

**GOVERNMENT OF INDIA  
STATISTICS AND PROGRAMME IMPLEMENTATION  
LOK SABHA**

STARRED QUESTION NO:409

ANSWERED ON:08.12.2010

PROJECTS TIME AND COST OVERRUNS

Rama Devi Smt. ;Siddeswara Shri Gowdar Mallikarjunappa

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

- (a) the number of projects costing Rs.20 crore or more, being financed by the Central Government, State-wise;
- (b) the amount spent on these projects upto March, 2010;
- (c) the number of projects that have incurred time and cost overruns, State-wise and the likely cost escalation of these projects;
- (d) the reasons for the time and cost overruns of these projects; and
- (e) the steps taken for the expeditious completion of the projects alongwith action taken against the defaulting agencies in this regard?

**Answer**

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

(a) to (e) A Statement is laid on the Table of the House.

Statement Referred to in the reply to Lok Sabha Starred Question No. 409 for 08.12.2010.

(a)to(c) The mandate of the Ministry has been revised with effect from 01.04.2010 to monitor projects costing Rs. 150 crore and above. As on 1st September, 2010, 606 Central Sector projects costing Rs. 150 crore and above were on the monitor of the Ministry of Statistics and Programme implementation. Details of these projects state-wise are given in Annexure-I. Total expenditure incurred on these projects is of the order of Rs.312,096.23 crore. Out of these 85 projects have both time as well as cost overruns. The cost overrun in these projects is of the order of Rs.87129.32 crore. The range of delay in these projects varies from 18 to 225 months. The details of these projects statewide are given in the Annexure-II.

(d) The main reasons for delay in ongoing projects include: slow progress by contractors due to labour supply and financial problems, fund constraints, delay in land acquisition, delay in supply of equipment by indigenous and foreign suppliers, law and order problems, geological problems, inadequate infrastructure etc.

(e) The steps taken by the Government to complete the ongoing projects, inter-alia include:

- (i) adequate provision of funds for implementation;
- (ii) in-depth review of projects on monthly and quarterly basis by the Government;
- (iii) follow up with the State Governments in respect of problems relating to land acquisition, rehabilitation related issues, forest clearances, infrastructure facilities, ensuring law and order at project sites, etc.;
- (iv) setting up of an Empowered Committee in the administrative Ministries for review and resolving problems of departmentally executed projects;
- (v) inter-ministerial coordination for resolving unresolved problems;
- (vi) setting up of Standing Committees in the Ministries/Departments to fix responsibility for time and cost overruns; and
- (vii) appointment of nodal officers for each project with continuity of tenure.

The projects are implemented with the help of contractors and consultants which are governed by the contract document signed by the owner and contracting agency. Contractors/consultants are levied liquidated damages for delays as per the provisions in the contract.