

## **Railways to go completely cash less for Rs 1.20 lakh cr Capex: Prabhu at EEPC India event**

Indian Railways would go entirely cash less for its mega Rs 1.20 lakh crore capital expenditure programme for the current financial year , said Railway Minister Mr Suresh Prabhu , advising the exporters to get their complete value chain digitally connected and become more competitive in the global market.

Addressing members of the EEPC India in New Delhi on December 13 evening after giving away awards to the top engineering exporters, Mr Prabhu said, " Railways has Rs 1.20 lakh crore Capex this year and all the contracts will be available on e-tenders. Even the end-users and vendors would be sensitised to use cash less channels like e-wallets".

He said by embarking upon such an ambitious programme of digitising its economy, India would be the first major economy in the world to have done this. As for the short-term difficulties, the Railway Minister said "difficult days do not last long". Mr Prabhu said the entire government is sensitising the stakeholders for taking India cash less. He even had a meeting with the Members of Parliament, yesterday , sensitising them about the advantages of the cash less or less cash economy.

The Indian Railways which has a mammoth six billion passenger traffic every year does 58 per cent of its ticketing online , without cash. "Thanks to the Prime Minister's initiative, the way we do business in India would change and the costs should be calculated in the context of benefits. The benefits would outweigh the costs".

Speaking on the occasion , Commerce Secretary Mrs Rita Teotia said having passed through very difficult times and after witnessing decline for 36 months, exports have started showing growth. "Engineering sector is leading the reversal". She too emphasised on the benefits of the less cash economy and said the demonetisation should be taken as an opportunity by the exporters to improve efficiency and cut transaction costs.

In his address, Chairman of the EEPC India, Mr T S Bhasin said notwithstanding the short-term difficulties, the digitisation would lower transaction costs for exporters in the long run. The process would also be helped by the implementation of the Goods and Services Tax.

He said from the exporters' point of view, revising upward the investment limit of plant and machinery in the micro and small enterprises would be as big a step as demonetization. ' Our long pending demand of increasing the limit of plant and machinery investment and redefining MSME definition still remains

unfulfilled. This redefinition will be as big a step as demonetization in moving Indian economy towards modern manufacturing”.

He said along with ‘Make in India’ “we must also have a ‘Promote India Exports’ strategy so that our current share in global trade can be doubled from the 2.2 per cent in 2015 share. In fact, it is the share of merchandise exports of 1.6 per cent that needs to be pulled up quickly as commercial services already accounts for 3.3 per cent of global trade in services”.

This year following a slowdown in the United States and Britain’s vote to leave the European Union, advanced economies have grown 1.6% where as emerging markets grew at 4.2% in 2016 with India growing at the fastest pace at 7.3% in the first half of the current fiscal.

But India will have to adjust to this new normal and it is the exporters who will have to recalibrate their strategy as they find the global trading environment changing at a much rapid pace. But there are opportunities that we will have to leverage domestically to become competitive globally.

Engineering exporters across 35 groups and other special categories were presented with awards for their excellent performance in 2014-15 taking the country’s engineering exports to over USD 70 billion.

Sr Vice Chairman, Mr Ravi Sehgal proposed a vote of thanks.