

Road project may be completed six years late: ICRA

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The government's ambitious road connectivity project under the Bharatmala Pariyojana Programme (BMP) may achieve completion only by FY28, a delay of nearly six years, rating agency ICRA said in a recent note.

According to the agency, the awarding of BMP projects is expected to be completed in FY24 assuming yearly awards of building 6,000-6,500 km in FY23. However, any significant decline in awarding in FY24 as observed in FY19, being an election year, may push the award completion to FY2025.

Assuming an annual execution of 4,500-5,000 km from FY23 onwards, the BMP is expected to be completed in FY2028, a delay of six years from the initial completion date of FY2022, the ICRA note said.

The major reasons for this are delay in land acquisition, significant rise in land acquisition costs and the covid-19 pandemic. The completion cost of BMP is estimated at ₹10.63 trillion after factoring in cost escalations up to December 2021, which is nearly double initial estimates owing to a substantial rise in land acquisition cost and steep increase in input costs.

The final completion cost would be further higher by at least 15-20% given the impact of rising commodity prices on construction costs, said ICRA.



23% of length under BMP had been completed by March. MINT

Announced in July 2015, BMP involves building 24,800 km of national highways and another 10,000 km of highways pending under the erstwhile National Highway Development Program (NHDP) by FY2022, at an estimated outlay of ₹5.35 trillion, which comes to ₹15.52 crore per km.

The programme is being implemented by three agencies, the National Highways Authority of India (NHAI), the roads wing of the ministry of road transport & highways (MoRTH), and the National Highways & Infrastructure Development Corporation Limited (NHIDCL) with majority of the project awarding being undertaken by the NHAI.

During the last seven years, around 60% (20,632 km vs 34,800 km) of highway length had been awarded as of December 2021. As of March 2022, 23% (8,134 km vs 34,800 km) of the total length under BMP had been completed.