

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

**LOK SABHA  
STARRED QUESTION NO. \*227  
TO BE ANSWERED ON 04.12.2019**

**INFRASTRUCTURE PROJECTS**

**\*227. SHRI ASADUDDIN OWAISI:  
SHRI SYED IMTIAZ JALEEL:**

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

- (a) whether as per the data published by his Ministry, about 355 infrastructure projects, each worth more than Rs.150 crore, have shown cost overrun by 20 percent;**
- (b) if so, the details thereof and the reasons therefor;**
- (c) the extent to which delay in the clearance and implementation, slow down in economy and labour unrest are responsible for cost escalation of infrastructure and other projects; and**
- (d) the steps taken or being taken by the Government for restriction of cost escalation and timely completion of projects?**

**ANSWER**

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING (RAO INDERJIT SINGH)**

**(a) to (d): A Statement is laid on the Table of the House.**

**Statement referred to in Reply to parts (a) to (d) of Lok Sabha Starred Question No. 227 for answer on 04.12.2019.**

**(a) 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. As per the Flash Report of July,2019, 355 projects are showing cost overrun and the overall cost overruns is Rs. 3.88 lakh crore (20.07%).**

**(b) & (c) The details of these projects are available in the flash report at [www.cspm.gov.in/publications](http://www.cspm.gov.in/publications). The reasons 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 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. Delay in land acquisition and forest clearance has been one of the reasons for time overrun leading to cost overrun as reported by implementing agencies.**

**(d) The major steps taken or being taken by the Government to restrict the cost escalation and timely completion of projects are: Periodic review of projects under PRAGATI; 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.**

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