



Opportunity for

Private Investment & Participation for Running Passenger Trains Over Indian Railways Network

#railways, #privateparticipation #globalopportunity

Modi Govt makes first move to Privatize Railways, invites Private Players to run 151 trains.

NEW DELHI, JULY 01, 2020

Taking the first step in divesting its near-total monopoly in the Railways, the Narendra Modi Government invited, through Ministry of Railways (the “Authority”), Request for Qualifications (RFQ) for private players for the operation of passenger train services on +100 Origin Destination (OD) pairs of routes through introduction of 151 modern trains.

This would entail **Private Sector Investment** of about **Rs. 30,000 Crore.**



The initiative will bring modern technology rolling stock with reduced maintenance, capacity augmentation, reduction in transit time, new job opportunity, enhanced safety, world-class travel experience to passengers and also reduce demand supply deficit in the passenger transportation sector.

- Huge unmet demand;
- Capacity constraints lead to loss of passenger business to other modes;
- Tremendous scope for improvement in service quality;
- Encourage Modal Shift from Air to Rail

Market Assessment (2018-19)	
Average volume of originating non-suburban passengers	3.65 Billion
Total Reserved Passengers	0.59 Billion
Waitlisted Passenger not accommodated	88.5 Million
Waitlisted Passengers (as %age of reserved)	15%

12 Clusters Spread across various Metro Cities of India

MINISTRY OF RAILWAYS

Request for Qualifications (RFQs) for PPP in Passenger Train Operations in different Clusters on Indian Railways

Sr. No	Name of Cluster	Proposed No. of OD Pairs	Indicative Project Cost (INR Cr.)	Financial Capacity NET WORTH / ACI* (INR Cr.)
1	Cluster-1 (Mumbai-1)	16	2330	1165
2	Cluster-2 (Mumbai-2)	24	2510	1255
3	Cluster-3 (Delhi-1)	14	2329	1165
4	Cluster-4 (Delhi-2)	12	2329	1165
5	Cluster-5 (Chandigarh)	18	2510	1255
6	Cluster-6 (Howrah)	22	2510	1255
7	Cluster-7 (Patna)	20	2329	1165
8	Cluster-8 (Prayagraj)	26	2329	1165
9	Cluster-9 (Secund'bad)	20	2510	1255
10	Cluster-10 (Jaipur)	18	2329	1165
11	Cluster-11 (Chennai)	24	3221	1610
12	Cluster-12 (Bengaluru)	10	2863	1430

Key Features

- **100** Origin-Destination Routes, **12** Clusters, Minimum of **12** (twelve) Trains (each "Cluster").
- Each train shall have a minimum of **16 coaches**
- Trains shall be designed by the private entity to operate at a maximum service speed of 160 kmph
- No new similar scheduled train will depart the originating station in the same origin destination route within **60 minutes of the Scheduled departure of the Concessionaires Train.**
- Operation and Maintenance of Trains shall be the responsibility of Concessionaire.
- Validation of Rolling Stock will be done by Accredited Independent Safety Assessor (ISA) on Indian Railway track
- **Concession Period will be for 35 years.**

A First of its kind opportunity for private participation in Passenger Train operations in India



**2 stage
process of
selection with
Gross
Revenue
Share as Bid
Parameter**

Key Features

- The Private Entity shall be responsible for **Financing, Procuring, Operating and Maintaining** the trains through Public-Private Partnership (“PPP”) on **Design, Build, Finance and Operate (the “DBFO”) basis** .
- Flexibility to procure trains and locomotives from a source of its choice, subject to compatible with specification and standards specified. Configuration of each train as well as its coaches shall be determined based on the demand.
- Freedom to decide on the fare to be charged from its passengers.
- Use the existing Indian Railway Passenger Reservation System for booking of tickets to transfer the revenue so earned.
- Shall have to pay pre-determined charges for haulage, charges for energy consumed and any other payments as specified along with a share in Gross Revenue (the “Premium”) offered for the respective project.

[Read more](#)

16 firms show up at Indian Railways' pre-application conference on private trains

THE ECONOMIC TIMES, JULY 21, 2020

Earlier this month, the ministry invited Request for Qualifications (RFQ) for private participation in the operation of passenger train.

Out of the two RFQ Pre-Application Conferences, a first pre-application video conference organized was successfully held on 21.07.2020 and as many as 16 companies participated including Global Players that evinced interest in the new sector of running passenger trains.

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