



## RAILWAYS

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### SUMMARY

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The Indian Railways is the largest rail network in Asia and the world's second-largest under one management.<sup>1</sup>

Railway freight traffic recorded the highest loading in 2020 with an increase of 9.0 per cent in November. Gross revenue from passenger bookings picked up to reach INR 1,038.68 cr.

The Indian Railways network spans more than 67,415 km, as of March 2019.<sup>2</sup>

The Indian Railways currently employs 1.23 Mn, as of March 2019.<sup>2</sup>

The Indian Railways aims to be the driver of India's economic growth and development by being safe, financially viable and environmentally friendly. The focus to achieve this goal is through resolution of key concerns such as passenger experience, zero fatality, cost, sustainability.<sup>3</sup>

CAPEX of INR 6,45,600 cr in 2014-20 has surpassed the cumulative investment made in 60 years from 1951 to 2014.

Under MAKE IN INDIA initiative, As per DPIIT orders on public procurement: More than 95% of Electric Locomotive components to be sourced indigenously.<sup>14</sup>

### REASONS TO INVEST

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The Ministry of Railways (MoR) has taken various initiatives such as setting up locomotive factories, network expansion, station re-development and induction of railway wagons in order to attract private investment and participation. It has planned private participation in the operation of passenger trains by introducing around 150 modern rakes.<sup>4</sup>

Under the 'Make in India' initiative, most of the track maintenance machines supplied during the last five years were manufactured in India by leading manufactures in the world.<sup>5</sup>

The project 'Utkrisht' aims to improve the condition of 66 important identified Mail/Express trains, consisting of 140 rakes. 90 rakes have already been renovated till the year 2018-19. Phase 2 of the project will cover 500 rakes.<sup>2</sup>

The National High-Speed Rail Corporation Limited (NHSRCL) has launched the high-speed train corridor project between Ahmedabad and Mumbai. The project, commonly referred to as the 'Bullet Train' project, is being implemented with technical and financial assistance from Japan. The high-speed railway line covers a distance of 508.2 km in approximately two hours with an operating speed of around 320 kmph. It is expected to become operational by 2023. Of the total project cost, 81% is in the form of a loan from Japan International Corporation Agency (JICA).<sup>2</sup>

The Dedicated Freight Corridor Corporation of India Limited (DFCCIL) is an undertaking by the Ministry of Railways to overlook planning, development and mobilisation of financial resources, construction, maintenance and operation of the Dedicated Freight Corridors. Two projects have been commissioned under the DFCCIL – the Eastern Dedicated Freight Corridor and the Western Dedicated Freight Corridor. These corridors provide India with the opportunity to create one of the world's largest freight operations. The total length of the two corridors is 2,822 km. The freight carrying capacity would be 13,000 tonnes, up from the current 5,000 tonnes. The length of the goods train will also increase from 700 metres to 1500 metres.<sup>2</sup>

Certain stations have been identified to be developed as per international standards with modern facilities and passenger amenities on the lines of newly developed airports, using PPP model. The approval of redevelopment of Gwalior, Nagpur, Sabarmati and Amritsar Railway Stations through Public-Private Partnership has been granted by the Private Partnership Appraisal Committee.<sup>2</sup>

The 'Green Energy Project' is an initiative to make Indian Railways environment friendly by focussing on renewable sources of energy. Indian Railways has planned to install 1000 MW of solar power plants and about 200 MW of wind plants by 2022-23. Out of this, about 204.82 MW (101.42 MW solar and 103.4MW wind power) renewable power has already been set up. Most of the Solar power plant work will be done in Public Private Partnership Mode. The Indian Railways has signed an MoU with GAIL (India) Ltd to provide infrastructure and supply of CNG/LNG/PNG for both industrial and domestic purposes. This replacement by Natural Gas is expected to reduce costs by INR 20 cr per annum for the Indian Railways.<sup>2</sup>

[Explore more about infrastructure availability in Railways sector >](#)

### RECENT ANNOUNCEMENTS

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**31st December 2020:** Indian Railway launches upgraded e-Ticketing Website & Mobile App for the booking of online Railway Tickets

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**30th December 2020:** Cabinet approves Industrial Corridor nodes at Krishnapatnam and Tumakuru under CBIC.

