

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2469
ANSWERED ON:18.12.2003
LOSSES DUE TO NON-COMPLETION OF PROJECTS
GADDE RAMAMOCHAN;SADASHIVRAO DADOBA MANDLIK

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether it has come to the notice of Union Government that some public sector undertakings have incurred losses of crores of rupees due to non completion of projects undertaken by them;
- (b) if so, the details and reasons therefor, PSU-wise; and
- (c) the corrective steps taken/being taken by the Union Government in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES AND MINIST PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): As on 30.09.2003, there were 515 projects costing Rs.20 crore and above under implementation in the central sector. These projects had registered an overall cost overrun of Rs.41376.28 crore with reference to the original approved cost of Rs.189862.67 crore. The reason for time and cost overruns vary from project to project. However, the sector-wise details of cost overruns and reasons for delay in execution of projects is annexed.

(c): The steps taken by the Government vary from project to project and time to time to tackle the situation. However, some of the measures taken by the Government include stricter appraisal of project reports before investment approval, taking up of projects for implementation only after funds have been fully tied up, monthly and quarterly review of projects, inter-ministerial coordination for resolving unresolved problems, setting up of standing/empowered committee in the Ministries/Departments to review as well as to fix responsibility for time and cost overrun, appointment of nodal officers for each project and issue of guidelines on standard bidding documents for adoption.

Annexure

Annexure in reference to Unstarred Lok Sabha Question No.2469 for answer on 18.12.2003

Sl.No.	Sector	No.of Proj-ects	Original Cost	New Anticipated Overrun	Cost	Reasons for Delay
1	Atomic Energy	8	24115.33	26262.27	2146.94	Delay in supply of equipment
2	Civil Aviation	3	161.23	181.68	20.45	Delay in award of contracts, law and order problem
3	Coal	56	7311.25	7714.78	403.53	Fund constraints, delay in land acquisition, environmental clearance and supply of equipment geominig problem
4	Fertilizers	1	350	509.40	159.40	Delay in supply of equipment
5	I & B	2	93.32	140.77	47.45	Delay in selection of technology award of contracts, supply of equipment and execution of civil works, court cases
6	Mines	3	2598.76	2598.76	0.00	

7	Steel	7	939.07	956.81	17.74	Delay in erection of equipment
8	Petroleum	30	33352.64	35654.25	2301.61	Delay in award of contracts
9	Power	46	55238.99	69845.91	14606.92	Delay in land acquisition, geomining problems, law and order problems and slow progress in execution of works
10	Health & Family Welfare	3	159.94	780.86	620.92	Redesign of the project
11	Railways	168	29588.56	43955.43	14366.87	Problems relating to land acquisition and selection of technology, Fund constraints, delaying award.
12	Road Transport	122	25721.28	26545.86	824.58	Delay in land acquisition, import of equipment, design complexities in bridges, slow progress by contractors.
13	Shipping & Port	41	3955.8	3961.49	5.69	Fund constraints, delay in supply of equipment, delay in civil works, slow progress.
14	Telecommunication	11	652.98	692.83	39.85	
15	Urban Development	12	5214.19	10995.85	5781.66	Delay in land acquisition, finalization of designs and award of contracts, slow progress of work execution.
16	Water Resources	2	409.33	442.00	32.67	
	Total	515	189862.67	231238.95	41376.28	