

PRIVATIZATION OF INDIAN RAILWAYS: A STUDY OF STAKEHOLDER PERCEPTION, POLICY TRAJECTORY, AND THE TEJAS EXPRESS EXPERIENCE

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ABSTRACT

Indian Railways (IR), the fourth-largest railway network in the world, has for over a decade been the subject of a slow but deliberate policy shift from a state-monopoly, socially-priced transport utility toward a system that increasingly accommodates private capital and management. This study examines the trajectory, rationale, and public reception of railway privatization in India, combining a review of policy history and comparative international experience with primary survey evidence from 418 passengers and railway employees. The paper traces privatization from the 2006 Container Policy and the 2019 Tejas Express pilot through to the National Monetization Pipeline 2.0 (NMP 2.0), announced in February 2026, which targets ₹2.62 lakh crore in asset monetization between 2025-26 and 2029-30 a 70 percent increase over the first monetization cycle. Survey findings show that 70.9 percent of respondents consider privatization necessary, and 45.5 percent favor a Public-Private Partnership (PPP) model over full privatization or continued public ownership; yet 74.5 percent fear higher fares and 52.7 percent fear a widening of income-based access to quality service. The financial record of the Tejas Express India's flagship private-style train, which had accumulated losses of roughly 62.9 crore over its first several loss-making years is examined as a case study in the conditional and volatile viability of premium-positioned private-style services; the most recent available data show a demand-driven recovery in the third quarter of FY 2025-26, with quarterly occupancy of 69% on the Delhi-Lucknow route and 109% on the Ahmedabad-Mumbai route, though full-year profitability for FY 2025-26 has not yet been officially disclosed. Drawing on international evidence from the United Kingdom and Japan, the paper argues that unregulated, full-scale privatization carries demonstrable risk to safety, affordability, and service equity, whereas a calibrated, well-regulated PPP model is both what the public prefers and what the comparative record supports. The paper concludes with policy recommendations centered on tariff regulation, phased implementation, and employment safeguards.

Keywords: Indian Railways, privatization, Public-Private Partnership, Tejas Express, National Monetization Pipeline, transport policy, passenger perception

1. INTRODUCTION

Indian Railways (IR) is a state-owned enterprise operating under the Ministry of Railways, Government of India, and ranks as the world's fourth-largest railway network and the ninth-largest utility employer globally, with a workforce exceeding 1.25 million people (Dawda & Shrivastva, 2025). The network spans 123,235 route-kilometers, including 95,979 kilometers of running track, and serves more than 7,000 stations. Of roughly 22,000 daily train services, around 13,000 are passenger services and 9,000 are freight, together carrying an estimated 23

million passengers a day (Dawda & Shrivastva, 2025). Indian Railways traces its origins to 1853, when the first passenger train ran between Bori Bunder (Mumbai) and Thane under private guarantee-system operators sanctioned by the East India Company, which assured investors a 5 percent annual return on capital. The system was gradually nationalized after 1869 and, following Independence, was consolidated under full government ownership from 1951 onward (Dawda & Shrivastva, 2025).

Over the past two decades, however, IR has faced mounting structural pressure: chronic under-recovery of costs on passenger services, an operating ratio that touched 98.44 percent in 2017-18 the worst in a decade, according to the Comptroller and Auditor General (CAG) and an estimated infrastructure investment requirement of nearly US\$4.5 trillion by 2040 (Dawda & Shrivastva, 2025). These pressures have driven a gradual, multi-decade shift toward private participation, beginning with the 2005 Container Policy permitting private freight operators, followed by the creation of the Dedicated Freight Corridor Corporation of India (DFCCIL) in 2006, and accelerating after 2014 with the merger of the Railway Budget into the Union Budget in 2016 and the launch of the Tejas Express in 2017.

The most consequential recent step is the National Monetization Pipeline 2.0 (NMP 2.0), announced by the Government of India on 23 February 2026, which sets a target of 2.62 lakh crore to be raised through the monetization of railway assets between 2025-26 and 2029-30 a 70 percent increase over the 1.52 lakh crore raised under the first monetization cycle (2021-22 to 2024-25) (AIFAP, 2026). NMP 2.0 extends monetization to both freight and passenger operations, including 180 private freight trains under a Design-Build-Operate model and roughly 200 private freight terminals, alongside the continued redevelopment of stations such as the 946.6 crore Vijayawada station project cleared in May 2025 under Public-Private Partnership (PPP) arrangements (AIFAP, 2026; Raily News, 2026).

