

**GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 2692
ANSWERED ON 22ND DECEMBER, 2022**

NH PROJECTS RUNNING BEHIND SCHEDULE

2692. SHRI KAMLESH PASWAN:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

(a) the details of National Highways (NHs) projects running behind schedule along with the reasons therefor and the extent of cost escalation as a result thereof;

(b) the number of NH projects out of the above that have been put on hold due to some budgetary constraints or any other reason; and

(c) the steps taken by the Government to prevent such delay and complete the said projects in a stipulated time frame?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) There are 719 projects across the country, where construction works on National Highways (NHs) are running behind schedule to some extent due to protracted monsoon in many States, above average rainfall in some States, Covid-19 pandemic, increase in price of raw materials (mainly steel), issues/bottlenecks relating to land acquisition, statutory clearances/permissions, utility shifting, encroachment removal, law & order, non-availability of soil/aggregate, financial crunch of Concessionaire/Contractor, poor performance of Contractor/Concessionaire etc.

All delayed projects do not face cost escalation. In BOT projects, there is no cost escalation due to delay as escalation cost is absorbed by the Concessionaire. In other projects, price escalation is payable as per contract conditions, and actual amount of price escalation and increase in project cost, if any, is known only on actual completion of project and final settlement of bills. However, if delay is attributable to the Contractor, damages are imposed and price escalation is not paid, and there is no additional cost due to delay.

(b) There is no such project which has been put on hold due to budgetary constraints. However, in some cases, where projects are delayed substantially have been either foreclosed or terminated on case to case basis and subsequently re-awarded as separate work.

(c) The Government has taken number of steps to prevent such delay like awarding projects after adequate preparation in terms of land acquisition, streamlining land acquisition & environment clearances, simplifying procedure for approval of GAD by Railways, exit for equity investors, premium re-scheduling, securitization of road sector loans, revamping dispute resolution mechanism, relaxations in contract provisions under "Atmanirbhar Bharat" to improve liquidity of funds available with contractors/developers, periodic reviews of projects at various levels, etc.
