GOVERNMENT OF INDIA

MINISTRY OFSTATISTICS AND PROGRAMME IMPLEMENTATION

RAJYA SABHA

QUESTION NO26.07.2010

ANSWERED ON

COST ESCALATION OF PROJECTS DUE TO DELAY.

107 Shri D. Raja

Will the Minister of RURAL DEVELOPMENT INFORMATION AND BROADCASTINGSTATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state :-

- (a) whether it is a fact that the delay in executing projects of various ministries on time which were undertaken between 2004 and 2010 has cost Government more than Rs.55,000 crore due to cost escalation; and
- (b) if so, the details of the number of projects which were delayed, the original cost of each project and the latest estimated cost on the completion in each case, Ministry-wise?

ANSWER

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

(SHRI SRIPRAKASH JAISWAL)

(a) to (b) As on 31st March, 2004, out of 285 major central sector project costing Rs.100 crore and above on the monitor of the Ministry of Statistics and Programme Implementation, 118 delayed projects reported cost overrun of Rs. 28,472.6 crore which is 52% of their approved original costs, where as on March, 2010, out of 631 projects, 327 delayed projects reported cost overrun of Rs.52,213 crore which is 15.8% of their original approved costs. The cost overruns are due to escalation and other factors including delay in projects for various reasons, change in scope, and increase in quantities. Year-wise details of number of projects delayed between March, 2004 to March, 2010, their original costs and their anticipated completion costs sector-wise are given in the Statement in Annexure-I.