

**Speech of Shri A. B. A. Ghani Khan Choudhury  
Introducing the Railway Budget  
for 1984-85, on 24<sup>th</sup> February 1984**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for 1983-84 and Budget Estimates for 1984-85 of the Indian Railways.

**Results Of 1982-83**

2. At the outset, however, let me place before the House a brief review of the financial and other achievements of the previous year, namely, 1982-83. The year closed with a surplus of Rs. 118.31 crores as against Rs. 75.19 crores envisaged in the Revised Estimates. During that year, not only did we step up the contribution from revenue to Depreciation Reserve Fund from a low level of Rs. 350 crores in the previous year to Rs. 556 crores but we also discharged in full the dividend liability of Rs. 435.98 crores which included arrears of Rs. 19.46 crores pertaining to earlier years, as a result of retrospective revision of the rate of dividend. For a second year in succession, Railways showed a net surplus after discharging in full the prescribed dividend liability. The real surplus was Rs. 137.77 crores, if we exclude the arrear dividend. From this we paid Rs. 71.95 crores to the General Revenues to partially liquidate our deferred dividend liability.

2.1 As a result of the better overall performance during the year, we could improve the operating ratio from 89.4% to 88.3%.

2.2 In freight operations, the Railways attained a new peak by loading 228.78 million tonnes of revenue earning traffic. In terms of net tonne kilometres, the total tally of freight carried was 167.78 billion.

2.3 Passenger kilometres at 226.93 billion were marginally higher than the 226.12 billion anticipated at the Revised Estimates stage.

**Review of Current Year**

3. The current year has been a difficult one for the Railways on more than one count. After having achieved a record loading of 228.78 million tonnes in 1982-83, the Railways were poised to scale still greater heights. However, several factors beyond our control affected the performance of the Railways adversely. Based on past performance, potential to carry and anticipation of traffic from the principal users, the Railways had fixed for themselves a realistic target of 241 million tonnes of revenue earning traffic. Unfortunately, due to shortfalls in the offer of traffic by the core sector like Iron & Steel-both raw materials and finished products - Iron Ore for export and fertilizers, there has been a shortfall in revenue earning freight loading. The effect of this unforeseen shortfall in traffic offering was mitigated to some extent by carrying more cement, foodgrains and petroleum products.

3.1 Right through the year, we had taken several steps to capture some additional traffic during the lean periods. More important among these were the liberalisation of the powers vested in the Zonal Railways to quote special station-to-station rates, removal of restrictions in booking of traffic, upgradation of priorities for allotment of wagons for loading of certain commodities, suspension of levy of transhipment charges, grant of concession in freight charges to the extent of 10% for fertilizer traffic between 300 to 500 kilometres, introduction of a scheme of incentive for increased loading from sidings in the form of a rebate in a graded manner and so on. While these steps helped to an extent, they could not compensate fully for the heavy fall in bulk traffic from the core sectors.

I am glad to inform the House that recovery on this front is now in sight. New loading records have been set up in the months of November and December 1983 and January 1984.

3.2 On a re-assessment now, the revised target of revenue earning traffic is proposed to be fixed at 230 million tonnes. This is still higher than the best-ever level of loading achieved last year.

3.3 There has been a drop in passenger traffic too. However, the fact that the numbers have dropped more sharply than the passenger kilometres indicates, prima facie, that the drop has been mainly in respect of short distance passengers. This is not an unwelcome development and is in accordance with our policy in this regard.