This paper asks three connected questions. First, how has Indian Railways privatization evolved, and where does it stand as of 2026? Second, how do passengers and railway employees perceive the shift toward private participation? Third, what does the financial record of India's principal private-style train, the Tejas Express, along with comparative international experience, suggest about the risks and design choices that should guide the next phase of reform? The paper combines a structured review of policy and comparative literature with an original passenger and employee survey (n = 418) to address these questions.

2. LITERATURE REVIEW

A substantial and growing body of Indian scholarship has examined railway privatization from efficiency, equity, and historical perspectives, generally converging on the conclusion that a calibrated, partial model of private participation is more defensible than full divestment.

On the efficiency case, Rajasekar and Pasha (2020) find that reduced political interference, improved service quality, and fewer accidents are the principal benefits that stakeholders associate with privatization. Kalam, Singh, and Chaurasiya (2022) point to the National Rail Plan's projected investment of ₹38.5 lakh crore and argue that private participation could help mobilize foreign direct investment (FDI) and improve services through PPP structures. Singh (2020) similarly concludes that a balanced approach blending public ownership with private-sector efficiency and innovation is preferable to full-scale privatization, and that selective private involvement can improve service quality while preserving the railways' public-welfare character.

A second strand of the literature foregrounds public and worker perception. Paintal and Jain (2021) examine whether the working-class public supports privatization and whether rail is likely to remain the preferred mode of transport under a privatized regime. Shrivastva (2019) situates the debate historically, comparing the sectorial impact on passenger versus freight operations. Sajjad Ahmed Parry (2017) examines operational efficiency over a 15-year period to assess the underlying case for reform.

A third strand raises distributional and comparative concerns. Mathew (2021), writing for the Strategic and Policy Research Foundation, warns that privatization risks diverting resources toward higher-fare, higher-service segments at the expense of affordable public transport, and explicitly draws on the British rail privatization of the 1990s as a cautionary international parallel, noting its association with safety and reliability problems. Krishna and Kirubakaran (2018) similarly conclude that while privatization may improve operational metrics, its social and economic effects on affordability and accessibility make it inherently contentious.

A fourth strand emphasizes the railways' broader economic and environmental role. Bala Murlidhar (2019) documents that Indian Railways is roughly twelve times more energy-efficient than road transport for freight and three times more efficient for passenger movement, and that the sector is estimated to contribute close to 3 percent of India's GDP. Kuriakose and Gupta (2021) argue that any move toward privatization must be paired with robust regulatory frameworks that protect public-service obligations, while Lahoti and Wason (2024) contend that controlled private participation could still improve punctuality and service quality through increased competition.

The most comprehensive recent treatment is Dawda and Shrivastva's 2025 Observer Research Foundation (ORF) issue brief, which situates Indian reform within international experience. In Japan, the 1987 privatization of Japanese National Railways into seven successor companies following a debt burden of ¥25 trillion is widely regarded as a qualified success: passenger traffic rose 20 percent by 1993, and JR East, JR Central, and JR West achieved sustained profitability, aided by diversification into real estate and retail (Dawda & Shrivastva, 2025; Tokyo Review, 2021). Yet the record is not unambiguous: JR Hokkaido's persistent safety lapses show that fragmentation of a national network into regional operators can create uneven safety outcomes even where the headline financial results are favourable (Solution to Safety Crisis, n.d.). In the United Kingdom, the 1994-97 privatization of British Rail into separate infrastructure (Rail track) and train-operating companies is more frequently cited as a cautionary case: the 2000 Hatfield rail crash, linked to deferred infrastructure maintenance under Rail track's commercial incentives, triggered the 2002 re-nationalization of the infrastructure arm as Network Rail (Crompton & Jupe, 2003; Shaoul, 2006). Fares in the UK's post-privatization system remain among the highest in Europe despite continuing government subsidy of roughly £4.2 billion a year (Tokyo Review, 2021).

Taken together, the literature does not support a simple binary choice between full public ownership and full privatization. Instead it points toward a design question: which functions (freight, non-core services, station redevelopment) are best suited to private participation, and what regulatory safeguards tariff caps, safety oversight, service obligations on unprofitable routes are needed to prevent the equity and safety costs observed in comparator countries. This paper's survey evidence, presented in Section 4, speaks directly to how Indian stakeholders themselves weigh this trade-off.

