

Report Summary

Report of the Expert Group for Modernization of Indian Railways

The Ministry of Railways had appointed an Expert Group on the Modernization of Indian Railways under the chairmanship of Mr. Sam Pitroda. The Expert Group recently presented its report.

The Modernization plan proposed by the Expert Group envisages a funding of Rs 5,60,396 crore over the next ten years. Of this, Rs 3,96,000 crore (or 71%) is to be spent in the first five years i.e. during the duration of the 12th Plan. The report recommends that this amount be raised by leveraging four main sources of funds:

- Budgetary support
- Internal revenue generation by Railways
- Monetization of blocked assets such as surplus land available with the Railways, and Public Private Partnerships
- Fund raising from financial institutions and markets

The report also points out that many of the proposed measures will increase track life, improve loading capacity and allow operations at higher speeds. These improvements will contribute to system efficiency and improve revenue generation in Railways.

The key observations and recommendations of the Expert Group are listed below:

Track & Bridges (Estimated cost Rs 33,046 crore)

- Modernize 19,000 kms of existing tracks on routes A, B and D special. The tracks should be upgraded to carry heavier freight trains and achieve higher speeds. A, B and D special routes comprise nearly 40% of the total network and carry 80% of the traffic.
- Eliminate level crossings and provide fencing alongside tracks.
- Provide 100% mechanized track maintenance on routes A and B.

Signaling (Estimated cost Rs 25,000 crore)

- Implement Automatic Block Signaling on A and B routes.
- Introduce GSM-based mobile train control communication systems on A, B and C routes.

Rolling-stock (Estimated cost Rs 72,571 crore)

- Modernize rolling stock with investments in new-generation electric and diesel locomotives, high speed LHB coaches and heavy haul freight bogies.

Stations (Estimated cost Rs 1,27,000 crore)

- Of the total 7,083 stations, modernize 100 major stations immediately.
- Modernize the top 50 freight terminals.
- Develop 34 multi-modal logistics parks to provide integrated transport infrastructure facilities for users.

Dedicated Freight Corridors (DFCs)

(Estimated cost Rs 2,04,000 crore)

- Construct Eastern and Western DFCs in the next 5 years.
- Construct North-South, East-West, East-Coast and Southern DFCs in the next 10 years.
- Upgrade feeder routes to DFCs.

High Speed Passenger Train Corridors

(Estimated cost Rs 60,000 crore)

- Construct a High Speed (350 kmph) railway line between Ahmedabad & Mumbai within the next 10 years.
- Undertake studies for other tracks.

Other PPP Initiatives

(Estimated cost Rs 37,000 crore)

- Attract private investment to augment locomotive and coach manufacturing units, captive power units, private freight terminals, etc.

Information and Communication Technology (ICT)

(Estimated cost Rs 1,315 crore)

- Set up Real Time Information Systems (RTIS) to provide real time information at stations on running trains.
- Set up Radio frequency Identification (RFID) tracking system for wagons, coaches and locomotives to enhance wagon management and real time monitoring.
- Computerize Railway files and expedite decision making.



PRS LEGISLATIVE RESEARCH

Indigenous R&D (Estimated cost Rs 464 crore)

- Develop indigenous capabilities to be a global leader in state-of-the-art railway technologies.
- Establish Indian Institute of Railway Research with Centers of Excellence in safety, wagon prototyping etc.

Human Resource

- Install and operationalize a modern Computerized Human Resource Management System.
- Rationalize and consolidate multiple services and cadres.
- Enable lateral recruitment from market for specialist functions.
- Create a system of reward for collective performance linked to incremental surplus generated by various units.

Organization

- Re-organize the Railway Board along business disciplines. The Chairman should serve as the Chief Executive Officer and Members should be responsible for disciplines such as:
 - Safety
 - Business development/ commercial
 - Technology/ ICT and signalling
 - Freight
 - Passenger Services
 - Infrastructure
 - Finance
 - HR
 - Public Private Partnership

- Create commodity wise Key Account Directors for major commodities like coal, iron ore, steel, foodgrain, fertiliser etc. Coal forms 45% of total freight traffic and needs special attention.
- Similarly, create Key Account Directors of suburban, long distance passenger etc.
- Empower Zonal Railways. The present system of seeking sanction for capital investment from the Railway Board should give way to a more decentralized form of decision-making. GMs of Zonal Railways should be empowered to take decisions within certain investment limits.
- Revamp accounting systems so that train-wise and route-wise profitability analysis is available.
- Review the existing PPP policy framework to attract better investments.
- Constitute a Railways Tariff Regulatory Authority.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research ("PRS"). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.

