

GOVERNMENT OF INDIA
MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION
RAJYA SABHA
QUESTION NO 21.12.2009
ANSWERED ON
COST AND TIME OVER RUN IN MAJOR PROJECTS .

3524

Shri Rajkumar Dhoot

Will the Minister of COAL AND MINES be pleased to state :-

- (a) whether it is a fact that majority of top 200 major projects under implementations have over run cost and time schedule;
- (b) if so, the details of projects delayed by more than six months and cost escalated by more than 25 per cent with reasons therefor;
- (c) whether any responsibilities have been fixed for delays and cost over run; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE), MINISTRY OF COAL AND STATISTICS & PROGRAMME IMPLEMENTATION

(SHRI SRIPRAKASH JAISWAL)

(a) As on 30th September, 2009, out of top 200 central sector major projects in terms of their anticipated cost, on the monitor of the Ministry, 44 projects have both time and cost overruns.

(b) Out of 44 projects with time and cost overruns, 24 projects have reported delay of six months and more and have cost overrun of 25% or more. Sector-wise number of projects is given below:

Sl.No.	Sector Name	No. of Projects
1	COAL	2
2	STEEL	1
3	PETROLEUM	7
4	POWER	6
5	RAILWAYS	7
6	WATER RESOURCES	1
Total		24

The main reasons for cost and time overruns include; delay in land acquisition, delay in procurement of equipment, law and order problems, inadequate infrastructure, delay in mobilization by contractors, general cost escalation due to delay, increase in prices of cement and steel and exchange rate variation.

(c)&(d)The mechanism of Standing Committee in the Ministries identifies reasons for time and cost overruns and agencies/individual responsible for delay and cost overruns. The recommendations of the Committee are implemented by the Ministries concerned which inter alia submit Action Taken Report along with the revised cost estimates for approval of the Cabinet.