3. RESEARCH OBJECTIVES AND METHODOLOGY

Based on the review of literature on the privatization of Indian Railways, this study pursues the following objectives:

- To study the perception of passengers and railway employees regarding the privatization of Indian Railways.
- To examine the perceived need for privatization, and the advantages and limitations respondents associate with it.
- To examine the current operational and financial status of India's flagship privatized passenger service, the Tejas Express, as a case study of private participation in practice.

3.1 Methodology

This study adopts a quantitative, descriptive survey design using primary data collected through a structured questionnaire, aimed at capturing public perceptions, expectations, and concerns regarding the privatization of Indian Railways. The questionnaire was administered to a sample frame of 750 railway users and railway employees via Google Forms; 418 valid responses were received, yielding a response rate of approximately 55.7 percent. Responses were exported to spreadsheets and analyzed using descriptive statistical methods frequency distribution and percentage analysis to identify trends in public sentiment. This is supplemented by a documentary case study of the Tejas Express, drawing on IRCTC financial disclosures and independent business-press reporting, and by a review of comparative international experience (Japan and the United Kingdom) to contextualize the Indian findings.

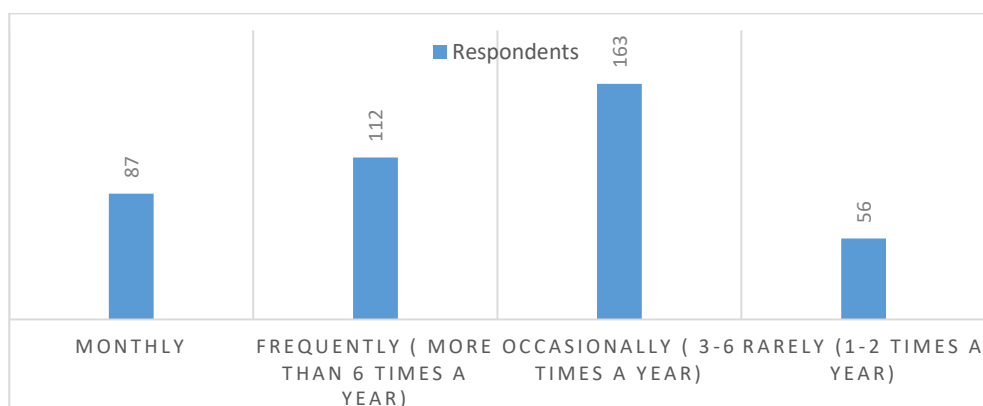
As with any single-country online survey, the sample is not a probability sample of the Indian population as a whole and may over-represent digitally connected, urban respondents; findings should therefore be read as indicative of stakeholder sentiment among the surveyed group rather than as nationally representative estimates.

4. DATA ANALYSIS AND INTERPRETATION

Privatization is often framed by government as a means of reducing the fiscal burden of loss-making public enterprise, following precedents such as the divestment of Air India. Proponents argue that private operators tend to be more efficient, faster in decision-making, and more responsive to customer preferences under competitive pressure. This section presents survey findings from 418 respondent's passengers and railway employees collected to test how far this rationale is shared by the public the reform is meant to serve.

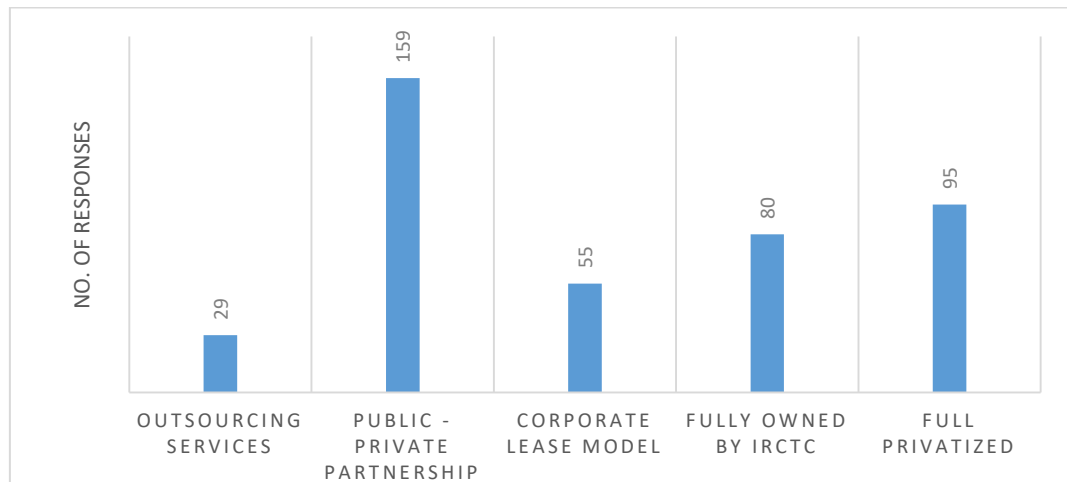
Q1. How often do you travel by Indian Railways?