[Read More](#)

**29th December 2020:** Hon'ble PM, Shri Narendra Modi address at the inauguration of a new section of Eastern Dedicated Freight Corridor (EDFC) to boost both Passenger trains and Goods trains ply on the same track.

[Read More](#)

**28th December 2020:** Hon'ble PM, Shri Narendra Modi flagged off the 100th Kisan Rail from Sangola in Maharashtra to Shalimar in West Bengal to facilitate value addition in agri products.

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**28th December 2020:** Hon'ble PM inaugurates India's first-ever driverless train operations on Delhi Metro's Magenta Line. He also inaugurates fully operational National Common Mobility Card service on the Airport Express Line

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## STATISTICS

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In 2018-19, 5,276 RKM of railway line was electrified which is 29% higher than the previous year and also the highest electrification ever done in a single year. <sup>2</sup>

In the month of December 2020, Indian Railways loading was 118.13 mn tonnes which is 8.54% higher compared to last year's loading for the same period (108.84 mn tonnes).<sup>15</sup>

In this period Indian Railways earned INR 11788.11 cr from freight loading which is also INR 757.74 cr (6.87%) higher compared to last year's earnings for the same period (INR 11030.37 cr).<sup>15</sup>

The total Passenger Earnings (including both Suburban and Non-suburban) was INR 51 thousand cr in 2018-19. <sup>2</sup>

The Indian Railways has a total number of 1,50,746 bridges, as of April 2019, out of which 700 bridges are important, 12,402 bridges are major, and 1,34,644 bridges are minor. <sup>2</sup>

About 1,305 (Road Under Bridge) RUBs/ subways and 172 (Road Over Bridge) ROBs were constructed In the year 2018-19. <sup>2</sup>

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## GROWTH DRIVERS

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Under Atmanirbhar Bharat Abhiyaan - Self Reliant India, there is a special economic and comprehensive package of INR 20 lakh crores towards promoting manufacturing in India.

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## FDI POLICY

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The FDI Policy permits 100% FDI in railways infrastructure sector. FDI is permitted in the construction, operation and maintenance of the railway transport sector: <sup>6</sup>

Suburban corridor projects through PPP model

High-speed train projects

Dedicated freight lines

Rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities

Railway electrification

Signaling systems

Freight terminals

Passenger terminals

Infrastructure in industrial park pertaining to railways line/sidings including electrified railways lines and connectivity to the main railway's line

Mass Rapid Transport Systems

The cumulative FDI equity inflow in the Railway related components industry is USD 1,215.23 mn during the period April 2000 to September 2020. <sup>7</sup>

[Read more about Foreign Direct Investment Policy in India >](#)

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## SECTOR POLICY

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The 'General Purpose Wagon Investment Scheme' (GPWIS) allows investment by Public Sector Undertaking (PSUs), End users, Port Owners, Mine Owners and Logistics Providers in General Purpose Wagons. The scheme permits investment in a minimum of one rake of General Purpose Wagons by the eligible parties for movement in any of the approved circuit(s) to carry any commodity. During the year 2018-19, 77 rakes have been approved, out of which 2 rakes have been inducted and are in operation. The Ministry of Railways has further liberalized the scheme for prospective investors. <sup>2</sup>

The 'Liberalized Wagon Investment Scheme' (LWIS) allows investments by End Users, i.e., producers, manufacturers and consumers of goods in Special Purpose Wagons (SPW) and High Capacity Wagons (HCW). Procurement of 84 rakes have been approved, out of which 51 rakes have been inducted under the scheme. <sup>2</sup>

The 'Automobiles Freight Train Operator' (AFTO) Scheme allows procurement and operation of special purpose rakes by private parties for transportation in the automobile sector. Procurement of 59 rakes has been approved, out of which 19 rakes have been inducted as of March 2019. <sup>2</sup>

The 'Special Freight Train Operator' scheme allows investment in the procurement of High Capacity Wagons (HCW) and Special Purpose Wagons (SPW) for the purpose of transporting non-traditional commodities such as edible oil, caustic soda, molasses, fly ash, alumina, bulk cement, chemicals and petrochemicals. Procurement of 28 rakes has been approved, out of which 7 rakes have been inducted under the scheme. <sup>2</sup>

The 'Private Freight Terminals (PFT) Policy' assists the development of a network of freight terminals with private investment. The focus of the policy is to provide cost-effective and efficient logistics services along with warehousing solutions to the end users. About 109 PFT proposals have been received as of March 2019, out of which 60 PFTs have already been notified/ commissioned. <sup>2</sup>