4. The House will recall that when announcing concessions in freight and fare proposals while

replying to the general debate last year, I had hoped to make good the resulting shortfall by carrying additional traffic. This has not come about. The decline in traffic has depressed our earnings substantially from Rs. 5171.50 crores to Rs. 5024 crores. Of this, the drop in goods earnings will be Rs. 114.19 crores and in passenger earnings Rs. 38.45 crores. Making allowance for Rs. 30 crores, the value of concessions announced while replying to the general debate last year, the net drop in earnings from goods traffic will be Rs. 84.19 crores. On the same basis, the drop in passenger earnings will be Rs. 10.95 crores after excluding the value of concessions, which had amounted to Rs. 27.50 crores. On the other hand, several post-budgetary factors notable among them being grant of interim relief to staff, sanctioning of additional instalments of dearness allowance, increases in prices of fuel, upgradation of posts, more than the normal breaches due to floods, more intensive patrolling of tracks and in trains etc., totalling Rs. 292.50 crores pushed up our working expenses from Rs. 3488.27 crores to Rs. 3676 crores even after applying a cut of 3% over the budget estimates in terms of the Government's policy to reduce expenditure. Thus we were adversely affected in both ways.

4.1 It is a tribute to the resiliency of the system that in spite of these severe adverse trends, the operational results show a net revenue of Rs. 338.50 crores. Though this is not adequate to discharge the full dividend liability it should be considered a welcome feature in the circumstances. It has, therefore, become necessary to carry over Rs. 111.50 crores to the Deferred Dividend Liability account to balance the budget.

I am confident that if traffic had materialised as projected in the budget, the Railways would have been able to take the increase in working expenses in their stride and achieve a net surplus for the third year in succession.

### **Passenger Services**

5. The House will recall that I had indicated in my budget speech last year that we would keep up a crusade to further improve the services, especially passenger services, to the extent feasible within the constraint of resources. Our efforts in this direction continued in 1982-83, but a major thrust could be given only during the current financial year.

5.1 Despite various constraints I have, in fulfilment of the assurances given by me, augmented the passenger services by increasing the number of coaches on trains, by increasing their frequency and also by introducing additional trains. During the year so far, over a 100 new trains have been introduced, the frequency of 12 long-distance trains was increased and 72 trains have been dieselised. 237 trains have also been speeded up. Among the new passenger trains introduced are the New Bongaigaon-Trivandrum Central Weekly Express, traversing the longest distance, the Ahmedabad-Trivandrum Central Weekly Express, the Indore-New Delhi Tri-Weekly Express, the New Delhi-Patna Magadh Express and the New Delhi-Barauni Jayanti Janata Express. On the suburban sections also, 40 new trains were introduced.

5.2 Suburban services needed very special attention and, therefore, three Divisional Railway Managers (Suburban) have been brought into position by re-adjustments at Madras, Calcutta and Bombay to monitor the working of suburban services.

5.3 For mitigating the hardship of commuters in metropolitan cities, 18 new electrical multiple units are being put into service in addition to 54 of them being replaced. The fly-over between Bandra and Khar on the Western Railway connecting the Central and Western Railways has been completed and opened to suburban traffic.

6. Amongst the special efforts made to improve booking-cumreservation facilities for passengers, mention may be made of the introduction of round-the-clock reservation facilities in some major cities and the opening of additional reservation offices in city locations away from railway stations.

6.1 Working hours of reservation offices at various important stations have been extended to spread business over longer hours thereby reducing queue lengths. A modern centralised reservation office for second class passengers was also set up in New Delhi.

6.2 Efforts are under way to introduce ticket vending machines at important railway stations.

6.3 Computerisation of passenger reservation is being attempted as a pilot scheme in Delhi. This project is being progressed. It is our intention to extend this to other important centres on the basis of experience gained.

6.4 Drives against ticketless travel, alarm-chain pulling and other malpractices, and maintenance of cleanliness in trains and station premises are some other areas, which received special

attention during the year.

6.5 Demands for improvements in catering services on the Railways have been voiced from time to time both inside the House and outside. Efforts to effect further improvements in the services have been continued on a sustained basis. Hon'ble Members may recall that a Service Improvement Group (Catering) comprising experienced officers was formed to look after the quality of the catering service. This group carried out intensive inspections, examination of the existing arrangements and monitoring of the catering services on important trains, stations and base kitchens. Based on the suggestions of the Group, necessary instructions have been issued to the Zonal Railways for effecting improvements in the services.

