

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:3536
ANSWERED ON:26.04.2012
UNECONOMICAL PROJECTS
Venugopal Shri P.

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways have decided to stop funding uneconomical projects in the country;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) whether the Railways have also decided that the collection from capital bonds would be utilized only for the projects having a positive rate of return; and
- (d) if so, the details thereof alongwith the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI K.H. MUNIYAPPA)

(a): No, Madam.

(b): Does not arise.

(c) & (d): Yes, Madam. During 2011-12, Capital Bonds were raised for funding of projects of Doubling and Electrification besides Rolling Stock. These Bonds carry interest rates as per the market conditions which is not within the control of the Ministry of Railways. The investments through these Bonds need to have returns safely higher than the interest rates which the Bonds carry. Therefore, the funds raised through Capital Bonds were utilized on projects with higher returns.