Of the 418 respondents, 163 (39.0%) travel occasionally three to six times a year followed by 112 (26.8%) who travel frequently, 87 (20.8%) who travel monthly, and the remainder travelling only one to two times a year. The sample therefore skews toward regular but not daily users, a group with direct experience of service quality and fare levels.



Q2. Which privatization model do you think is suitable for Indian Railways?

A majority of respondents (39%) favor a combined Public-Private Partnership model, followed by 23% who support full privatization of railway services indicating confidence in the private sector's ability to deliver better efficiency and service quality. A further 19% prefer that railways remain fully owned by IRCTC/the government, largely on affordability grounds, while only 7% favor outsourcing non-core services such as catering and maintenance alone.



Q3. Do you think privatization will increase the cost of travel?

A substantial 74.5% of respondents believe privatization will increase travel costs; only 10.9% disagree, and 14.5% are unsure. This is the single strongest and most consistent concern across the survey, and it is corroborated by international experience: post-privatization UK rail fares remain among the highest in Europe despite continuing public subsidy (Tokyo Review, 2021).

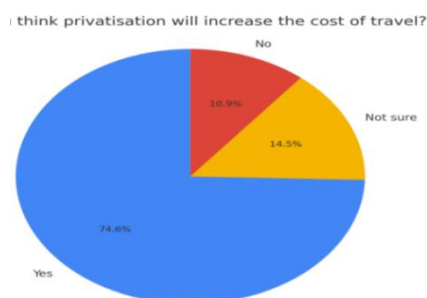
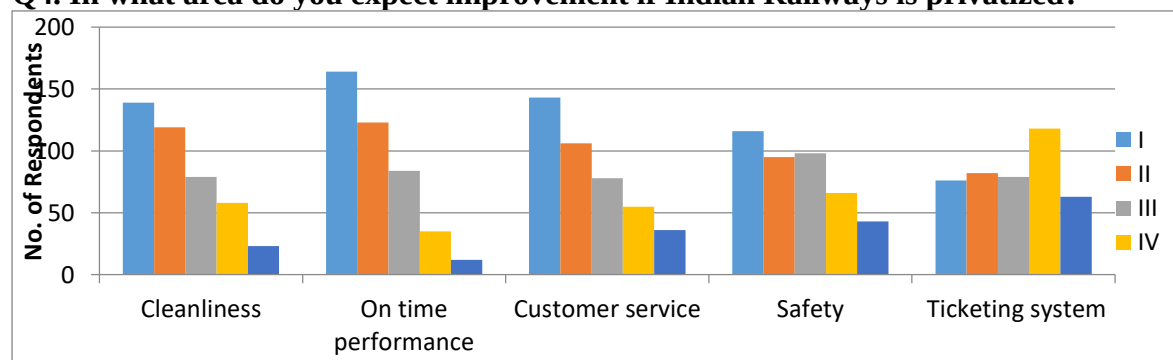


Figure 1- Perception of Privatization's Effect on Travel Cost
Source: Author's primary survey data (n = 418), Google Forms

Q4. In what area do you expect improvement if Indian Railways is privatized?



Respondents most frequently expect improvement in on-time performance, followed by customer service and cleanliness. Ticketing, by contrast, was viewed with more skepticism,

with several respondents flagging concern that a privatized ticketing system could be structured around profit maximization rather than affordability.

Q5. Do you think privatization will lead to job losses for railway employees?

Opinion here is closely divided: 36.4% of respondents believe privatization will not lead to job losses, while 34.5% believe it will, and the remainder is unsure. This divide mirrors the documented tension in the literature: Dawda and Shrivastva (2025) note that Japan's 1987 privatization reduced JNR's workforce from roughly 400,000 in 1980 to 191,000 by 1994 even as the reformed JR companies became profitable evidence that efficiency gains and workforce contraction have historically moved together in comparable reforms.