Amongst the various measures being actively considered for improving catering services is the setting up of a "Catering Corporation" to look after the catering on the Railways. While this may take some more time to materialise, I have, in order to bring about immediate further improvement in the services, taken the first step in revamping the existing arrangements by setting up, as a pilot scheme, a Centralised Catering Organisation at New Delhi. Initially, this will look after catering on 14 pairs of important Mail and Express trains and 7 base kitchens. Our intention is to expand the scope of this organisation after watching the results achieved.

6.6 Punctuality of train services has been receiving close attention. We have been able to achieve some success during the last few months. No effort will be spared in bringing about further improvement in punctuality despite the various handicaps that we have to contend with like alarm-chain pulling, hose pipe disconnection, etc. As I have already reported to the House on several occasions, the State Governments have been requested to help us in these matters. I have also directed the Railway Board and the Zonal Railway administrations to pay special attention to this aspect of railway working.

6.7 Multi-pronged attacks have been mounted to reduce the number of accidents. Various technological aids and safety devices have been provided to guard against human failure. In implementation of the recommendations of the Kunzru Committee and the Sikri Committee, simplified General Rules have been introduced in July 1983. Special safety drives were conducted to educate the road-users and railway staff to avoid accidents at level crossings. Co-operation of State Governments has been sought to enforce the Motor Vehicles Rules. Manning of unmanned level crossings considered hazardous, interlocking of level crossings and provision of telephones at level crossings are some of the other steps taken. Better maintenance of assets like rolling stock, track, signalling equipment, use of modern technological aids and progressive modernisation of these received attention. As a result of the various steps taken, the number of consequential train accidents decreased to 529 during April to December 1983 from 645 during the corresponding period of 1982, registering a decrease of 8.2 %. But unfortunately, there have also been a few serious accidents caused by sabotage as also human failure. In order to minimise the chances of human failure, it is necessary to introduce more modern and sophisticated devices, which would act as automatic checks. A detailed report is being prepared to facilitate introduction of such devices in a phased manner.

I am second to none in grieving over the calamities, caused by accidents. Our efforts to reduce all types of accidents will continue unabated.

6.8 I can only assure the House that in all these matters affecting the comfort, safety and security of railway users, vigorous efforts on a sustained basis will be continued and any railwayman responsible for jeopardising these efforts will not be spared, whatever the level of that person be. Black-sheep will be got rid of. The new slogan- "Safety, Security and Punctuality" which I gave to the Railwaymen to be adopted as an article of faith has started giving results and I shall endeavour to make it even more effective in future.

### **Sixth Five Year Plan And Annual Plans**

7. The Railways' Sixth Five Year Plan provided for an investment of Rs. 5100 crores. During the first four years of the Plan, it is anticipated that the total investment would reach the level of Rs. 4943.87 crores. In the mid-term appraisal of the Plan, the Planning Commission recognised the need for increasing the allocation for the Railways. The Annual Plan outlay for 1984-85 has since been fixed at Rs. 1650 crores, a step-up of 14.4 % from the reduced outlay of Rs. 1442 crores for the penultimate year of the Plan. Thus the total plan outlay for the Railways would now be Rs. 6593.87 crores.

### **Source Of Financing**

7.1 On the basis of outlays, General Revenues would have provided Rs. 3338.39 crores,

representing 50.63 % of the total and the balance of Rs. 3255.48 crores, that is, 49.37% would be financed from the internal resources of the Railways.

### **Targets And Achievements**

7.2 The Plan as initially drawn up provided for acquisition of 780 locomotives, 5680 coaches, 606 Electrical Multiple Units, (including those for Delhi Ring Railway & Metro Railway, Calcutta) 1,00,000 wagons, renewal of 14,000 kms of track and completion of 2800 kms of electrification. While the target for locomotives was raised later to 980, that for wagons was scaled down to 77,000. It is anticipated that with the resources now made available, it may not be possible to acquire more than 950 locomotives 5000 coaches and 72,000 wagons, to renew more than 9150 kms of track and complete more than 1824 kms of electrification.

