

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

STARRED QUESTION NO:143
ANSWERED ON:08.03.2007
COST ESCALATION OF RAILWAY PROJECTS
Acharia Shri Basudeb;Budholiya Shri Rajnarayan

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways have identified the projects which have far exceeded their project cost due to delay in implementation;
- (b) if so, the total number of such projects, alongwith the gross increase in the cost of such projects; and
- (c) the steps taken/being taken by the Railways to expedite the completion of these projects?

Answer

MINISTER OF RAILWAYS (SHRI LALU PRASAD)

(a) to (c): A statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF STARRED QUESTION NO.143 BY SHRI RAJNARAYAN BUDHOLIYA AND SHRI BASUDEB ACHARIA TO BE ANSWERED IN LOK SABHA ON 08.03.2007 REGARDING COST ESCALATION OF RAILWAY PROJECTS

(a) & (b): Railways have a huge throwforward of ongoing projects with limited availability of resources, as a result of which the projects take long time in completion. This results into increase in cost of projects due to escalation and other reasons including change in standards of construction and technology, scope of the work and conditions of the area etc. during the intervening period. In the absence of assured matching funds at the time of taking up of a project, there is an increase in cost in almost every project due to reasons enumerated above.

(c) : The availability of funds for the projects have increased considerably over couple of years primarily due to provision of funds through internal generation of resources, additional funds for National Projects, Participation of State Governments, Public Private Partnership, Defence funding and implementation of projects by Rail Vikas Nigam Limited through extra-budgetary resources. State Governments have been requested to share at least 50% of the cost of New Line and Gauge Conversion projects to expedite their completion.