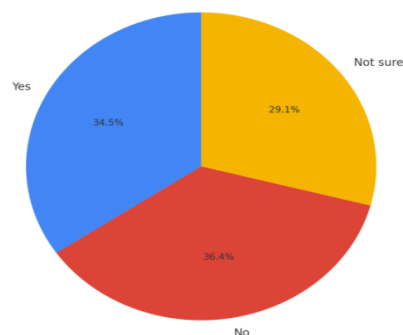


Figure 2. Perceived Risk of Job Losses under Privatization

Source: Author's primary survey data (n = 418), Google Forms.

Q6. Do you think privatization of Indian Railways will widen the gap between income groups?

More than half of respondents (52.7%) are concerned that privatization might disproportionately benefit higher-income groups through tiered pricing or premium services, while only a small minority believe outcomes would be equitable. This finding is consistent with Mathew's (2021) argument that privatization, if unregulated, risks converting Indian Railways from a social-welfare mechanism into an increasingly exclusive

Privatization of Indian Railways will widen the gap between

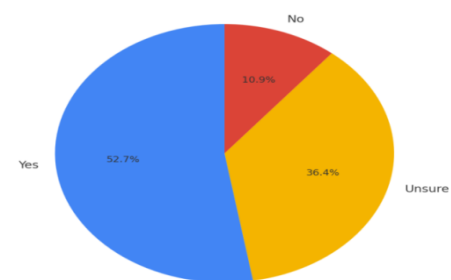
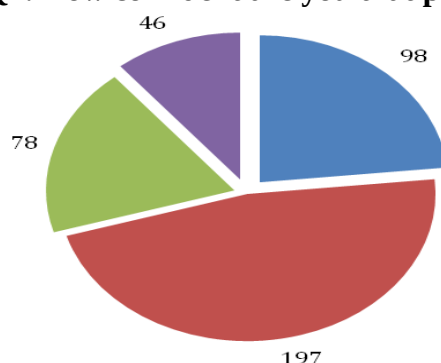


Figure 3: Impact of Privatization on income inequality

Source: Author's primary survey data (n = 418), Google Forms.

Q7. How confident are you that privatization will improve railway services?



Around 50% of respondents were somewhat confident and 98 (23.4%) were very confident that privatization would improve services, while 78 (18.7%) remained neutral and 46 (11.0%) expressed low confidence indicating that a clear majority lean positive, but with meaningful reservation.

Figure 4. Perception regarding improvement in Railway Services

Source: Author's primary survey data (n = 418), Google Forms

REASONS CITED FOR PRIVATIZATION

Respondents and the reviewed literature converge on five principal justifications for private participation:

- Improving efficiency and service quality: private operators are typically more focused on performance metrics, cost discipline, and punctuality.
- Reducing the fiscal burden on government and attracting investment, including FDI, to modernize ageing infrastructure and rolling stock.
- Encouraging competition, which can moderate fares and expand passenger choice over time?
- Accelerating technological adoption digital ticketing, real-time tracking, and modern fleet management.
- Improving utilization of underused assets, such as station land and real estate, drawing on the Japanese experience where non-transportation revenue accounts for roughly a third of JR East's income and nearly 60% of JR Kyushu's (Tokyo Review, 2021).

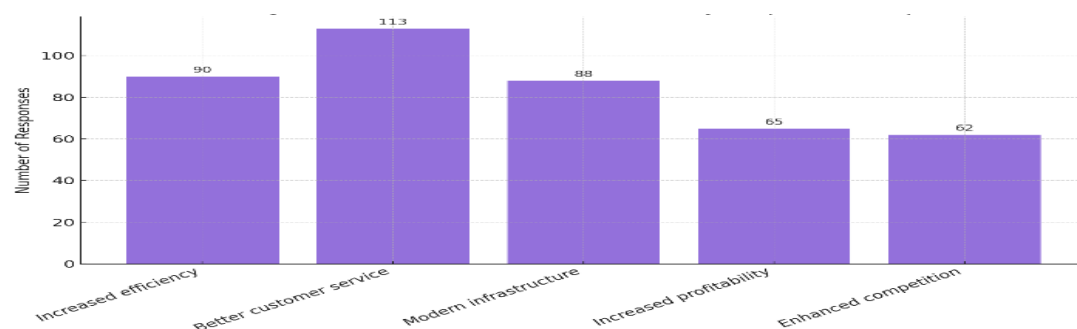


Figure 5- Survey Respondents' Views on the Case for Privatization
Source: Author's primary survey data (n = 418), Google Forms.