### **Revised Annual Plan, 1983-84**

7.3 The initial allocation of Rs. 1342 crores for 1983-84 was subsequently increased by Rs. 160 crores to Rs. 1502 crores. This has now been reduced to Rs. 1442 crores, by applying a cut of Rs. 60 crores in implementation of Government's policy to reduce expenditure.

7.4 It is anticipated that during the current year, we will have acquired about 170 locomotives, 1100 coaches, 72 Electrical Multiple Units and 16,600 wagons, renewed 2100 kms of track, energised 250 kms of track and opened 207 kms of new lines, in addition to progressing various projects to some extent as permitted by the funds available.

7.5 Steady progress is being maintained in the setting up of the Diesel Component Works at Patiala. The Wheel and Axle Plant at Yelahanka, near Bangalore, is almost ready for commissioning.

### **Annual Plan 1984-85**

7.6 The Plan allocation of Rs. 1650 crores for the last year of the Sixth Five Year Plan of the Railways will be financed upto Rs. 850 crores by internal resources and the remaining Rs. 800 crores will be the budgetary support from the General Revenues. Since the Sixth Five Year Plan is a rehabilitation plan, around 49 % of this outlay, that is Rs. 810 crores, will be spent on renewal and replacement of assets.

7.7 With this level of Plan allocation, which I confess, is not adequate for our purposes, we will be able to acquire during the budget year 168 locomotives, 1229 coaches, 174 Electrical Multiple Units and 12000 wagons. Track renewals, will be to the extent of 2500 kms.

7.8 We are faced with the problem of allocating scarce resources between competing demands. Till such time as we hit upon some new ideas about raising sizable resources, even by adopting unorthodox methods hitherto untried, we have to make the best use of the scarce resources becoming available. Bearing this in mind, I have distributed the available funds among new line and gauge conversion projects in such a way that the maximum funds are allocated to projects which can be completed during the next year and others which are project-oriented or are of strategic and other importance. In quite a few cases, only token amounts have been provided to keep the projects in the books. They will have to take their turn in due course.

### **New Lines**

8. There are at present 46 on-going new line projects requiring an estimated outlay, at current prices, of nearly Rs. 1000 crores. As against this, we have been able to make only an allocation of Rs. 90 crores, which is 23 % more than Rs. 73.32 crores allocated in the previous year. During 1983-84, nearly 91 kms of new lines were completed and opened to traffic. These included Vasai Road-Diva and Bhadrachalam Road-Manuguru which has been opened in the first instance as a siding. Another 116 kms of new lines are expected to be opened shortly. These are the Wani-Pimpalkutti line to serve the cement plants at Adilabad, the first 16 kms upto Domjur of the Howrah-Amta rail link and Karaila Road-Jayant line for movement of coal from Singrauli Coal Field. During 1984-85, another 140 kms of new lines are planned to be completed and opened to traffic. These include the new lines from Manikgarh to Chandur, Talgaria to Tupkadih, Domjur to Bargachia, Pen to Nagothana, Nalgonda to Miryalaguda and from Telapur to Patencheru.

8.1 Emphasis will continue to be placed on completing the on-going project-oriented lines, like

Koraput-Rayagada, Kota-Chittorgarh as well as lines in the North-Eastern region as early as possible.

8.2 Despite the constraint of resources, I propose to take up a few New Line projects to meet the aspirations of the people in some of the regions. These new line projects are -

1. A B.G. rail line between Talcher and Sambalpur.
2. A B.G. rail line between Tamluk and Digha.
3. A B.G. rail line from Rewa to Sultanpur via Garhi Manikpur.

### **Gauge Conversion Projects**

9. For completing the 19 sanctioned gauge conversion projects on hand, we will require about Rs. 680 crores at current prices, but the allocation for 1984-85 is only Rs. 50 crores. The Gauge conversion 164 km parallel BG line from New Bongaigaon to Gauhati in North Eastern region is expected to be opened by the end of March 1984. The second phase of Viramgam-Okha-Porbander gauge conversion project in Gujarat and the Suratgarh-Sarupsar-Anupgarh project in Rajasthan are expected to be completed in 1984-85.

