



## Malaysian firms eye Rs 5,000 crore Indian stations makeover

In potentially the first big FDI in railways, Malaysia's state-owned Construction Industry Development Board (CIDB) will participate in the auction for redevelopment of Udaipur, Howrah, Indore, Secunderabad, Pune and Faridabad railway stations in India.

The estimated cost of redevelopment of these stations would be Rs 5,000 crore, a top rail ministry official said. CIDB holding Malaysia has written to the Railway Board, saying it would participate in the ongoing Swiss challenge bidding process of these shortlisted stations on behalf of Malaysian companies.

The letter from CIDB Holding Malaysia chairman Judin Abdul Karim, dated June 17, did not disclose names of Malaysian companies that would be participating. Indian Railways had held a road show in Malaysia in March this year to showcase Investment opportunities in India's rail sector.

The Malaysian board had earlier sought station redevelopment contracts through nomination route, but the railways asked it to participate in the Swiss challenge auction to win contracts as India does not allow nomination route, said the official cited earlier.

In 2014, India allowed 100% FDI in railways through automatic route. So far, foreign firms have established two rail loco factories in Bihar with a total investment of Rs 3,500 crore. Malaysian investment in station redevelopment could mark the first major foreign investment in the operations side of railways. The railway official said that various Japanese and South Korean investors have also expressed interest in station redevelopment projects. Indian Railways has lined up 400 stations for redevelopment.

Malaysian investment in station redevelopment could mark the first major foreign investment in the operations side of railways. The railway official said that



In his letter to the Railway Board, CIDB chairman said Malaysian companies that are interested have already identified PPP synergies via their successful transformation of world class transit oriented development projects in Malaysia.

Karim has also sought an extension in time to submit their initial proposal to the rail board. ET has reviewed a copy of the letter.

various Japanese and South Korean investors have also expressed interest in station redevelopment projects.

Indian Railways has lined up 400 stations for redevelopment. In the first phase of auction, 23 of them will be awarded under the Swiss challenge method wherein proposals are invited online and rivals can offer counterbids. The builders will get commercial exploitation rights for railway land for 45 years in lieu of redeveloping and modernising the existing stations. The successful bidders will be required to raise the stations to world standards by building new platforms, providing lifts and other passenger amenities and also maintaining the premises. In lieu of this, the railways will allow them to build hotels, malls, cinema halls and shops within the station complex.

CIDB was formed by the act of Parliament in Malaysia to promote infrastructure and construction activities. Railways has prepared a Rs 8 lakh-crore capacity expansion plan for the next five years. Almost half of it is expected to come from the private sector. The plan includes electrification of all major routes, increasing the capacity of almost 10,000 km of congested routes, bringing in new signalling system, building safer coaches, modernising goods yards, making the dedicated freight corridors operational and introducing high speed trains, besides modernisation of 400 stations.

This section is a compilation from various company press releases, business dailies, trade publications & industry websites.



To Get More Updates On  
**Iron and Steel Industry**

Use the below Link & Like the Page

<https://www.facebook.com/pages/Steelworld/621590691216613>

To Know the Inside of Industry  
<http://steelworldblog.wordpress.com/>