

Railways are changing for the better

Public perception is off track. As against big bang announcements, changes are taking place quietly, but surely



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Indian Railways suffers from a perception issue – and that’s preventing many from seeing the good work being undertaken under Railways Minister Suresh Prabhu.

Misconceptions galore

Any colossal organisation will take gargantuan efforts and considerable time to transform itself. Against this backdrop, I would like to highlight six key issues where public perception, stated below, is on the wrong track.

There have been no Big Bang announcements: While announcing his maiden Railway Budget this year, the Minister had clearly articulated that it was the beginning of a five-year plan. Over 200 capacity enhancement projects which had been announced in earlier budgets are yet to be completed, and these are being addressed on priority.

It is therefore natural to expect a number of key steps across the

board, to consolidate and complete existing projects, which will come together to result in holistic change.

One of the biggest developments is the push towards mega FDI and “Make in India” by Railways. Top global firms viz. GE, EMD, Bombardier, Alstom and Siemens, have bid for two state of the art electric and diesel locomotive manufacturing projects aggregating to ₹42,000 crore.

Budget announcements not implemented: Granular progress and growth is not being appropriately perceived and appreciated by critics. Seventy nine Budget announcements have already been implemented, on issues like e-catering in 1,000 trains, Wi-Fi in 11 stations, construction of toilets at 67 stations and energy and water audits across 150 locations.

Another game-changer will be the accelerated implementation of dedicated freight corridors (DFC) which will add 3,300 Km of new lines. As many as ₹17,000 crore of tenders have been awarded in the past nine months which is 1.6 times the tenders awarded since the project’s inception. The first 56 km of this project is likely to be commissioned by end of this year.

Where’s the money to address the significant investment deficit? In-



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stead of big bang announcements, the focus has shifted to identifying financial resources to complete all existing projects. A five-year Capex Budget of ₹8.56 lakh Crore has been finalised with a realistic plan of where the money will come from.

IR is rapidly diversifying its sources of finance. Gross budgetary support will account for only 30 per cent (₹2.56 lakh crore) of this planned investment, while project debt will account for 28 per cent (₹2.5 lakh crore). The rest will be sourced from JVs with various State governments (19 States have already come on board, with a com-

mitment of ₹1.2 lakh crore); public private partnerships under new and more acceptable structures (₹1.3 lakh crore); internal generation (₹1 lakh crore), leasing of rolling stock (₹1 lakh crore) and long term loans from LIC (₹1.5 lakh crore).

In addition to increased private financing, IR is also looking at creating a long term Railways investment fund with multilateral institutions as anchor investors and participation from the world’s leading sovereign wealth funds and long term pension funds.

Administrative issues

The funds may be tied up but how will they be spent? The diffident bureaucracy and an acute lack of institutional capacity to prioritise spending on critical projects are required to be addressed.

The Minister has already delegated substantial decision making powers to the functional levels. This has expedited decision making, thereby leading to more capital spending. In just the first quarter of this year, IR has exceeded the targeted capex by over ₹4,500 crore. It stands at ₹17,734 crore, which is 134 per cent of the initial target (₹13,231 crore). In fact, IR has exceeded the target spends across parameters like new lines, electrification, gauge

conversion and track renewals.

Safety issues will continue to plague Indian Railways: There is a more focused approach now. Under the ‘zero accident policy’, ₹1.27 lakh crore is proposed to be spent on improving rail safety (on renewal of tracks, better signalling and accident-resistant coaches and engines), minimising the scope for accidents. For unmanned LCs, an early warning system designed by IIT Kanpur is being field tested for rapid deployment across the country.

Trains will never be on time, especially during the foggy winter months: Sophisticated technology like thermal imaging and instrument landing systems have helped the aviation industry overcome this. I understand that the ministry is evaluating proposals for providing thermal imaging inside locomotives – to help run trains even during extremely low visibility under heavy fog.

Since such weather conditions coincide with the peak freight loading season, this will improve capacity utilisation, loss of punctuality and address key safety issues.

A robust railway network, in line with global standards, will transform our socio-economic fabric.

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