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## Indian Railways may revert to PPP mode to fund projects

Wednesday, 27 May, 2009

Projects Today reported that the Indian Railways have decided to revert to its original plan of setting up 2 locomotive factories in Bihar on PPP basis as the projects are expected to require over INR 3,000 crore investment and the railways don't have that kind of funds.

According to sources, if the projects are done on PPP basis, Indian Railways will have to invest only INR 200 crore.

As per the initial proposal, Railways had planned to set up an electric locomotive factory in Madhepura and diesel loco factory in Marhowra, jointly with an international manufacturer. In the proposed JV, railways were supposed to hold 26 per equity and rest was to be held by the private partner. However, at the time of actual bidding for the electric loco factory, no bidders applied, while only GE applied for diesel loco factory.

Later on, Indian Railways decided to go ahead with the projects on its own and sought cabinet approval. However, the Railways could not manage to arrange funds on its own to execute these projects.

(Sourced from Projects Today)

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