

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

UNSTARRED QUESTION NO:4477

ANSWERED ON:20.12.2012

COST OVERRUN ON PROJECTS

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

- (a) the total cost overrun on major infrastructure projects in the country during the Eleventh Five Year Plan, project-wise;
- (b) the reasons for such huge loss to the exchequer; and
- (c) the steps proposed to be taken to overcome such shortfalls and loss in future?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE), MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND
MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) & (b): The Ministry of Statistics and Programme Implementation was monitoring the Central Sector Infrastructure Projects costing ? 20 Crores and above till 31st March, 2010 on the basis of information supplied by the Project Implementing Agencies. The financial limit of Projects on the monitor of the Ministry was raised to ? 150 Crores from 1st April 2010. The cost overrun observed in infrastructure projects was ? 52,150.68 Crores at the end of 11th Five Year Plan i.e. on 31st March 2012. The cost overrun in the projects was mainly due to inflation, change of scope, fluctuation of exchange rate, higher tender value, etc. The project wise detail of cost overrun is at Annexure.

(c): The major steps initiated/proposed to be initiated to ensure timely completion of projects within scheduled cost includes rigorous project appraisal, prioritization of projects in the light of resources constraints, close monitoring of the projects through On-line Computerised Monitoring System(OCMS), higher weightage to project implementation by PSUs in the MOUs signed between them and the administrative Ministries, setting up of Central Sector Project Coordination Committee (CSPCC) in states under respective Chief Secretaries for removal of bottlenecks and impediments in project implementation and constitution of an Inter-Ministerial Group (IMG) under chairmanship of Secretary (S&PI) to facilitate the speedy implementation of major projects.