In 2016, the Ministry of Railways developed the National Rail Plan 2030. The aim of the Plan is to harmonise and integrate the rail network with other modes of transport to achieve a seamless multi-nodal transportation network across India. <sup>8</sup>

"Meri Saheli" initiative by Indian Railways focused action on security of women across all zones with an objective to provide safety and security to lady passengers travelling by trains. These lady passengers are briefed about all precautions and told to dial 182 in case they face or see any problem in the coach. <sup>13</sup>

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## **FINANCIAL SUPPORT**

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### **KEY POINTS IN THE RAIL BUDGET 2020-21: <sup>9</sup>**

Total budget allocation of INR 72215 cr towards the Ministry of Railways for FY 2020-21.

Total budget allocation of INR 70000 cr towards centrally sponsored sector schemes/ projects.

### **OTHER MEANS OF FINANCIAL SUPPORT: <sup>2</sup>**

The 'Indian Railway Finance Corporation Ltd.' (IRFC) is a wholly Government-owned PSU under the administrative control of the Ministry of Railways. It mobilizes market borrowings to finance capital expenditure in the Railways. The Market funds raised by IRFC account for Extra- Budgetary Resources (EBR) for Railway Plan and are invested in rolling stock and projects leased by IRFC to the Ministry of Railways.

The Extra-Budgetary Resources (Institutional Finance) or EBR-IF was introduced from FY 2015-16. EBR-IF funds are long term funds which are deployed to finance projects which enhance the throughput of Railways such as electrification projects. A cumulative total of INR 64,794 cr EBR-IF funds were made available by IRFC to Railways till the end of 2018-19.

The revenue of the Indian Railways is also generated through the disposal of scrap, which was INR 4,192.07 cr during 2018-19.

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## **INVESTMENT OPPORTUNITIES**

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Some key investment opportunities for private players in the Railways sector include the following: <sup>2</sup>

Suburban corridor projects through PPP  
High-speed train projects  
Upcoming dedicated freight lines  
Rolling stock including train sets and locomotives or coach manufacturing and maintenance facilities  
Railways electrification  
Signalling systems  
Freight terminals or logistics parks  
Passenger terminals  
Railways technical training institutes  
Testing facilities and laboratories  
Concessions in standalone passenger corridors (such as brand lines and hill railways)  
Non-conventional sources of energy  
Mechanized laundry  
Rolling stock procurement  
Bio-toilets  
Technological solutions for manned and unmanned level crossings  
Technological solutions to improve safety and reduce accidents

Explore projects to invest in Railways sector >

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## FOREIGN INVESTORS

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Alstom Transport Holdings B.V. (Netherlands)  
Bombardier (Singapore)  
Ansaldo STS (Australia)  
GE Capital International (Mauritius)  
Inversiones EN Concesiones (Spain)

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## AGENCIES

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Central Road Research Institute  
Ministry of Roads Transport and Highways  
National Highway and Infrastructure Development Corporation  
National Highway Authority of India

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## KEY ACHIEVEMENTS

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The Indian railways has set up country's first Waste to Energy plant in Bhubaneswar. Based on its patented technology called POLYCRACK, the plant has a capacity of 500 Kgs waste per day. The technology is world's first patented heterogenous catalytic process. The waste is processed and reformed within 24 hours without emitting any hazardous pollutants into the atmosphere. <sup>10</sup>

Indian Railways has created a new world benchmark by successfully running 1<sup>st</sup> Double Stack Container Train in high rise Over Head Equipment (OHE) electrified sections, having a contact wire height of 7.57 metre. This achievement will also boost the Green India mission. <sup>11</sup>

Indian Railways has operationalised its First 12000 HP locomotive. For the first time in the world, a high horsepower locomotive has been operationalised on broad gauge track. The locomotive has been produced under Make in India initiative, and India has become the 6<sup>th</sup> country to join the elite club of producing high horsepower locomotive indigenously. <sup>12</sup>

The semi-high speed (160 kmph) self-propelled "Train 18" has been manufactured in India, boosting the Government's 'Make in India' initiative. <sup>2</sup>

The 'Sugamya Bharat Abhiyan' is an initiative for the differently-abled and children. Under the scheme, 652 escalators & 481 lifts have been installed, as of March 2019. <sup>2</sup>

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