In the figure above, 36.2% of respondents cite improved service quality as the strongest justification for privatization, followed by modernized infrastructure, reduced operational cost, and increased profitability.

4.1 Advantages and Limitations of Privatization

Advantages

- Improved efficiency and service quality: competitive pressure typically raises standards of cleanliness, punctuality, and catering.
- Modernization and innovation: private capital can accelerate the introduction of smart ticketing, faster trains, and upgraded infrastructure.
- Reduced fiscal burden: privatization of loss-making segments frees public resources for core regulatory and safety functions.
- Job creation in allied sectors: expanded investment can generate employment in construction, manufacturing, and logistics, even where direct railway employment contracts.
- Better asset utilization: monetization of underused land and station assets, as pursued under NMP 2.0 (AIFAP, 2026).
- Increased competition and fare rationalization over the medium term.
- Potential safety gains from modern systems and international best practice, though this is not guaranteed (see Section 5).

Limitations

- Loss of social-welfare function: unprofitable but socially important routes risk being deprioritized or discontinued.
- Job insecurity: contractual employment models can erode job security and workforce morale.
- Higher fares: profit-driven pricing risks pricing out lower- and middle-income passengers, particularly in premium segments.
- Monopoly risk: concentration among a small number of private operators could recreate the inefficiencies privatization was meant to solve.
- Safety trade-offs: cost-cutting pressure can compromise maintenance standards, as the UK's Hatfield accident illustrates (Crompton & Jupe, 2003).
- Neglect of rural and low-density routes, which are commercially unattractive but socially essential.
- Regulatory complexity: effective oversight requires institutional capacity that is still being built in India.
- Transition risk: large-scale reform can face political, labor, and public resistance during implementation.

5. CASE STUDY: STATUS OF THE TEJAS EXPRESS

The Tejas Express is Indian Railways' most visible experiment in private-style passenger operations, and offers the clearest empirical test of the efficiency claims examined in Sections 2 and 4. Launched in May 2017 on the Mumbai-Goa route and operated by IRCTC a government-owned corporation, not a private company the Tejas Express introduced airline-style amenities including LED screens, automatic doors, CCTV surveillance, and a delay-compensation scheme (100 for delays over an hour, 250 for delays beyond two hours). The model was subsequently extended to the Lucknow-New Delhi and Ahmedabad-Mumbai routes, and a third private train, the Mahakal Express, was launched on the Indore-Varanasi route (Dawda & Shrivastva, 2025).

5.1 Financial Performance, FY 2019-20 to FY 2025-26

Table 1:-Tejas Express Financial and Operational Performance, 2019-20 to 2025-26

Fiscal Year	Lucknow-New Delhi Tejas	Ahmedabad-Mumbai Tejas	Combined Total / Status
2019-20	2.33 crore profit	2.91 crore loss	0.58 crore loss
2020-21	16.79 crore loss	16.45 crore loss	33.24 crore loss
2021-22	8.50 crore loss	15.97 crore loss	24.47 crore loss
Subtotal (FY20-22)	23.62 crore loss	35.33 crore loss	58.95 crore loss
2022-23 to 2024-25	-	-	62.9 crore combined loss over the 3-year period (widely reported figure)
Q3 (Oct-Dec) 2025-26	69% occupancy	109% occupancy	50 crore combined quarterly revenue; full-year profit/loss not yet disclosed

Sources: Ministry of Railways, Rajya Sabha reply, 20 July 2022

The FY 2019-22 figures come from an official Ministry of Railways reply in the Rajya Sabha and are the most precisely sourced data in the table. The 62.9 crore figure for the following three years (FY 2022-23 to FY 2024-25) is a combined, route-undifferentiated estimate reported in the business press rather than an official route-by-route disclosure, so it is

presented here as a single period total rather than split by route or broken into individual fiscal years. No official year-by-year breakdown for FY 2022-25, and no official full-year profit or loss figure for FY 2025-26, could be independently verified as of this writing; both should be updated once the Ministry of Railways or IRCTC discloses them, ideally in the same route-wise, audited format as the FY 2019-22 reply.