### **Surveys**

10. I propose to include a very limited number of surveys in the budget year so as to have a pipe-line of projects for being considered for inclusion in the Seventh Five Year Plan. These surveys are listed in Annexure A to Demand No. 2 in the book of Demands for Grants Part II.

11. The pace of track renewal has been increased from a level of 1096 kms in 1980-81 to 2100 kms expected to be completed in 1983-84. We hope to increase the tempo further and reach the Track renewal level of 2500 kms in 1984-85.

### **Electrification**

12. Amongst the electrification projects in hand, Delhi-Mathura and Anand-Godhra are expected to be completed by end of this year. The first phase of electrification from Arakkonam to Renigunta i.e. upto Tiruttani has already been completed. Works sanctioned so far have covered the main trunk routes, Delhi-Bombay (Western Railway route), Delhi-Bombay (Central Railway route) and Delhi-Madras and a few other sections considered important for facilitating fluidity of movement of coal and other important commodities. Provision has been made for taking up five new projects in 1984-85 covering the sections between Durg-Nagpur, Bina-Katni and Katni-Bilaspur, Kharagpur-Midnapore and Jolarpettai-Bangalore, totalling 1012 kms. With these, the Bombay-Howrah trunk route and the important coal route from Bilaspur to Western India via Katni and Bina will be complete. It is expected that by the end, of March 1985, a total of 1824 Route Kilometres will have been electrified bringing the total electrified routes on the Indian Railways to 6784 kms.

### **Metropolitan Projects**

13. The Calcutta Metro Railway will be progressed further with an allocation of Rs. 80 crores, while only preliminary activities will continue in respect of the new projects at Bombay and Madras. I propose to open a part section of the Metro Railway in Calcutta, from Esplanade to Bhowanipur, for service within the next few months.

13.1 The House will be happy to know that I have included a Circular Railway for Calcutta, with an outlay of Rs. 5 crores in the budget year.

### **Users' Amenities and Other Works**

14. I have been receiving numerous requests for extension and raising of platforms, provision of additional platform shelters, foot over bridges and so on. Other requests pertain to remodeling of station buildings etc. Road over and under-bridges are other items in respect of which demands pour in.

Provision has been made in the budget for undertaking new works in respect of improvements to platforms, construction of platform shelters and foot over-bridges and also for station remodelling schemes. Eight road over and under-bridges are expected to be completed in 1983-84.

### **Workshop Modernisation**

15. The maintenance facilities for rolling stock had not kept pace with the substantial increase in the holdings. Also, there was need for replacing obsolete and worn out machinery and plant for updating technology. Among other things, Railways, therefore, drew up a plan for modernisation in selected workshops. In the first phase, 4 workshops and one Production Unit were selected where the

work is expected to be completed soon. In the second phase, 7 more workshops at Parel, Liluah, Alambagh Jagadhri, Golden Rock, Kharagpur, Ajmer and one Production Unit, namely, Integral Coach Factory have been selected for modernisation for providing greater outturn than hitherto. These works have been included in the budget at a cost of Rs. 200 crores.

### **Inland Container Depot**

16. It has also been proposed to set up an inland container depot at Amingaon to help boost export of tea.

17. I am aware that what is proposed to be done is far short of what is required to satisfy even to some extent the genuine demands of the people, but as the House will appreciate the problem is one of husbanding scarce resources. I would earnestly appeal to all the sections of the House to appreciate the realities of the situation and explain to their constituents that it is not any lack of willingness on our part but the hard reality of inadequacy of resources that has pushed us into this situation. I may, however, assure the House that I will continue my efforts to secure as much additional resources as possible, during the course of the year, for further investment on the Railways.

