

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:124

ANSWERED ON:05.12.2013

INVESTMENT IN RAILWAYS

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Anandan Shri K. Murugesan; Dharmshi Shri Babar Gajanan

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railways are incurring losses in passenger segments and facing financial crisis and if so, the details thereof and the reasons therefor along with the remedial steps taken/being taken by the Railways in this regard;

(b) whether the Railways plan to attract investment through Public Private Partnership (PPP) mode during the 12th Five Year Plan (FYP) period;

(c) if so, the details thereof including the target set by the Railways for investment through PPP mode during the said period and the extent to which it has been achieved till date, year-wise;

(d) the reasons for falling short in achieving the said target so far along with the steps taken/being taken by the Railways in this regard; and

(e) whether the Railways are keen to allow Foreign Direct Investment (FDI) in railway projects in the country and if so, the details thereof including the present status of the proposal in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI ADHIR RANJAN CHOWDHURY)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO.124 BY SHRI ADHALRAO PATIL SHIVAJI, SHRI M. ANANDAN, SHRI ANANDRAO ADSUL AND SHRI GAJANAN D. BABAR TO BE ANSWERED IN LOK SABHA ON 05.12.2013 REGARDING INVESTMENT IN RAILWAYS.

(a): Yes, Madam. The losses on the passenger and other coaching services are estimated to exceed Rs.25,000 crore during 2013-14. This constrains Railways' ability to generate adequate resources for plan investments. In addition to enforcing strict expenditure regulation, a slew of measures to boost earnings have been taken, such as levy of higher busy season surcharge on freight traffic, revision of fuel adjustment component, revision of Kolkata Metro passenger fares, parcel rates and catering charges, amongst others.

(b) and (c): Yes, Madam. During the 12th Five Year Plan a target of Rs. one lakh crore has been set for investment through the Extra Budgetary Resources that includes Public Private Partnership (PPP) as well as other sources/modes in several areas, such as logistics parks; private freight terminals; freight schemes; captive power generation; renewable energy; energy conservation; loco and coach manufacturing; station redevelopment; high speed and elevated rail corridor; dedicated freight corridor; cost-sharing with State Governments; railway sidings; formation of joint ventures and special purpose vehicles for rail connectivity projects etc. In the current year an investment of approximately Rs.869 crore has been mobilized through extra budgetary resources to end of October 2013.

(d): The broad reasons for shortfall in investments include time involved in preparing project reports; highly capital intensive nature of projects; insufficient interest by private sector and lack of support from State Governments. However, bidding process has been initiated for Locomotive Factories and Elevated Rail Corridor Projects. Indian Railways Station Development Corporation Ltd. has been set up for station redevelopment. Steps taken by Railways to realize the target include – Participative policy for capacity augmentation, Private Freight Terminal Policies, special Freight Train Operator policy, Automobile Freight Train Operator policy, Liberalized Wagon Investment Scheme etc.

(e): Yes, Madam. Railways have approached Department of Industrial Policy and Promotion (DIPP) for making suitable provisions in the existing Foreign Direct Investment (FDI) Policy for allowing FDI in Rail infrastructure.