

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

UNSTARRED QUESTION NO:6045
ANSWERED ON:30.04.2015
NATIONAL HIGHWAYS DEVELOPMENT PROJECT
Khadse Smt. Raksha Nikhil

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

- (a) the details and the types of works proposed to be undertaken under National Highways Development Project and the reasons for undertaking these works in phases;
- (b) whether any time-frame has been laid down by the Government for completion of the works proposed to be undertaken by the Government in various phases; and
- (c) if so, the details thereof and if not, the measures taken by the Government to check the cost escalation of the project?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI PON. RADHAKRISHNAN)

(a) The Government has approved works of 2/4/6 laning, construction of Expressways, construction of ring roads, flyovers and bypasses on selected stretches in cities/ towns, etc., under National Highways Development Project (NHDP) in seven phases. Besides, having different scope of works, different phases were planned and approved at different time.

(b) and (c) Initially specific time-frame was laid down by the Government for each phase under NHDP for their completion. However, subsequently, because of delays/ problems associated with various factors (such as land acquisition, utility shifting, environment/forest/wild life clearances, issues pertaining to Railway Over Bridges (ROBs) / Railway Under Bridges (RUBs), slow progress by the contractors / concessionaires, inability of developers to generate equity funds, non availability of soil/aggre- gates, public agitation for additional facilities, arbit- ration/contractual disputes with contractors, etc.) the Government revised time-frame for the completion of works under various phases from time to time.

The cost overrun is applicable only in item rate contracts. In such contracts, there is a provision of payment of esca- lation due to delays. In case the project is delayed due to reasons attributable to the contractor, liquidity damages are to be imposed and no escalation is paid. The Government reviews the progress of the projects periodically at various levels to sort out the issues related to time overrun, cost overrun including minimizing cost escalation. Various initia- tives taken as remedial measures against time and cost overrun of projects also include measures such as exit for equity investors, premium re-scheduling, securitization of road sector loans, mutual termination / cancellation of awarded road projects and re-bidding, close coordination with other ministries and revamping of dispute resolution mechanism, etc.