

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

STARRED QUESTION NO:275
ANSWERED ON:10.08.2000
LOSS SUFFERED BY KONKAN RAILWAY CORPORATION
RAJO SINGH

Will the Minister of RAILWAYS be pleased to state:

- (a) the total expenditure incurred on construction of Konkan Railway Project;
- (b) whether the Konkan Railway Corporation has been suffering a heavy loss at present;
- (c) if so, the details in this regard and the reasons therefor; and
- (d) the efforts made by the Railways to make Konkan Railway Corporation profitable?

Answer

MINISTER OF RAILWAYS(KUMARI MAMTA BANERJEE)

(a) to (d): A Statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (d) OF LOK SABHA STARRED QUESTION NO. 275 BY SHRI RAJO SINGH TO BE ANSWERED ON 10.08.2000 REGARDING LOSS SUFFERED BY KONKAN RAILWAY CORPORATION

(a) : Approximately Rs. 3550 crores were spent on construction of Konkan Railway Project.

(b)&(c) : The Konkan Railway is able to meet its working expenses. However, the Konkan Railway is in financial difficulty on account of the need to service debts incurred for carrying out construction. Railway projects, by their very nature, involve heavy capital investment and it takes several years to generate enough traffic to enable the project break even. Financial details of Konkan Railway Project for the year 1999-2000 are given below:

i) Earnings	=Rs.130.21 crores
ii) Expenses	=Rs.111.67 crores
iii) (a) Lease charges	=Rs. 19.96 crores
(b) Financing cost	=Rs.313.99 crores Rs.403.21 crores
(c) Depreciation	=Rs. 69.26 crores
Financial Deficit	=
(ii)+	
(iii)-	
(i)	
	= 111.67 + 403.21 - 130.21
	= Rs. 384.67 crores

(d) Railways are making intense efforts to improve the viability of Konkan Railway. Besides ensuring adequate financial assistance, introduction of a new service called Ro- Ro (Roll on-Roll off) for moving road traffic on rail and the offering of station to station rates, wherever possible, in order to attract traffic, are steps taken in this direction. Aggressive marketing has been launched to contact local industries on the Konkan Railway route, in order to attract more traffic to the System. In addition, the Konkan Railway has also been permitted to utilise their construction expertise for taking up infrastructure projects within the country to mop up further resources.