

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO.1760
TO BE ANSWERED ON 21.09.2020**

INCREASE IN FARES DUE TO PRIVATISATION

1760.SHRI M. BADRUDDIN AJMAL:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Government has decided to privatize Indian Railways for which the process has already begun;**
- (b) if so, the details of terms and conditions laid down for this purpose and the reasons therefor;**
- (c) whether the Government unaware of the fact that privatization of Railways will have the consequence of huge increase in train fares causing trouble for poor and low income sections of people who use trains as their main means of transportation;**
- (d) if so, whether any guidelines have been laid down and agreements has been proposed with the private companies to control the train fares;**
- (e) if so, the detail thereof; and**
- (f) if not, the reasons therefor?**

ANSWER

MINISTER OF RAILWAYS AND COMMERCE & INDUSTRY

(SHRI PIYUSH GOYAL)

(a) to (f) : No, Sir. There is no proposal to privatise the Indian Railways (IR). However, it is estimated that Indian Railways would need capital investment of ₹ 50 lakh crores up to the year 2030 for network expansion and capacity augmentation, rolling stock induction and other modernization works to enable better delivery of passenger and freight services and to improve its modal share in transport. To bridge

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the gap in Capital Funding and bring in modern technology and efficiencies, it is planned to use Public Private Partnership (PPP) model in few initiatives including induction of modern rakes to run passenger trains on select routes with an objective to provide improved service delivery to passengers. However, the work of train operations and safety certification will continue to be with Indian Railways in all such cases.

The existing passenger train services shall not be affected by the operation of passenger train services in PPP mode. The train services to be operated in PPP mode shall be additional trains, aimed at increasing the availability of train services to the public. The operator selected through a transparent bidding process shall be entitled to collect fare from the passenger based on market conditions commensurate with the level of services provided by him.