Both Tejas services were suspended for extended periods during this timeline first during the Covid-19 pandemic in 2020-21, and again in late 2020 when IRCTC formally cancelled operations on both routes owing to persistently low occupancy, before resuming service in 2021 (Business Standard, 2020; Deccan Herald, 2020). The losses reported through FY 2024-25 are attributed principally to persistently low passenger occupancy relative to high ticket prices and growing competition from the Vande Bharat Express, which has since displaced Tejas on comparable routes (Channeliam, 2025). By contrast, IRCTC's overall operating revenue reached ₹4,271.19 crore in FY 2023-24, a 17.2% year-on-year increase, and the Vande Bharat fleet 136 trains strong as of January 2025 has reported consistently high occupancy (Channeliam, 2025). In response to the continued losses, the Ministry of Finance issued an Office Memorandum extending official government-employee travel entitlements to Tejas Express, an explicit demand-side intervention to boost ridership (BW Business world, 2026).

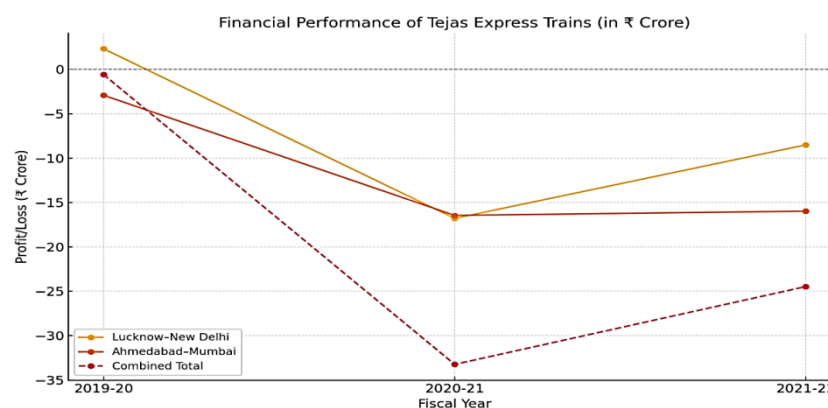


Figure 5: Tejas Express Performance Trend, FY 2019-22
Source: IRCTC Annual Report 2023-24.

5.2 The FY 2025-26 Recovery

The most recent verifiable data point to an operational recovery, at minimum on a quarterly basis. In Q3 (October-December) of FY 2025-26, the two Tejas Express services together generated approximately 50 crore in revenue, according to reporting based on IRCTC disclosures (Office newz, 2026; Curly Tales, 2026). Occupancy diverged sharply by route: the Delhi-Lucknow-Delhi service ran at 69% capacity, while the Ahmedabad-Mumbai-Ahmedabad route recorded 109% occupancy exceeding nominal seating capacity through standing or waitlisted conversions, indicating particularly strong demand recovery on that corridor (Office newz, 2026). This represents a clear improvement in reported revenue and occupancy over the loss-making years documented in Table 1, and is consistent with targeted interventions including the Finance Ministry's travel-entitlement change combined with post-pandemic demand normalization improving the service's commercial position, at least on the western corridor.

This recovery should be read with some caution on two counts. First, a single strong quarter is not the same claim as full-year profitability: no official FY 2025-26 profit-or-loss figure, comparable to the audited FY 2019-22 Rajya Sabha figures in Table 1, has yet been

disclosed, so whether the service has returned to net profit for the year cannot be confirmed from currently available sources. Second, the 40-point occupancy gap between the two routes (69% versus 109%) shows the recovery is uneven rather than uniform, with the western corridor recovering demand considerably faster than the northern one. A fuller assessment awaits the Ministry of Railways' or IRCTC's full-year FY 2025-26 disclosures.

The Tejas Express case is instructive precisely because it is not a case of private ownership at all: IRCTC is a wholly government-owned corporation, and the experiment tested private-style management and revenue-sharing incentives rather than private capital or private risk-bearing. The trajectory across FY 2019-26 an initial profitable month, roughly five to six subsequent years of losses coinciding with the pandemic and Vande Bharat competition, and now a demand-driven quarterly recovery in at least one corridor suggests that premium-positioned rail services are highly sensitive to macro conditions and competitive substitution, and that commercial viability is neither guaranteed nor permanently foreclosed by early losses. This has direct relevance for the 12-cluster, 151-train PPP scheme first announced in 2020, under which genuinely private operators are expected to bear commercial risk under a Gross Revenue Share model with a 35-year concession period (SATHEE-IITK, n.d.). If a government-run pilot needed several loss-making years and active demand-side intervention (the Finance Ministry's travel-entitlement change) before showing signs of recovery, private concessionaires bidding under fixed haulage-charge obligations without comparable government back stopping face a materially harder commercial proposition. This reinforces the case, made throughout the literature reviewed in Section 2, for realistic financial modeling, phased rollout over a multi-year horizon rather than expectations of immediate profitability, and targeted demand-side support during the early operating years of any new private or private-style service.

