

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:2645
ANSWERED ON:06.02.2014
PROJECTS UNDER PMGSY
Ganpatrao Shri Jadhav Prataprao;Singh Shri Ratan

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the contractors have to pay penalty as per the provisions of the contract when the projects under Pradhan Mantri Gram Sadak Yojana (PMGSY) are not completed as per the scheduled time-frame;
- (b) if so, the details thereof and the number of projects not completed as per schedule during the last three years along with the details thereof, State-wise;
- (c) the number of cases in which contractors have not paid penalty so far;
- (d) the reasons for not making payment of penalty; and
- (e) the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI LALCHAND KATARIA)

(a) to (e) Rural road is a State subject and Pradhan Mantri Gram Sadak Yojana (PMGSY) is a one-time special intervention of the Government of India to improve the Rural Infrastructure through construction of roads. Execution of rural roads under PMGSY is the responsibility of the State Governments. Contracts for all works under PMGSY are awarded as per the provisions of the Standard Bidding Document (SBD) prescribed by National Rural Roads Development Agency (NRRDA). The works are executed after entering into an agreement between the contractor and the State Rural Roads Development Agency (SRRDA).

The Standard Bidding Document (SBD) prescribes that the contractor is required to pay liquidated damages (penalty) to the employer at the rate per week or part thereof stated in the contract for the period that the completion date is later than the intended completion date. Liquidated damages at the same rate are withheld if the contractor fails to achieve the milestones prescribed in the contract. Any delay in the implementation of the project by the contractor is dealt with by the States in accordance with the provisions in the Standard Bidding Document (SBD) and the instructions issued by the Ministry of Rural Development from time to time.