA:

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

- (a) how many National Highway projects are presently delayed beyond their original completion timelines, the total project value involved and the extent of cost overruns recorded to date, project-wise;
- (b) why repeated extensions of time are being granted to concessionaires despite persistent delays and the objective criteria used to justify such extensions;
- (c) what penalties, liquidated damages or contract terminations have been imposed on defaulting entities, details thereof, and
- (d) what concrete steps have been taken to prevent recurrence of delays and cost escalations in future National Highway projects?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) Currently, 653 under construction National Highways (NHs) projects with cumulative project cost of about Rs. 4.24 lakh crore, have spilled beyond their original completion schedule as per contract. Of which, 316 projects are facing delay of less than 1 year, 252 projects of 1-3 years and 85 project of more than 3 years, without attaining any of the various stages of project completion and excluding projects under consideration of termination / foreclosure.

Cost overrun is not incurred in all delayed projects. If delay is not attributable to the Contractor, price escalation is paid as per contract conditions, which may or may not result in additional cost, depending upon final value of price escalation determined on actual completion of project. If delay is attributable to the Contractor, damages are imposed and there is no additional cost due to delay.

(b) The timeline for construction is specified in the project contracts, which is generally kept as 2 to 3 years from actual commencement of the project, but there are provisions in the contract to allow extension of timelines for completion of project.

These extensions are granted strictly in accordance with standard contract agreements, recognizing the delays due to factors which are beyond the control of Authority / Contractor /

Concessionaire, such as issues / bottlenecks relating to land acquisition, statutory clearances / permissions, utility shifting, encroachment removal, law & order issues, financial crunch affecting implementation capacity of concessionaire / contractor, poor performance of contractor / concessionaire, and Force Majeure events such as Covid-19 pandemic, Change of Law, etc.

(c) The standard contract agreement document for NHs projects have provisions for imposing penalties on defaulting contractors / concessionaires for delays in achieving project milestones or completion timelines, attributable to them in the various forms, inter-alia, liquidated damages, termination of contract etc., subject to the limits prescribed in the contract. Such actions are taken on a case-to-case basis, with the objective of ensuring timely completion of projects.

The agreements also provide provision for refund or moderation of such damages upon achievement of overall project completion within the stipulated timeframe, which, read together with the milestone-based discipline, supports corrective action, accelerated execution and timely completion of projects, while safeguarding the Authority's contractual rights and public interest.

36 under construction major NH projects were terminated during last three FY inter-alia including delay in project implementation, prior to achieving any of the completion stages.

(d) The Government has undertaken various initiatives to prevent recurrence of delays and cost escalations. These include streamlining and expediting land acquisition using "Bhoomirashi" portal and GIS-based Land Acquisition Plan, revamping "Parivesh" Portal, to facilitate faster forest and environmental clearances, enabling online approval of General Arrangement of Drawings (GAD) of Road Over Bridge/Road Under Bridge (ROB/RUB), and leveraging the mechanism of review and resolution of bottlenecks / hindrances in ongoing projects, in active collaboration with the State Governments and other stakeholders. Government has also launched a web portal for Railway related clearances with defined timelines for various approvals.

The Government has put in place a strong framework using multiple mechanisms for monitoring project progress and contractor inefficiencies. Regular review meetings are conducted at various levels with stakeholders to assess project progress, and critical projects, such as those delayed by more than three years or pending for award / appointment.

Many State Governments conduct coordination meetings led by the Chief Secretary to resolve issues affecting project execution. Projects where issues remain unresolved are escalated for further review through the Project Monitoring Group and also through "PRAGATI".

As a result of the above, no. of projects delayed by more than 3 years has come down from 152 in April' 2024 to 85 in February' 2026.
