

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

STARRED QUESTION NO:16

ANSWERED ON:01.08.2011

NATIONAL HIGHWAYS

Joshi Shri Mahesh;Sampath Shri Anirudhan

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

- (a) whether the Union Government has recently received proposals from the State Governments for construction of new National Highways (NH) in the country;
- (b) if so, the details thereof, State-wise and Union Territory-wise alongwith the number of projects cleared;
- (c) the amount sanctioned and released for the said purpose;
- (d) whether several NH on-going projects have incurred time and cost overruns;
- (e) if so, the details thereof during each of the last three years, State-wise and Union Territory-wise alongwith the reasons therefor; and
- (f) the corrective measures taken/ proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS (DR. C.P.JOSHI)

(a) to (f) A statement is laid on the Table of the House.

STATEMENT REERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 16 FOR ANSWER ON 1.8.2011 ASKED BY ADV. A. SAMPATH AND DR. MAHESH JOSHI REGARDING NATIONAL HIGHWAYS

(a) and (b) The Ministry generally does not construct new National Highways(NHs). It generally considers declaring existing state roads as new NHs depending upon requirement of connectivity, inter-se priority and availability of funds. State-wise details of the proposals received so far from the State Government for declaration of State Roads as new National Highways in the country is at Annexure-I. The details of State road declared as new National Highways corresponding to the above proposal is at Annexure-II.

(c) No allocation of funds are made for declaration of State roads as new National Highways.

(d) and (e) Yes, Madam. National Highway(NH) projects have construction period ranging normally from 30 to 36 months and delay if any can not be attributed to a particular year. State wise list of delayed ongoing contracts is enclosed at Annexure-III. Projects have been delayed due to reasons like problems associated with delay in obtaining forest/wild life clearances, clearances for Railway Over Bridges(ROBs), delay in land acquisition, shifting of utilities , poor performance of contractors, inadequate mobilization of manpower and machinery etc.

As regards, cost overrun, it is applicable only to Engineering-Procurement- Construction (EPC) contracts. In such contracts, escalations due to delay are paid as per contract provisions. In fact the escalation is a contractually enabled provision which permits to limit its payment to material actually consumed, at prevailing prices when the material was consumed. In case the project is delayed due to reasons attributable to the contractor, liquidated damages are imposed and no escalation is paid. Actual escalation due to delay or cost overrun is known only after completion of the project and final settlement of bills.

(f) In order to expedite implementation of projects Regional Offices headed by Chief General Managers have been set up by National Highways Authority of India (NHAI) for close monitoring of implementation of projects. 2 zonal offices headed by Executive Directors have been set up at Bhopal and Bangalore for close monitoring of pre-construction activities. Annual qualification of firms has been introduced to avoid repeated evaluation of firms for pre-qualification. All project are periodically reviewed and monitored at various levels and corrective measures are taken up from time to time.