

Ministry of Railways organized an Investors Meet

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INVC NEWS New Delhi, The Ministry of Railways , Suresh Prabhakar Prabhu, today organized an 'Investors' Meet' in Rail Bhawan to discuss various issues pertaining to Private Investment in rail sector especially PPP and FDI issues. 'Chairman, Railway Board, Shri Arunendra Kumar, Board Financial Commissioner Smt. Rajalakshmi Ravikumar Member Traffic Shri D.P. Pandey Member Electrical and, Member Staff were among those present on the occasion. Advisor (Infrastructure) of Railway Board, Shri Girish Pillai conducted the proceedings of the 'Investors' Meet. In his address, the Railway Minister said that it is necessary to balance the interest of stake holders including railway employees and railway users, investors and the Government so as to make Indian Railways a vibrant and efficient enterprise. He told that Indian Railways has the obligation to protect its vast fraternity of railway employees and at the same time look after the interests of railway users. He said while the railway will continue to be owned by the Government, the private participation will be welcomed in the infrastructure sector of Railways. He said that the framework needs to be put in place to facilitate sustainable long term investment in rail sector. He called upon all stake holder to work together to make Railways much better than what it is today in coming three to four years period. The five following presentations were made at the meeting:-

- Overview of framework for PPP and FDI.
- Overview of framework for BOT/Annuity/EPC.
- Overview of framework for rolling stock Production Units.
- Overview of framework for freight marketing.
- Overview of framework for station development.

Participants at the 'Investors Meet' include representatives from Chambers of Commerce, Railway PSUs, PSUs of Ministry of Heavy Industry, Investment Consultants, Investment Bankers, Infrastructure sector, Construction Sector, Port Sector, Rolling stock manufacturers, Raw material Manufacturers etc. On this occasion, the Railway Minister unveiled the booklet on "Overview of the framework for Participative Models and Domestic/Foreign Director Investment" published by PPP Cell of Infrastructure Directorate, Ministry of Railways. This booklet provides an overview of the framework for different Participative Models, projects to be undertaken through EPC and sectoral guidelines for domestic/Foreign Direct Investment. In the message given in this overview booklet, the Railway Minister Shri Prabhu stated that - "Indian Railways require huge resources to augment its capacity and for modernization . Initiatives for building rail connectivity to ports and mines have been undertaken successfully by involving customers. A Participative Policy was launched in December 2012 subsequent to approval of Cabinet for undertaking rail connectivity and capacity augmentation projects through five participative models. Financial commitments have already been made for 17 projects under this policy. The recent initiative of Government of India for opening up of Foreign Direct Investment (FDI) in rail sector will also open up large opportunities for investment. The past experience shows that there is need for a transparent, balanced, fair and bankable framework under which customers/investors can make investments in the rail sector. The Ministry of Railways on the basis of Participative Policy of December 2012 has prepared Model Concession Agreements for different participative models. These agreements, prepared by the Committee of Executive Directors at Railway Board in consultation with Legal Consultant and the Ministry of Law, provide a framework for rights and obligations of different parties and risk allocation between them in a fair manner thereby balancing risks and responsibilities. The agreements will be helpful to Government, customers/investors and financial institutions/bankers to give a push to building and strengthening rail infrastructure". In a separate message, in the above mentioned booklet, the Minister of State for Railways Shri Manoj Sinha stated that raising resources through Public Private Partnership for network strengthening and modernization is critical for Indian Railways which has to facilitate the economic growth of the country. Lots of work has been done in last few months in providing a thrust to private investment. Launching of

new Model Concession Agreements and sectoral guidelines for Domestic/Foreign Director Investment are appreciable steps towards providing a good framework for attracting private investments.

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