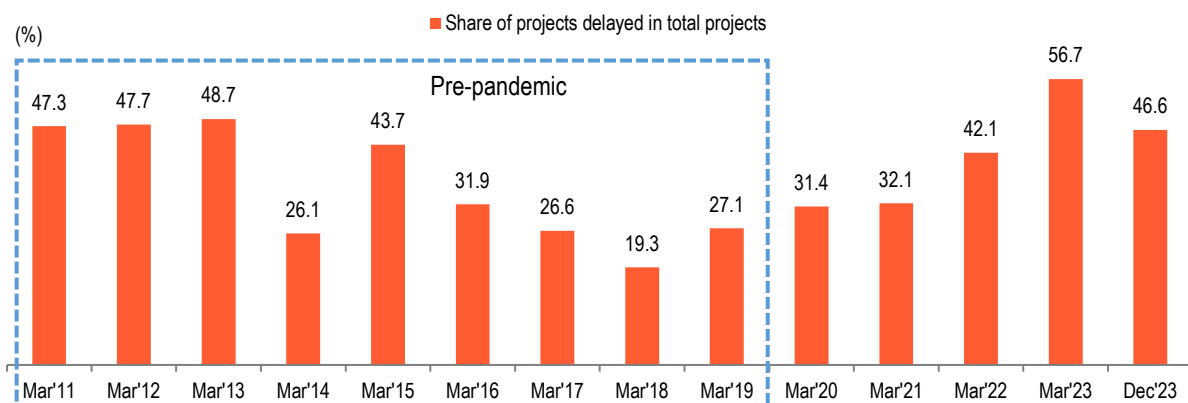


Status of infrastructure projects

An overview of data by Infrastructure and Project Monitoring Division (IPMD) under the Ministry of Statistics and Programme Implementation reveals some interesting facts. The IPMD is tasked with monitoring the progress of high value infrastructure projects which have a cost of over Rs. 150 crores. As of 1 Jan 2024, a total of 1,820 such projects were under the surveillance of the IPMD. Out of this, 848 or 46.6% of the projects were delayed. This marks a significant improvement as at the end of Mar’23, the ratio of delayed projects to total projects was much higher at 56.7%. However, this is still much higher than the pre-pandemic period, i.e. Jan’20 when the ratio was just at 32.6%.

On the positive side, a total of 618 projects are on schedule and 56 projects are ahead of schedule so far. For the rest 298 projects, data on year of commissioning/gestation period is not available. However, there are 198 projects which are showing additional delays over the delay indicated last month.

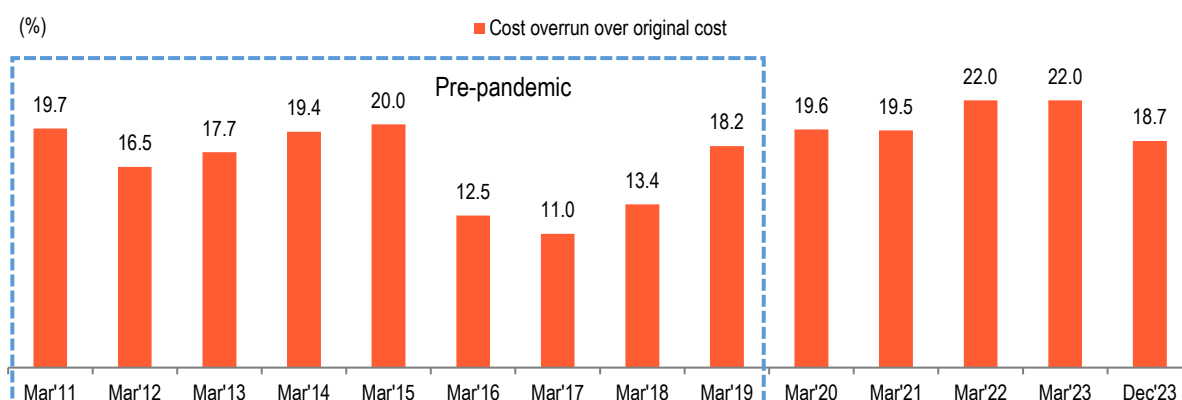
Figure 1: Trends in delay in infrastructure projects over the years



Source: Infrastructure and Project Monitoring Division, MOSPI, Bank of Baroda Research

A significant number of projects are also showing cost overruns. The cost of the 1,820 projects under monitoring stands at Rs. 30.7 lakh crores which is about 18.7% above the original cost which was Rs. 25.9 lakh crores. Interestingly, there has been a significant reduction in cost overruns of infrastructure projects since Mar’23, when the cost overrun stood at 22%. Even when compared with the pre-pandemic period (19.4% in Jan’20), the cost overrun is lower. Notably, the period just after the pandemic saw the highest cost overrun as the phase of reopening along with the Russia-Ukraine war led to a sharp increase in input prices in this period. However, with the correction seen in global commodity prices, the cost overrun is also trending lower.

