

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:801

ANSWERED ON:29.07.2010

FREIGHT TERMINAL

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Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways are considering to build private freight terminal and grant licence to private sector to run train for transportation of some special commodities;
- (b) if so, the details thereof;
- (c) the names of the companies which have shown their interest in it;
- (d) the details of the terms and conditions for granting of licence; and
- (e) the revenues likely to be earned by the Railways from this annually?

Answer

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

(a) & (b): Yes, Madam. A new scheme namely Private Freight Terminal (PFT) has been launched on 31-05-2010 to facilitate rapid development of a network of freight terminals on private land with private investment, to handle third party traffic.

Special Freight Train Operator (SFTO) Scheme has been launched on 31-05-2010 to attract private investment in special purpose wagons. Private operators registered under the scheme will operate private trains for transportation of specific commodities listed under the scheme. Another scheme namely Automobile Freight Train Operator Scheme (AFTO) has been launched on 19-07-2010 to attract private investment in high capacity auto carriers in order to increase the low rail share of automobile traffic.

(c): A number of companies have expressed their interest but no formal application has been received so far.

(d): For the purpose of granting license under the PFT Scheme, the applicant entity/ company should be registered in India under Companies Act with a networth of Rs. 10 crore or annual turnover of Rs. 20 crore and having one year experience in logistics service or is an existing container train operator or end user of railways with a private siding or any industry intending to set up a private siding cum PFT. In order to ensure timely completion of PFT, a security deposit of Rs. 1 crore will be deposited by the applicant. In case of new projects only, the applicant under PFT will have to deposit Rs. 1 crore as application fee.

For the purpose of granting license under the SFTO/AFTO Scheme, the applicant company should be registered in India under Companies Act with a networth of Rs. 50 crore or an annual turnover of Rs.75 crore for SFTO scheme or a networth of Rs. 20 crore or an annual turnover of Rs.30 crore for AFTO scheme and having atleast one year experience in transport and logistics or port and terminal operations or warehousing or container train operations or manufacturing or as a wagon leasing company. The applicant will have to pay a one time registration fee of Rs. 20 crore for transportation of bulk Chemicals, Petrochemicals, bulk Alumina and Steel products requiring specially designed wagons, of Rs. 15 crore for transportation of bulk Fertilizers, bulk Cement and Fly ash and Rs. 5 crore for transportation of Molasses, Edible oil, Caustic soda or Automobiles.

(e): Since the implementation of these schemes is at initial stage and no formal proposal has been received, the annual revenue likely to be earned by the Railways can not be assessed at this stage.