

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:3803
ANSWERED ON:21.08.2003
JUSTIFICATION OF PROJECTS
VINAY KUMAR SORAKE

Will the Minister of RAILWAYS be pleased to state:

(a) whether in terms of Rules 201 and 204 of Indian Railways Financial Code-Volume I, it is necessary that a new projects to be undertaken by Railways should be financially justified and that the Rate of Return (ROR) should not be less than 10% of the estimated cost;

(b) if so, the reasons for sanctioning the work of gauge conversion (from narrow gauge to Broad gaug

(e) on Yelahanka-Chikballapur-Bangarpet section which resulted in an infructuous expenditure of more than Rs. 60 crores after the projects was abandoned midway as commercially unviable; and

(c) the reasons for Railways not providing adequate funds for commercially viable projects like Hassan Mangalore broad gauge conversion for the last 10 years?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS(SHRI BANDARU DATTATRAYA)

(a) to (c): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF UNSTARRED QUESTION NO. 3803 BY SHRI VINAY KL SORAKE TO BE ANSWERED IN LOK SABHA ON 21.08.2003 REGARDING JUSTIFICATION OF PROJECTS

(a): The projects on Indian Railways, chargeable to Capital, are generally sanctioned on financial consideration, where the rate of return should not be less than 10% (since revised to 14%). However, at the same time, in case of major projects, Indian Railways Finance Code also provides that, inter alia, costs and benefits likely to be realized by the economy as a whole should be kept in mind as Railways are considered an important instrument of economic and industrial development.

(b): The work of gauge conversion of Yelahanka-Chikballapur and Kolar-Bangarpet section had been taken up under Project Unigauge and had since been commissioned.

(c): Gauge conversion of Arsikere-Hassan-Mangalore MG is being progressed in Phases and funds are being provided commensurate with the works planned. Work on Arsikere-Hassan-Sakleshpur section of the project has been completed and commissioned. Work on Mangalore-Kabakaputtur is nearing completion. It is targeted to complete the section upto Subramanya Road from Mangalore end during 2003-04. The work on ghat section between Subramanya Road and Sakleshpur is also in progress and is expected to be completed during 2004-05 subject to availability of resources. This is one of the projects being implemented through KRIDE.