

The [Indian Railways](#) is set to procure around 100,000 wagons, worth Rs 200-250 billion at current prices, in the next five years. Of the 100,000 wagons, [Coal India](#) is planning to have at least 50,000, Railways Minister [Piyush Goyal](#) said on Tuesday on the sidelines of an event of the Confederation of Indian Industry. With bulk orders coming through the reverse auction method, the prices of wagons are expected to come down by 10-20 per cent. Asking [public sector companies](#) to speed up their supply, Goyal indicated the [wagon sector](#) would be opened up for private and foreign players because the requirement would increase once dedicated freight corridors were in place. “We wanted to bid out 22,000 wagons this year. But about 18,000 wagons we have ordered are yet to be delivered,” Goyal said. Even though the railways sought around 1,000 wagons a month, companies were able to supply, on average, 443 wagons from January to May this year. Though the ministry had targeted procuring 12,000 wagons in 2017-18, the aim was brought down to around 7,000. The cost of a normal 22.9-tonne axle load wagon is Rs 2-2.2 million, while that of a 25-tonne axle load wagon is around Rs 2.5 million. The use of longer 25-tonne axle load capacity wagons is expected to increase after the commissioning of the Eastern and [Western freight corridors](#). Officials expect with increase in demand for 25-tonne axle load wagons, the price per unit will come down. In 2018-19, the railways is set to invest around Rs 318 billion on rolling stock, which includes [diesel](#) and electric locomotives, wagons and passenger coaches. The minister also said with the railways planning to go for 100 per cent electrification (by 2021-22), it was poised to become a net zero carbon emitter by 2030. He also urged better participation from industry to make this a realistic target. Highlighting his achievements in recent months, he said, “We have been able to ramp up track renewal to 476 km every month.

Investment in 2013-14 in the capital infrastructure of the railways was slated to be about Rs 460 billion, and it is now Rs 1.41 trillion in 2017-18.” He also sought private investment in technological upgrade and modernisation. The sector has a huge technology issue. “We are ready to do whatever industry wants,” the minister said, citing the example of station redevelopment. When the railways first invited tenders for developing 20-odd stations, it got a lucrative response from industry. “We have made changes in policy like increasing the leasing period from 45 years to 99 years, allowing companies to mortgage the property, giving options for sub leasing and doing even engineering, construction and procurement,” he said.

HITCHING WAGON TO A LARGER ROLE

- Railways requires at least 1,000 wagons a month in 2018
- Industry supplied only 534 in January, 455 in February, 452 in March, 334 in April, and 440 in May
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