

Statement of CRB Regarding Corporatization of production Units of Railways

Railway PUs corporatization process starts from FY 21

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The Indian Railways will begin the process of corporatizing its production units in FY21 as it takes a coordinated approach towards improving the efficiency of the railway network.

NEW DELHI: The Indian Railways will begin the process of corporatizing its production units in FY 21, as it takes a coordinated approach towards improving the efficiency of the railway network.

The idea of hiving off the seven production units of the Indian Railways into a single entity, called the Indian Railways Rolling Stock Company, was floated as part of the 100 days action plan of the Indian Railways last year.

“Ultimately, our production units will have to produce coaches and locos, which are fit for a speed of 160 kmph,” Railway Board chairman VK Yadav said.

The railways has assigned the task of undertaking a study on corporatization of the rolling stock units to RITES. “They are also preparing the report on what will happen to our existing employees, how they will be redeployed,” Yadav said.

Yadav said once RITES completes the study, trade unions, among other stakeholders, will be roped in for discussions. “In this financial year, we will start the process,” he added.

The railways has seven production units—Chittaranjan Locomotive Works, Integral Coach Factory, Diesel Locomotive Works, Diesel Modernization Works, Wheel & Axle Plant, Rail Coach Factory and Modern Coach Factory.

In its original plan, the railways had proposed to begin the corporatization exercise at the Modern Coach factory in Rae Bareli.

Yadav said the railways is working with a holistic approach to modernize its infrastructure to make its network feasible for running high speed and semi-high speed trains.

By 2024, the work on multi-tracking, which is essentially laying additional tracks on a particular route, will be complete across its network. This would help the national transporter meet additional demand for passenger trains, Yadav said.

Currently, the railways runs around 13,000 passenger trains on its network, but around 20,000 trains are required to meet the demand, Yadav said.

“Normally, after multi-tracking, the capacity is doubled, but we would expect if not double then at least 60-70% jump,” Yadav said.

For meeting the demand, the railways has allowed private operators to run passenger trains, while at the same time working to increase the capacity of its production units.

Yadav added that after 150 trains are successfully run by private operators, which is not before two years, more trains will be brought in the following phases.

Operating Ratio picture for 19-20 grim

The national transporter is likely to miss its operating ratio target of 95% set for FY20, amid its growing social obligation costs, Yadav said. “This time we are in stress, and we are expecting a deficit of Rs 15,000 to Rs 20,000 crore as of today. We are trying to balance that,” Yadav said. The railways has reached out to the finance ministry to bear its pension obligation of Rs 50,000 crore, perhaps in a phased manner, Yadav said.

Six more bullet train sections identified

Yadav said the railways has sanctioned work on a detailed project report for six more bullet trains, which will be finalised in one year. After a detailed study is conducted, the government will take a call on whether these will be high-speed or semi-high speed train networks, Yadav said. Delhi-Varanasi, Delhi-Ahmedabad, Mumbai-Nagpur, Mumbai-Hyderabad, Chennai-Mysuru and Delhi-Amritsar are among the routes identified.

Source: <https://economictimes.indiatimes.com/>