

**GOVERNMENT OF INDIA
MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION**

**LOK SABHA
UNSTARRED QUESTION NO. 5361
TO BE ANSWERED ON WEDNESDAY, THE 28th MARCH, 2018**

RISE IN COST DUE TO DELAYED PROJECTS

5361. SHRI AJAY MISRA TENI:

SHRI RAJKUMAR SAINI:

SHRI JANAK RAM:

SHRI ANOOP MISHRA:

SHRI BHARAT SINGH:

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

- (a) whether the Government is monitoring projects especially those belonging to infrastructure sector and if so, the details thereof;**
- (b) the names of the Ministries which have maximum cases of rise in cost due to delayed projects and the total amount of rise in cost of these delayed projects;**
- (c) whether the cost of various stranded projects is increasing in the country due to adverse market conditions; and**
- (d) if so, the details thereof along with the steps taken by the Government to complete all the said projects in a time bound manner?**

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) Government in 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 on the On-line Computerized Monitoring System (OCMS) of this ministry.

The details of Central Sector Infrastructure Projects are available in flash report at www.cspm.gov.in/publications.

(b) The details of Sectors (corresponds to nodal Ministries) which has maximum cases of rise in cost due to delayed projects and the total amount of rise in cost of these delayed projects are available in flash report at www.cspm.gov.in/publications.

(c) The reasons for time and 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 the OCMS of this ministry, the main reasons for increase in cost of the projects are: Under-estimation of original cost; Changes in rates of foreign exchange and statutory duties; High cost of environmental safeguards & rehabilitation measures; Spiraling land acquisition costs; Shortage of skilled manpower/ labour; Changes in Project scope; Monopolistic pricing by vendors of equipment services; General Price rise / inflation and Time Overruns.

(d) The major steps taken to ensure completion of Central Sector Infrastructure Projects without time and cost overruns include: 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 concerned Chief Secretaries for removal of bottlenecks and for facilitating the speedy implementation of major projects.