6. FINDINGS

- Indian Railways continues to face operational inefficiencies, high fixed costs, and infrastructure gaps; a majority of respondents acknowledge that privatization could improve service quality, operational efficiency, and customer satisfaction.
- Respondents most often cite modernization, improved customer service, and reduced financial burden on government as the principal expected benefits of privatization.
- Concerns centre on job security, rising travel costs, and the possible neglect of less profitable routes; 52.7% of respondents fear privatization will widen income-based inequality in access to quality rail services.
- The most favored model (45.5% combined preference across full-PPP framings) is a Public-Private Partnership, indicating that stakeholders value hybrid governance in which the state retains a regulatory and safety role while private operators drive service delivery and innovation.
- Public sentiment is net positive: 70.9% believe privatization is necessary in some form, but affordability and equity concerns are pervasive and unresolved.
- On job security, opinion is genuinely split (34.5% fear job loss, 36.4% do not, 29.1% unsure) reflecting real uncertainty rather than consensus in either direction.
- On efficiency, expectations are high: 74.5% expect efficiency gains, and just over half prefer privatized services to government-run alternatives on service-quality grounds alone.

- Cost sensitivity is the dominant concern across the sample: 74.5% fear increased travel costs, making affordability the central design constraint for any future reform.
- The Tejas Express case study shows that even a low-risk, government-owned pilot with premium branding struggled to sustain profitability, underscoring the financial fragility of premium-positioned private-style services on India's cost-sensitive passenger network.

CONCLUSION

This research underscores that privatization of Indian Railways is not a silver bullet, but it does represent a genuine inflection point in India's transport policy – one that has moved from tentative pilots in 2006 and 2019 to the far larger ambitions of NMP 2.0's ₹2.62 lakh crore monetization target for 2025-30 (AIFAP, 2026). There is clear recognition, both among survey respondents and in the reviewed literature, of the railways' structural inefficiencies and a corresponding demand for modern, reliable, and competitive service. The evidence assembled here confirms a strong public inclination toward change, particularly through Public-Private Partnerships that preserve government oversight while drawing on private-sector dynamism precisely the middle path favored by the largest bloc of survey respondents (45.5%).

At the same time, the findings reveal significant and well-founded apprehension. Affordability, accessibility, and equity form the core of resistance to privatization, and these fears are not merely speculative: they are echoed in the international record, from the UK's Hatfield accident and persistently high post-privatization fares to the workforce contraction that accompanied Japan's otherwise successful 1987 reform. If implemented without safeguards, privatization risks converting Indian Railways from a social-welfare mechanism into an increasingly exclusive commercial service, disproportionately affecting economically weaker sections of society, alongside genuine job insecurity for existing employees.

The Tejas Express case study serves as a domestic illustration of just how conditional commercial viability can be. Its accumulated losses roughly 58.95 crore over its first three full years of operation and approximately 62.9 crore over a more recent three-year window occurred under IRCTC's government ownership, with none of the harder commercial constraints that genuinely private concessionaires under the 12-cluster PPP scheme will face. Yet the most recent quarterly data, showing 109% occupancy on the Ahmedabad-Mumbai route and 50 crore in combined quarterly revenue in Q3 FY 2025-26, indicate that the service is not permanently loss-bound either recovery followed sustained demand-side intervention and post-pandemic normalization, and it remains uneven across routes. Together, the loss years and the recovery point to the same policy conclusion: realistic financial modeling phased and market-tested rollout, and targeted subsidy design during the early operating years are what determine whether privatized or private-style services become commercially viable, not premium branding alone.

Furthermore, the results suggest that privatization should not entail complete abdication by the state. The government must instead establish robust regulatory frameworks – of the kind proposed by Dawda and Shrivastva (2025), including a dedicated tariff regulatory authority that enforce fair pricing, safety standards, and universal access, while also ensuring social justice in employment practices and continued service coverage in rural and underserved regions. NMP 2.0's extension of monetization to core passenger and freight operations, not merely non-core assets, makes these safeguards more urgent, not less.

In conclusion, privatization can be a force for improvement in Indian Railways, but only if approached as a strategic, regulated transformation rather than a blanket handover. The future

of Indian Railways lies not in a binary choice between public and private ownership but in how effectively policy integrates the strengths of both ensuring that the railways continue to serve as both an economic engine and a social lifeline for thousands of millions of Indians.

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