

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:3927
ANSWERED ON:22.03.2001
PRIVATE INVESTMENT IN RAILWAY PROJECTS
CHANDRA NATH SINGH

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Government have invited investors in their capital intensive and long gestation projects;
- (b) if so, the details thereof;
- (c) the response received from the private investors;
- (d) whether the Government have taken any fresh initiative to make own your wagon and BOLT schemes more investor friendly and successful;
- (e) if so, the details thereof;
- (f) whether the performance of these schemes has been reviewed recently;
- (g) if so, the details thereof; and
- (h) the details of investments made by the corporate/private/PSUs under these schemes so far and expected investments during the current year?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) to (h): A statement is attached.

STATEMENT REFERRED TO IN REPLY OF PARTS (a) to (h) FLOK SABHA UNSTARRED QUESTION NO. 3927 by SHRI C.N.SINGH TO BE ANSWERED ON 22.03.2001 REGARDING PRIVATE INVESTMENT IN RAILWAY PROJECTS.

(a) to (h): The Government have launched several schemes to attract private sector investment in Railway sector.

1. OYWS (Own Your Wagon Scheme). The Own Your Scheme was introduced by Indian Railways in 1992 to invite private participation in ownership of railway wagons to augment the rollingstock and supplement the resources of the Railways.
2. The Built Own Lease Transfer (BOLT) scheme was launched in 1994 with a view to encourage private sector participation in Railway infrastructure.
3. Participation in Gauge Conversion, New Line and Rail infrastructure development project under a suitable framework.

Monitoring and reviewing of these schemes is a continuous process. The Own Your Wagon Scheme has been modified recently by linking the payment of lease charges with prime lending rate and corporate tax and depreciation benefits.

A number of major companies belonging to Core Sectors i.e. Oil, Cement, Power Production, Fertilizer, Steel, etc. have already participated in the OYWS scheme. Upto January, 2001 wagons involving investment of Rs.1081.61 crores approximately have been received out of orders worth Rs.1112.80 crores. A Joint Working Group has been formed to look after grievances of the existing customers.

Investment made so far in the BOLT scheme is Rs. 15 crore approximately and no investment is expected during the current year. Certain modifications to the existing BOLT scheme are under the examination of Ministry of Law.

Gujarat Pipavav Port Ltd. has shown keen interest in participating in a Joint Venture with Ministry of Railways by contributing 50% equity to fund a project of providing BG connectivity to the Port of Pipavav costing Rs.294 crores. 2/3rd of the project cost is proposed to be funded by equity and the other 1/3rd by debt to be raised by the Joint Venture company to be formed. Gujarat Adani Port Ltd. has also shown interest in building a 53 kms. long line on its own from the port of Mundra to Adipur on Gandhidham-Bhuj line.

Government of Karnataka and Andhra Pradesh have signed MOUs with Ministry of Railways to set up Joint Venture companies to facilitate speedy completion of certain identified projects in their respective States. The Joint Venture companies once formed may

enlist participation of private sector if necessary and feasible.