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The move will end the longstanding monopoly of the Indian Railways in running trains (Photo: HT)

Global firms queue up to board private trains

2 min read . Updated: 31 Jan 2020, 12:34 AM IST

Shreya Nandi

Home-grown firms such as Adani Ports, IRCTC, NIIF and KEC International have also shown initial interest

As many as 150 modern trains will be run by private operators on 100 routes, offering world-class tech and services

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New Delhi: A maiden attempt by the government to let private companies run passenger trains has attracted more than two dozen firms, including global majors [Alstom Transport](#), [Bombardier](#), [Siemens AG](#) and [Macquarie](#).

Home-grown companies such as [Adani Ports and Special Economic Zone](#), [Indian Railway Catering and Tourism Corp. \(IRCTC\)](#), [National Infrastructure Investment Fund \(NIIF\)](#) and [KEC International Ltd](#) have also shown initial interest in the government's plan to let private firms run trains on 100 routes, said a senior railway ministry official.

The move will end the longstanding monopoly of the national transporter in running trains and likely start a rush of private investment into the Indian Railways, which is in the midst of a massive infrastructure upgrade.

In a first, as many as 150 modern trains will be run by private operators across 100 routes, offering world-class technology and services to passengers.

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condition of anonymity.

The Railways currently runs 13,000 passenger trains. However, a total of 20,000 trains will be required to meet growing passenger demand, Railway Board chairman Vinod Kumar Yadav told reporters on Wednesday

“It will take at least two years for the first (private) train to start running,” Yadav said, adding that the idea is to be able to offer trains on demand, similar to what happens in the aviation sector.

While the infrastructure, maintenance, operations and safety will be handled by the Indian Railways, private train operators can take rakes on lease and provide better on-board experience and services to passengers, in terms of food, comfort, entertainment, among others.

A discussion paper issued earlier this month by the government’s policy think tank NITI Aayog and the railway ministry has forecast an investment of about ₹22,500 crore to run the 150 private trains on 100 routes. Companies will have to bid for a network of routes and bids will be finalized on a revenue-sharing model.

“While private freight movement has been quite common across countries, only a few countries have successfully adopted private participation in passenger train operation,” said Arindam Guha, partner at Deloitte. “Some of the key enablers have been selection of viable routes with sufficient revenue potential; having a regulatory

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Bombardier Transportation India Pvt. Ltd said the company is in talks with senior railway officials on the project. "It is too early at this stage to comment on the future course of action as we shall evaluate the project once tender specifications are finalized," a company spokesperson said in an emailed response to queries.

"We, at Bombardier, feel that reinforcement on public private partnerships will gain momentum in the coming years in India resulting in faster development of railway infrastructure, including rolling stock. We share Indian government's vision to decongest India by rail investments with higher involvement of private sector in train operations as an initial project and outlining a safer railway system in India," the spokesperson said.

Alstom and Macquarie declined to comment. KEC declined to comment, saying the company is "currently in the silent period" due to upcoming quarterly results.