### **Production Units**

18. The output from the Production Units of the Railways is satisfactory during the current year.

18.1 The Integral Coach Factory, at Perambur, which had turned out 775 coaches in 1982-83, against the installed capacity of 750 coaches, is expected to produce about 800 coaches during the current year. This is indeed a commendable achievement.

18.2 Thirty-six broad gauge double-decker coaches of improved design have been ordered on this Production Unit for the benefit of short distance passengers.

18.3 Including the production from other Units in the Public Sector, it is expected that about 1025 broad gauge second class coaches, 100 metre gauge second class coaches and 60 air-conditioned two-tier sleeper coaches will have been inducted into service in 1983-84.

18.4 The House is aware that a decision has been taken to set up a second coach building factory and that a technical study has been entrusted to Rail India Technical and Economic Services on whose recommendations the location, layout etc. will be decided. Meanwhile as an additional effort at maximising coach production it has been decided to step up the capacity at the Integral Coach Factory to 1000 coaches per annum. A modernisation and capacity generation project costing Rs. 47.60 crores has accordingly been included in the budget for 1984-85.

18.5 The Diesel Locomotive Works at Varanasi will be turning out 127 locomotives and 14 Power Generating sets. These Diesel Power Generating sets will serve as standbys for overcoming the problem of power shortages in some critical sectors like repair workshops. This factory is also completing an export order for 15 Metre Gauge Electric locos for the Vietnamese National Railways.

18.6 The Chittaranjan Locomotive Works expect to produce a total of about 80 locomotives, of which 8 will be for Public Sector Undertakings. The capacity utilisation of this factory for manufacturing Electric Locomotives has been affected, inter alia, by the shortfall in supply of vital assemblies and components by suppliers both in the Public and Private Sectors. A study has been taken up to overcome these problems and to develop a project report to increase the capacity further with marginal inputs.

### **Staff Matters**

19. During the current year, several benefits were extended to the railway staff but for whose dedicated service nothing of any significance can be achieved. Apart from the interim relief and additional dearness allowance granted to them alongwith other Government servants, cadre restructuring of Groups C and D staff in several categories was done at a cost of Rs. 15 crores benefitting 6 lakh employees.

19.1 Ex-gratia bonus of 15 days' wages for the year 1982-83 has been paid to the Railway Protection Force and Railway Protection Special Force personnel and the benefit of kit maintenance allowance was also extended to Group 'C' personnel.

19.2 The promotional avenues in the Railway Protection Force and the Railway Protection Special Force have been improved through cadre-restructuring by upgrading 89 posts of officers and 23055 posts of staff.

19.3 Stagnation increment has been sanctioned in favour of all eligible railway employees.

19.4 Railways cannot totally avoid engagement of seasonal labour but where regular work is available throughout the year "decasualisation" is resorted to. We have a large number of casual labours with long periods of service, accumulated over several years. These cannot be decasualised overnight. During 1982-83, more than 20,000 casual labourers were absorbed in regular employment on Railways. The process of "decasualisation" continued in the current year as well. In inescapable cases, the Railways follow the well established principles of granting retrenchment compensation while discharging casual labour on "last-come-first-go" basis.

19.5 To narrow the gap between the facilities available to casual labour on the open line and in projects, the latter have been allowed nine paid holidays instead of only the three national holidays until recently and they have been given a consolidated pay. Further liberalisation is in view.

19.6 Special crash programmes were launched to make up the shortfalls in filling up the quotas reserved for Scheduled Caste/Scheduled Tribe candidates. The intake of SC/ST candidates in Railway Services is being monitored by a special cell in the Ministry of Railways.

19.7 The crusade against corruption was maintained. I cannot tolerate corruption at any level. Whatever the status of the person, if corruption is established against him, he will be severely dealt with. During the year 1983, preventive checks were designed with greater emphasis on eradication of harassment to the common man. While there is no let-up in the drive to punish the guilty, it is at the same time ensured that the initiative and efficiency of honest railwaymen are not impaired.

