

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:3182

ANSWERED ON:31.07.2014

INVESTMENT IN RAILWAYS

Chandumajra Shri Prem Singh;Scindia Shri Jyotiraditya Madhavrao;Shrirang Shri Chandu Barne

**Will the Minister of RAILWAYS be pleased to state:**

- (a) whether it is a fact that the Planning Commission and the Railways have estimated that the Railways need to invest a huge sum in the next five years to match the growth rate of the Indian economy;
- (b) if so, the details thereof along with the manner in which the Railways propose to manage the funds;
- (c) whether the Railways are planning to accept the Foreign Direct Investment (FDI) to expand their infrastructure in the country;
- (d) if so, the details thereof along with areas and the extent to which FDI is likely to be allowed by the Railways; and
- (e) the other steps taken/proposed to be taken by the Railways in this regard?

**Answer**

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

(a) & (b): Yes, Madam. Railways need to invest heavily for its capacity enhancement programs to match the overall economic growth. Railways' own resources are grossly inadequate for capital expenditure like Doubling, New Lines, Gauge Conversion, Rolling stock, Traffic facilities, Workshops, Signaling & Telecom, Electrification etc. Railways get Gross Budgetary Support (GBS), which is a loan from General Exchequer, for part of capital funding. Besides, Railways seek extra budgetary support through Indian Railways Finance Corporation (IRFC) to fund its capital expenditure mainly rolling stock. Further, Railways also pursues private investment to support its capital investment plan. The total throwforward of all projects is Rs. 5 lakh crore.

(c) to (e): Ministry of Railways had approached Department of Industrial Policy and Promotion (DIPP) to make suitable changes in the existing FDI policy, which restricts FDI in rail transport. The proposal involves allowing FDI in all area except in Rail operations.