



PRESS RELEASE

Railway Budget can mark the beginning of a new chapter of PPP initiatives in Indian Railways:

Srei

Kolkata, 24th February, 2010: “This year’s budget embraces private sector participation in a big way and it is very refreshing to note that the Minister is keen to ensure that the private investor’s interest is not compromised – the proposal of setting up of an empowered Special Task Force to clear investment proposals within 100 days is indeed a welcome development” said Mr. Hemant Kanoria, Chairman & Managing Director – Srei Infrastructure Finance Ltd. while opining on Union Rail Minister Smt. Mamata Banerjee’s FY11 budget speech.

Mr. Kanoria also feels that the Rail Budget will provide a strong fillip to infrastructure development. The following are the initiatives which have a clear infrastructure thrust:

- High-speed dedicated passenger corridors to be constructed; National High Speed Rail Authority to be set up.
- Extension of Dedicated Freight Corridor in other stretches under the ‘Diamond Rail Corridor Project’.
- Conceptualisation of Dedicated Passenger Corridor.
- Increasing allocation for metro projects by 55%.
- Modernisation of 93 railway stations.
- To develop 10 automotive & ancillary hubs.
- Integrated Coach Factory in Chennai to be modernised and a new unit to be set up there.
- Wagon Repair Shop to be set up in Badnera near Amravati in Maharashtra.
- Work on Rae Bareli Coach Factory in Uttar Pradesh to start within a year.
- 10 more Duranto trains to be launched.
- Mumbai will get 101 new suburban trains.
- State-of-the-art loco training centers to be set up.

- To provide houses to all its employees in the next 10 years in collaboration with the Urban Development Ministry.
- 381 new diagnostic centers across the country.
- To set up 5 sports academies.
- To build 50 creches for working mother in Indian Railways.
- To set up Rabindra Museum in Howrah and Geetanjali Museum in Bolpur to commemorate Rabindranath Tagore's 125th birth anniversary.
- Bolpur station to be re-designed showcasing Shantiniketan architecture.
- Railways to set up 6 water bottling plants in Ambala, Thiruvananthapuram, Farakka, Amethi and Nashik to provide clean and cheap drinking water to passengers.
- Construction of multi-level parking through PPP model will be taken up.
- Construction of under-passes at railway crossings.

Lauding Smt. Banerjee's Vision 2020 plan and her emphasis on developing new business plans and figuring out new innovative ways for raising finance from extra-budgetary sources, Mr. Kanoria said that such positive approach and mindset may herald a new chapter of PPP initiatives in Indian Railways. He lauded the Minister's views on commercial utilisation of rail property (like land, air-space, etc.) for resource mobilisation purposes.

Mr. Kanoria also praised the Minister's sensitivity towards the land-acquisition issue and felt that the move to provide employment to one member of each land-losing family (apart from compensation) is a step in the right direction.

Mr. Kanoria believes that the announcement of a new modified wagon investment scheme will facilitate the ambitious plan of adding 80,000 new wagons. "However, the roadmap of many of the projects announced and the way the requisite funds are to be raised are unclear. We await the details", Mr. Kanoria concluded.

About Srei Infrastructure Finance Limited

Srei is a Holistic Infrastructure Institution, constantly and consistently ideating to deliver innovative solutions in infrastructure space, thus playing a significant role in nation-building for over two decades, both in urban and rural India. Srei's businesses include Infrastructure Equipment Leasing & Finance, Infrastructure Project Finance, Advisory & Development, Insurance Broking, Venture Capital, Capital Market and Sahaj e -Village. Srei has a pan-India presence with a network of 63 offices and has also replicated its business model overseas with three offices in Russia. Srei is the first Indian infrastructure financing institution to get listed on the London Stock Exchange. Srei Equipment Finance Pvt. Ltd., a joint

venture between Srei Infrastructure and BNP Paribas Lease Group, a wholly owned subsidiary of BNP Paribas, is a Srei Group company engaged in Infrastructure Equipment Leasing and Financing Business.

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