Figure 2: Trends in cost overrun in infrastructure projects over the years



Source: Infrastructure and Project Monitoring Division, MOSPI, Bank of Baroda Research

Duration of delays:

In terms of the duration in delay, 32% or 323 projects are showing delay of between 25 to 60 months. On the other hand, around 48% projects have time overruns between 1 to 24 months. A total of 123 projects are experiencing a delay of more than 60 months. The overall delay in the 848 projects is 36.59 months (average).

Sector-wise picture of delayed projects:

In terms of major sectors, road transport and highways which has the highest number of projects under monitoring at 1,021 also recorded the highest number of delayed projects at 450. In fact, these accounted for over 50% of the total projects delayed. Even as a percentage of total projects in the sector, the share of delayed projects is quite high at over 40%. Apart from this, railways which also has 250 projects under monitoring, recorded delay in about 42% of these. For petroleum and coal, the share of delayed projects in total delayed projects stood at 10.7% and 5.7% respectively. In terms of range of time overruns which is defined as the difference between anticipated date of commissioning and original date of commissioning, railways and atomic energy seem to be lagging the most.

Table 1: Projects delayed by sectors

Sr. No.	Sector	Total Projects under monitoring	No of Projects delayed w.r.t original schedule	Delayed projects as % of total delayed projects	Range of Time overruns (in months)
1	Road transport and highways	1,021	450	53.1	1-131
2	Railways	250	105	12.4	3-255
3	Petroleum	157	91	10.7	1-143
4	Coal	124	48	5.7	12-156
5	Power	98	59	7.0	1-193
6	Others	170	95	11.2	-
Total		1,820	848		

Source: Infrastructure and Project Monitoring Division, MOSPI, Bank of Baroda Research

State wise picture:

Over 56% of total projects under monitoring are concentrated in 10 major states, with Maharashtra, UP and Andhra Pradesh accounting for over 100 projects each. Within this, Maharashtra has seen the highest percentage of project overruns at 49.5%, which is also higher compared with the overall time overrun of 46.6%. However, both UP and AP have performed better in this regard. Notably, at 25.7%,

the share of delayed projects to total projects is the lowest in Andhra Pradesh amongst major states. Other states which are showing higher time overruns include Gujarat (55.4%), Tamil Nadu (52.7%), Odisha (51.8%) and Bihar (51.6%). On the other hand, Rajasthan has shown a significantly lower share of delayed projects. Interestingly, the performance of some smaller states such as Kerala, Himachal Pradesh and Telangana has been quite good, as these have been able to keep the share of delayed projects in a range of 25.9%-31.3% (details in Annexure 1).

Table 2: Projects delayed by states

Sl.No	State	Total no. of projects under monitoring	Projects with time overruns	Delayed projects as % of total projects in the state
1	Maharashtra	208	103	49.5
2	Uttar Pradesh	127	50	39.4
3	Andhra Pradesh	105	27	25.7
4	Bihar	93	48	51.6
5	Gujarat	92	51	55.4
6	Madhya Pradesh	85	39	45.9
7	Karnataka	84	39	46.4
8	Odisha	83	43	51.8
9	Rajasthan	76	24	31.6
10	Tamil Nadu	74	39	52.7
	Total	1,820	848	46.6

Source: Infrastructure and Project Monitoring Division, MOSPI, Bank of Baroda Research

Conclusion:

The above analysis shows that while time delays in infrastructure projects have declined relative to Mar'23, it still remains high when compared with the pre-pandemic period. This suggests that some of the effects of the pandemic still linger on. Apart from this, certain sector specific factors also contribute to a delay in project completion. On the other hand, cost overruns increased post the pandemic reopening but with a correction in global commodity prices, s have been on a downtrend this year.

With the government laying a strong focus on capital expenditure by successively increasing the outlay on capex, it is important that these projects are completed on time, so as to contribute meaningfully to growth. In this sense, the falling share of delayed projects in the last 3 months is an encouraging sign.

Annexure 1: Projects delayed by states

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9	Rajasthan	76	24	31.6
10	Tamil Nadu	74	39	52.7
11	Jharkhand	67	25	37.3
12	Multi state	66	42	63.6
13	West Bengal	63	35	55.6
14	Assam	59	28	47.5
15	Chhattisgarh	58	30	51.7
16	Telangana	55	15	27.3
17	Jammu and Kashmir	45	23	51.1
18	Nagaland	36	16	44.4
19	Punjab	36	15	41.7
20	Haryana	33	23	69.7
21	Manipur	33	24	72.7
22	Kerala	32	10	31.3
23	Uttarakhand	32	13	40.6
24	Delhi	29	13	44.8
25	Arunachal Pradesh	28	13	46.4
26	Himachal Pradesh	27	7	25.9
27	Sikkim	21	16	76.2
28	Mizoram	20	16	80.0
29	Meghalaya	14	7	50.0
30	Tripura	12	4	33.3
31	Andaman and Nicobar islands	9	4	44.4
32	Ladakh	9	1	11.1
33	Goa	8	5	62.5
34	Puducherry	1	0	0.0
	Total	1,820	848	46.6

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