

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

**LOK SABHA
UNSTARRED QUESTION NO. 1730
TO BE ANSWERED ON 13.12.2023**

COST OVERRUN INFRASTRUCTURE PROJECTS

1730. SHRI RAVNEET SINGH BITTU:

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

- (a) whether a large number of infrastructure projects of the Government each entailing an investment of Rs.150 crore or more have been hit by cost overruns in the country;**
- (b) if so, the details thereof, State/UT-wise especially in the State of Punjab;**
- (c) the detailed reasons for these huge cost overruns on Government infrastructure projects in the country;**
- (d) whether there is non-reporting of revised cost estimates and commissioning schedules for many projects by the project executing agencies and if so, the details thereof; and**
- (e) whether the Government has taken any measures to fix the issue in this regard, is so, the details thereof?**

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS
[RAO INDERJIT SINGH]**

(a) & (b) As per latest Flash Report for the month of October, 2023 published by Ministry of Statistics & Programme Implementation, out of total 1788 Central Sector Projects, 411 Projects are having cost overrun. The state/UT wise details (including Punjab) of these projects is at Annexure.

(c) The reasons for cost escalation are project-specific, and 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 On-line Computerized Monitoring System (OCMS) portal of the 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; Spiralling 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) Yes Sir, there are 134 Central Sector Projects which required to revise the cost estimate. For 290 projects neither the year of commissioning nor the tentative gestation period has been reported. The detail of these projects is available at <http://www.cspm.gov.in/english/publication>.

(e) The steps taken by the Government to control the cost escalation are: Periodic review of projects under PRAGATI; rigorous project appraisal; OCMS for better monitoring; setting up of Revised Cost Committees in the Ministries; 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.

**ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF THE
LOK SABHA UNSTARRED QUESTION NO. 1730 TO BE ANSWERED**

ON 13/12/2023

State-wise Number of Projects Having Cost Overrun

All cost are in Rs Crore

Sl.No	State	No. of Projects	Original Cost	Anticipated Cost	Cost overrun (%)	No.	Original Cost	Anticipated Cost	Cost overrun (%)
1	ANDHRA PRADESH	97	1,33,439.34	1,89,980.07	42.37	29	57,723.40	1,14,661.17	98.64
2	ARUNACHAL PRADESH	28	49,473.75	64,435.96	30.24	1	6,285.33	21,247.54	238.05
3	ASSAM	55	56,689.13	64,839.76	14.38	8	18,906.07	28,459.63	50.53
4	BIHAR	93	1,13,905.20	1,37,601.82	20.80	31	38,975.70	63,746.16	63.55
5	GOA	11	6,567.98	6,628.08	0.92	1	303.90	364.00	19.78
6	GUJARAT	91	1,44,538.07	1,62,805.63	12.64	26	39,210.89	58,119.76	48.22
7	HARYANA	33	68,389.49	70,677.32	3.35	6	7,370.41	9,658.28	31.04
8	HIMACHAL PRADESH	27	26,047.08	38,199.85	46.66	8	10,926.82	23,297.14	113.21
9	JAMMU AND KASHMIR	45	67,258.12	1,02,275.02	52.06	3	4,997.72	40,014.62	700.66
10	KARNATAKA	77	99,671.14	1,03,636.57	3.98	19	14,407.05	19,868.07	37.91
11	KERALA	31	63,259.81	70,594.48	11.59	13	28,840.42	36,933.69	28.06
12	MADHYA PRADESH	82	73,994.86	85,360.20	15.36	13	18,197.77	29,786.78	63.68
13	MAHARASHTRA	217	2,06,782.13	2,30,693.70	11.56	29	78,135.49	1,08,820.73	39.27
14	MANIPUR	32	14,557.83	24,425.66	67.78	1	4,454.17	14,322.00	221.54
15	MEGHALAYA	14	5,372.73	12,735.93	137.05	1	906.46	8,324.28	818.33
16	MIZORAM	19	10,827.75	19,404.27	79.21	11	7,115.01	15,719.90	120.94
17	NAGALAND	34	12,139.03	16,489.44	35.84	2	2,699.59	7,050.00	161.15
18	ODISHA	85	1,18,068.75	1,25,113.28	5.97	19	17,608.67	24,754.47	40.58
19	PUNJAB	34	31,046.16	31,274.14	0.73	3	1,008.10	1,236.08	22.61
20	RAJASTHAN	73	82,119.63	87,299.34	6.31	3	13,624.08	18,978.32	39.30
21	SIKKIM	21	14,177.10	21,062.97	48.57	5	2,361.46	9,371.18	296.84
22	TAMIL NADU	74	2,12,065.17	2,34,918.06	10.78	30	51,023.60	75,187.00	47.36
23	TRIPURA	17	4,961.02	5,317.50	7.19	8	2,080.89	2,437.37	17.13
24	UTTAR PRADESH	123	1,57,484.07	1,79,425.86	13.93	36	49,321.11	72,127.19	46.24
25	WEST BENGAL	62	71,886.35	91,106.01	26.74	22	31,678.10	51,523.91	62.65
26	ANDAMAN AND NICOBAR ISLANDS	9	2,847.18	3,118.54	9.53	2	655.03	945.73	44.38
27	DELHI	29	93,102.83	97,504.84	4.73	10	51,768.05	56,257.49	8.67
28	PUDUCHERRY	1	195.00	195.00	0.00	0	0.00	0.00	0.00
29	CHHATTISGARH	57	67,233.03	68,837.92	2.39	10	12,535.72	14,758.32	17.73
30	JHARKHAND	67	96,816.59	1,04,162.24	7.59	18	27,824.55	36,964.89	32.85
31	UTTARAKHAND	30	36,188.46	54,008.18	49.24	7	25,172.12	42,991.84	70.79
32	TELANGANA	46	32,326.07	35,213.70	8.93	7	13,264.18	16,151.81	21.77
33	LADAKH	8	2,767.29	2,926.96	5.77	1	480.33	640.00	33.24
34	MULTI STATE	66	3,02,248.46	3,67,258.33	21.51	28	55,849.70	1,22,150.15	118.71
	Total	1788	24,78,446.60	29,09,526.63	17.39	411	6,95,711.89	11,46,869.50	64.85