

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:4337

ANSWERED ON:20.04.2015

PROJECTS IN RAILWAYS

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Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways have finalised a Model Concession Agreement for Built -Operate-Transfer (BOT) projects under the Public Private Partnership (PPP) Scheme;
- (b) if so, the details thereof;
- (c) the number of projects identified for implementing under the new BOT agreement;
- (d) whether the said agreement guarantees the investors on returns on the investment irrespective of the actual return from the project and if so, the details thereof; and
- (e) the other steps taken/being taken by the Railways to woo private investors with industry friendly policies?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI MANOJ SINHA)

(a): Yes, Madam.

(b): Ministry of Railways have issued Model Concession Agreement for Build, Operate and Transfer (BOT) model. Under this model, project will be bid out through competitive bidding to the private concessionaire who will Design, Build, Finance, Construct and Maintain the project. Indian Railways will pay user charges to the concessionaire equal to 50% of the apportioned revenue. The normal concession period will be for 25 years.

(c): Tentatively 11 projects have been identified for implementing under the BOT/Annuity model.

(d): A minimum return of 80% of the projected revenue has been guaranteed under this model. It also provides for escalation of base tariff linked with wholesale price index (WPI), during the concession period.

(e): Policy for Participative models for rail connectivity and capacity augmentation projects has been issued by Railway with the aim of attracting private investments.

Ministry of Railways has issued Sectoral Guidelines for Domestic and Foreign Direct Investment (FDI) in Rail Sector and Investors are free to make investments in the identified areas of Railways.