

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:1699  
ANSWERED ON:02.08.2001  
GERMAN ASSISTANCE TO INDIAN RAILWAYS  
NEDURUMALLI JANARDHANA REDDY;SHYAMA SINGH

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

- (a) whether Germany has agreed to provide funds to Indian Railways for signalling and telecommunication system in Railways;
- (b) if so, the facts and details in this regard;
- (c) the terms and conditions under which the loan amount has been given by the Germany; and
- (d) the details of the strategies of the Government to invest the said loan and the time by which the entire signalling and telecommunication system in Railways is to be modernised and upgraded ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS AND PARLIAMENTARY AFFAIRS ( SHRI O. RAJAGOPAL )

(a) & (b) Yes, Sir. Under a Loan Agreement signed on 1st August, 1997 between the Government of India (in the Ministry of Finance) and Kreditanstalt für Wiederaufbau (KfW), the German Government have extended a loan of up to DM 185 million to finance the foreign exchange cost of goods and services for the project of Modernisation of Signalling between Delhi and Kanpur. The loan funds are to be made available to the Railways as part of budgetary support from the General Revenue, entailing normal dividend liability. A separate agreement has also been executed between Ministry of Railways and KfW in June, 2001 detailing out the modified scope of the project.

(c) This loan carries interest liability at the rate of 0.75% per annum and commitment charge at the rate of 0.25% per annum on the undischursed loan amount. The loan is repayable in semi-annual installments over a period of 30 years, such repayment commencing after a grace period of 10 years.

(d) Main elements of the project are introduction of Modern Solid State Interlocking systems on Ghaziabad-Kanpur section, Automatic Block Signalling on Ghaziabad-Aligarh section, Optical Fibre Cable communication on Ghaziabad-Kanpur section and Rehabilitation /upgradation of Train Radio System on Ghaziabad-Mughalsarai section. These sub-systems are to be provided with state-of-the-art technology to enhance reliability of the Signalling and Telecommunication systems for improving capacity, safety and efficiency of the train operations in Delhi-Kanpur section. KfW project is expected to be completed in about 4 years time schedule.

Modernisation & upgradation of entire Signalling & Telecommunication system on other sections of Indian Railways would be taken up on programmed basis within available resources.