Union minister of railways and coal Piyush Goyal on Monday said the government had no plans to privatise the Indian Railways. However, a rail regulator is on the anvil with the government kicking off the process of recruitment.

Addressing a press conference on the four years of the government, Goyal said, “We are not going to privatise railways and there are no plans too.” This comes almost a month after the railways opened up the doors for private sector investment in rail cars that can move multiple commodities, which does not require any special approval, through general purpose wagon scheme.

On the Rail Development Authority (RDA), the minister said, “We are in the process for recruitment for the railway regulator.” The regulator or Rail Development Authority (RDA) was supposed to take a call on the tariff and was supposed to be functional by August last year. The Union Cabinet had cleared the proposal to set up a rail regulator in April 2016. Even though the selection of chairman and members of RDA were supposed to be over by July 15 last year, it did not happen. According to industry sources, in an election year, it is unlikely for the government to take the crucial call related to tariff.

When asked about the shortages in coal sector, the minister indicated the ministry of coal and railways will ensure that there will be adequate supply of coal to top power plants. “During April-May, coal movement by the Railways increased by around 14 per cent. There was also a growth in coal production by around 15 per cent during this time,” he added.

Meanwhile, the government is all set to go ahead with the listing plans of railway subsidiaries like Rites Ltd, Ircon International and RVNL. However, Goyal said that the listing of Indian Railway Catering and Tourism Corporation (IRCTC) and Indian Railway Finance Corporation (IRFC) have been put on hold. “I have delayed IRCTC listing because of valuation issues. The value of the database available with IRCTC has not been captured. Similarly, regarding IRFC, the lisiting is stuck because of a tax issue and we are trying to solve it with the ministry of corporate affairs,” the minister added.

The IRFC dispute with corporate affairs ministry is regarding an accumulated deferred tax liability of Rs 63.92 billion. IRFC faced a deferred tax liability as its depreciation was greater than profit. The company did not pay tax under normal assessment and was subject to a minimum alternate tax (MAT) of 21 per cent. Besides, it had to make a provision for the deferred tax liability at 35 per cent. Thus, the company’s books were bearing a total tax provision of 56 per cent. “There is some lack of clarity on the issue which may delay the IRFC stake sale, an official told *Business Standard*.

The minister added that railways had its best-ever safety record in 2017-18 as train accidents reduced to 62 per cent from 118 in 2013-14 to 72 in 2017-18. “Our primary focus is on safety. There has been a 59 per cent increase in the average pace of commissioning new lines. In addition to this, track renewals also gathered pace to touch around 4000 km in 2017-18,” Goyal said.