

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 6132
TO BE ANSWERED ON 04.04.2018**

PRIVATISATION/OUTSOURCING OF RAILWAY WORKS

**6132. DR. SHRIKANT EKNATH SHINDE:
SHRI SHRIRANG APPA BARNE:
SHRI VINAYAK BHAURAO RAUT:
SHRI ANANDRAO ADSUL:
SHRI DHARMENDRA YADAV:
DR. PRITAM GOPINATH MUNDE:**

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Government had approved 100% Foreign Direct Investment (FDI) in the railways and agreements with Alstom (France) and General Electric (USA) for manufacturing electric and diesel locomotives respectively have been entered into including contracts for maintenance by the foreign agencies for a period of 15 years ;

(b) if so, the details thereof and the time when it was approved;

(c) whether security aspects were considered before allowing foreign entities for large-scale outsourcing of railway works and if so, the details thereof;

(d) whether it is a fact that the privatisation or outsourcing of regular works through contracts violates the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and if so, the reaction of the Government thereto;

(e) whether the Railways has received concerns from the peoples representatives and various railway employees unions for allowing 100% FDI, privatisation and outsourcing of railway works; and

(f) if so, the response of the Government thereto and the action taken thereon?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI RAJEN GOHAIN)

(a)& (b) Yes, Madam. Agreements have been signed with ALSTOM (France) and General Electric (USA) for manufacturing and maintenance of electric and diesel locomotives. As per contract 800 electric locomotives and 1000 diesel locomotives are to be manufactured and supplied from the factory set up by the companies at Madhepura (Bihar) and Marhowra (Bihar) respectively over a period of 11 years. Two Joint Venture (JV) companies have been set up for this purpose. Ministry of Railways is a 26% stack holders in these two JV companies. The companies would also undertake maintenance/supervision of the first 500 locomotives by setting up maintenance facilities at Saharanpur, Nagpur, Roza and Ghandhidham.

The project envisages transfer of technology for maintenance to Indian Railway staff in terms of providing benchmarking of maintenance facilities as well as global practices in undertaking maintenance of these locomotives. The maintenance facilities would revert back to the Indian Railways on completion of the maintenance obligations following which the maintenance would be carried out by Indian Railways staff.

These projects were approved by the Cabinet in 2010 and subsequently the bidding documents were also approved by the Cabinet in 2014.

(c) The companies were selected through an international competitive bidding process. Compliance to the requirement of national security and public interest is a part of the eligibility criteria.

(d) No, Madam. Railways resort to privatization or outsourcing only in respect of non-core and non-regular activities in different departments.

(e)&(f) Yes, Madam. Railway Staff Unions/Federations have expressed some concerns about Foreign Direct Investment in Railways, privatisation and out sourcing of railway works.

The Department of Industrial Policy and Promotion (DIPP) of Government of India had issued the consolidated Foreign Direct Investment (FDI) Policy which allows FDI in Railway Infrastructure sector on automatic route in the areas namely :-

- (i) Suburban corridor projects through PPP;**
- (ii) High speed train project;**
- (iii) Dedicated freight lines;**
- (iv) Rolling stock including train sets and locomotive/coaches manufacturing and maintenance facilities;**
- (v) Railway Electrification;**
- (vi) Signalling systems;**
- (vii) Passenger terminals;**
- (viii) Infrastructure in industrial part pertaining to railway line/sidings including electrified railway lines and connectivities to main railway line; and**
- (ix) Mass Rapid Transport Systems.**

Further, the Indian Railways undertakes outsourcing of certain facilities like cleaning, pay and use toilets, retiring rooms, parking etc. on need based manner to improve efficiency.

Interest of the railway staff is taken into consideration while outsourcing.

