

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

STARRED QUESTION NO:188

ANSWERED ON:06.12.2012

TIME AND COST OVERRUNS IN RAILWAY PROJECTS

Agarwal Shri Jai Prakash;Singh Shri Dhananjay

Will the Minister of RAILWAYS be pleased to state:

- (a) whether a number of Railway projects are running behind its schedule of completion;
- (b) if so, the details thereof, zone-wise indicating the reasons for the delay;
- (c) the time and cost overruns of such delayed projects;
- (d) whether Railways are proposing to generate extra budgetary financing through other measures for expediting completion of the ongoing projects and if so, the details thereof; and
- (e) the other steps taken or proposed to be taken to ensure timely completion of Railway projects in near future?

Answer

MINISTER OF RAILWAYS (SHRI PAWAN KUMAR BANSAL)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 188 BY SHRI DHANANJAY SINGH AND SHRI JAI PRAKASH AGARWAL TO BE ANSWERED IN LOK SABHA ON 06.12.2012 REGARDING TIME AND COST OVERRUNS IN RAILWAY PROJECTS

(a) to (c): Cost escalation of railway projects is on account of large shelf of ongoing projects having huge throwforward with limited availability of resources. As a result, funds are thinly spread out thus prolonging period of completion. Depending upon their relative priority, projects get completed.

The extra expenditure being incurred by Railways cannot be quantified in real terms as escalation depends on various factors every year. As on 01.04.2012, Railways have 347 ongoing projects under New Lines, Gauge Conversions and Doubling having a throwforward of about ` 1.47 Lakh Crore. Zone-wise number of ongoing new line, gauge conversion and doubling projects is Appended. Apart from fund constraints, following factors also contribute to delay in execution of projects:-

- (i) Delays in land acquisition and forestry clearances;
 - (ii) Adverse law & order condition and other market forces;
 - (iii) Failure of contracts;
 - (iv) Technological changes, improved standard of construction and other changes in scope of work due to change in traffic pattern etc which could not be anticipated at the time of sanction of project.
- (d) & (e): To expedite completion of projects, a number of initiatives have been taken to generate additional resources through non-budgetary measures like funding by State Governments and other beneficiaries, execution of projects through Rail Vikas Nigam Limited on Special Purpose Vehicle basis etc.

Efforts made by Railways have started giving results. On the request of railway, 10 State Governments have come forward for sharing cost of 4760 Km of projects. 5 projects have been taken up with participation of industry/stakeholders.

Besides, to reduce delays on account of land acquisition, security issues and forestry clearances etc, meetings with State Officials at various levels are held from time to time. Field units have been empowered with further delegation of powers and the contract conditions have been modified to bring efficiency in contract management. Security, land acquisition and environment issues are also taken up with State Governments and Ministry of Environment & Forest for early approvals.