

GOVERNMENT OF INDIA
MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

RAJYA SABHA
UNSTARRED QUESTION NO. 638
TO BE ANSWERED ON FRIDAY, THE 14th DECEMBER, 2018

COST OVERRUN OF INFRASTRUCTURE PROJECTS

638. SHRI BHUBANESWAR KALITA:

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

- (a) whether it is a fact that a study conducted by “Core Ratings” revealed that 358 Central infrastructure projects worth ₹ 3.38 lakh crores are facing cost overrun;
- (b) if so, the details thereof together with the reasons therefor; and
- (c) the steps taken by Government for more effective monitoring of implementation of infrastructure projects?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS [SHRI VIJAY GOEL]

(a) CARE Ratings is rating and grading agency located in Mumbai and undertakes credit ratings for companies. It also evaluates various infrastructure projects based on their own methodology and fee structure. CARE Ratings has informed that 358 Central infrastructure projects worth ₹ 3.38 lakh crores are facing cost overrun.

The Ministry of Statistics and Programme Implementation monitors on-going Central Sector Infrastructure Projects costing Rs. 150 crore and above on time and cost overruns, on the basis of information provided by the project implementing agencies. As on 01.08.2018, a total of 1361 projects were on the monitor of this Ministry of which 358 projects were showing cost overruns worth ₹ 3.53 lakh crore.

(b) The details of projects showing cost overruns are available in the flash report for the month of July, 2018 at <http://www.cspm.gov.in/english/lsmfr.htm>.

The causes for cost overruns are project-specific, depend on a variety of technical, financial and administrative factors, and differ from project to project. However, as reported by the project implementing agencies on this Ministry's OCMS, the main reasons for cost overrun of the Projects are: law and order problems, delay in land acquisition, delay in environment and forest clearances, funding constraints, rehabilitation and resettlement issues, local body / municipal permissions, utility shifting, contractual issues, etc.

(c) The major steps undertaken to ensure completion of Central Sector Infrastructure Projects without time and cost overruns include; Periodic review of projects under PRAGATI through video conferencing by Hon'ble Prime Minister; rigorous project appraisal; On-line Computerized Monitoring System (OCMS) for better monitoring; setting up of Revised Cost Committees in the Ministries for fixation of responsibility for time and cost overruns; regular review of infrastructure projects by the concerned administrative Ministries; and setting up of Central Sector Projects Coordination Committees (CSPCCs) in the States under the Chief Secretaries for removal of bottlenecks and for facilitating the speedy implementation of major projects.
