

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

LOK SABHA

**UNSTARRED QUESTION NO.595
TO BE ANSWERED ON 16.09.2020**

PRIVATE INVESTORS IN RAILWAYS

595. SHRI M.K. RAGHAVAN :

Will the Minister of RAILWAYS be pleased to state:

- (a) the status of privatization of the Railways and the manner in which it will impact maintenance, operation and welfare;**
- (b) whether this move will result in dual control and split responsibilities leading to high fares, lack of travel facilities, etc. and if so, the details thereof;**
- (c) whether the scheme limits the private investor to procurement and maintenance of coaches only while the operation and other activities of the Railways including manpower will be used by the private player without any major investment; and**
- (d) if so, the details thereof?**

ANSWER

MINISTER OF RAILWAYS AND COMMERCE & INDUSTRY

(SHRI PIYUSH GOYAL)

(a) to (d): 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 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

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passengers. However, the work of train operations and safety certification will continue to be with Indian Railways in all such cases.

Accordingly, it has been decided to operate additional passenger trains over approximately 100 origin-destination pairs (divided into 12 clusters), through PPP, on Design, Build, Finance and Operate (the “DBFO”) basis. The private investors are required to invest in modern rolling stock, maintenance depot, etc. They are also required to pay haulage charges to IR for undertaking train movement on IR network, as well as share the passenger revenue with Indian Railways as agreed between them. The operation of the existing services of Indian Railways is not going to be affected.

The scheme entitles the investors to levy and collect fare from the users, as determined by market, in consideration of the investment and services provided, and also allows them to raise other revenues in terms of the Concession Agreement.

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