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BUDGET 2012

Railway Budget: Bringing down operating ratio a 'bold step', says TCI

By Vineet Agarwal, Joint Managing Director, Transport Corporation of India

"Railway Budget 2012-2013 has been positive for both passengers and freight and offers a wide assortment of benefits to the commercial and the logistics firms as there have been no major changes in fares and freight rates. TCI welcomes the proposed step of Indian Railways to set up a separate railway safety authority to address safety issues. The allocation of a budget of Rs.16, 842 crores for railway safety fund will further help in strengthening various safety issues. In addition to this the proposal to create an additional post of new board member has indicated its seriousness to deal with the issue. It will eventually improve the railway's image and will encourage confidence in the end user.

The decision of the ministry to create a separate Railway Research Development Corporation is also a positive step which has sent a positive message of the seriousness of the Indian railways in help in speeding the implementation of the pending projects. The body will also be responsible to put all developmental projects on a fast track.

The Railway Ministry is also very clear with all the budgetary recommendations this time which is aimed at decongestion, system upgradation and development. Ministry,

by reconstructing the highest body of Indian Railways and creating additional post of Member-Marketing & Projects, has sent a clear message that it is serious in ensuring that its weak link of marketing is strengthened. The operational set up will receive an impetus with technological upgradation of the 19,000 route kilometers for the first time in recent years & these routes have been carefully chosen, which generate 80% of freight revenue for Indian railways. The ministry has probably put its best foot forward in the direction of revamping of its operational set-up.

The Indian Railways has done a separate budgetary allocation for developing special type of rolling stock including for Automobiles & double stack container movement. By focusing on developing special type of rolling stock for automobiles & break-bulk commodities, IR has woken up to the needs of the industry. The ministry's step to bring down the operating ratio by 10% within one FY is a bold step. This is a wishful thinking by the Indian Railways to improve the operating ratio to 84.9% for FY 2012-13 from current 95% with overall target to bring it to 74% by 2016-17.

The ministry has aims to create a separate Logistics corporation at Freight Terminals to provide a total logistics solution to rail users. This is a good initiative taken by IR and would be a good opportunity for multi-modal service providers to contribute & partner Indian Railways in providing complete logistics solution to the industry, under one umbrella.

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