20. I firmly believe that human resources are the best assets of the Railways and that whatever is possible within the constraint of resources should be done to look after their welfare. In 1982-83, 5648 units of quarters were constructed. Thus the total number of quarters on the railways 'at the end of that year rose to 5.87 lakhs. During 1983-84, another 6500 units of staff quarters are expected to be completed. In 1984-85, some 6600 quarters will be added.

20.1 As of now, Railways are running 105 hospitals and 568 Health Units across the country. Railway health services look after the promotive, preventive and curative aspects of health care of the railway population in a comprehensive manner. Retired employees also get medical facilities on payment of a nominal subscription. The family welfare programme has also had creditable performance on the Railways.

## **Sports**

20.2 I am glad to say that in the fields of sports also Railways have kept up the high tradition built up over the years. During 1983-84, Railways have won national titles in 12 out of 25 championships they participated in, and in 8 others they finished runners up. As part of promotion of international sports, Railways have been inviting foreign teams and are also visiting other countries to take part in matches. The Indian Railways have been given the privilege of organising the Asian Zone World Badminton Championships for Thomas and Uber Cups at New Delhi, this year.

20.3 Taking into account all the items of expenditure under the Plan heads as well as from revenue, the total proposed outlay on staff welfare in 1984-85 is Rs. 187.18 crores, which is 7.5% more than what has been provided in 1983-84.

## **Technological Improvements**

21. My Ministry attaches great importance to the role the Research Designs & Standards Organisation (RDSO) has to play in evolving R & D - oriented solutions to the problems relating to the growing demands for rail transportation. We are proposing to review the set-up of this organisation with a view to gearing it to face the challenges in the coming years.

21.1 For increasing the speed on metre gauge system, a high speed coaching bogie with a speed potential of 120 kmph has been designed, and developmental testing is in progress. In order to meet increased freight movement with minimum number of additional wagons, it is proposed to design special-purpose wagons and appropriately engineered terminals for loading and unloading.

21.2 Elimination of rail joints by welding on an increasing scale, development of higher strength rails for heavy density routes and curves, introduction of cast manganese crossings and special thick web switches and increasing use of concrete sleepers are some of the special steps taken for improving the track conditions. Railway stations are being increasingly equipped with modern signalling devices like centralised operation of points and multi-aspect signals for better operational efficiency and minimising accidents.

### **Afforestation**

22. Continuing the massive drive for large scale tree plantation on the Railways as a part of the 20-point programme, over one crore trees were planted in 1983 against less than half that number in previous years.

### **Non-conventional Sources of Energy**

23. Under the same 20-point programme, in pursuance of the policy of introduction of non-conventional and renewable sources of energy on the Railways, several areas have been identified for locating pilot projects. These include 81 for wind energy, 60 for solar thermal schemes, 21 for biogas technology and 50 for photo-voltaic energy systems.

### **Railway Reforms Committee**

24. Upto the end of January 1984 the Railway Reforms Committee have furnished 14 part reports containing 1377 recommendations and observations, of which 263 have been accepted and 18 rejected. Other recommendations are in various stages of processing in consultation with other Ministries also, wherever necessary. Out of the accepted recommendations, 109 have so far been implemented. Copies of the reports already received have been placed in the library of the House.

24.1 I am grateful to the Committee for the valuable recommendations made by them. Many of these recommendations involve heavy financial outlays. I am eagerly awaiting their recommendations on how to raise the massive resources required for overtaking the backlog of rehabilitation of assets and for developmental efforts to meet the growing needs for rail transportation.

### **Public Sector Undertakings**

25. The two public sector undertakings under the administrative control of the Ministry of Railways, namely the Rail India Technical and Economic Services Ltd. (RITES) and the Indian Railway Construction Company (IRCON) continued to maintain consistent progress. They are indeed two companies among the few Public Sector Undertakings in the country, which have established a sustained record of profitable performance and declared sizable dividends year after year.

25.1 With gross earnings of Rs. 19.42 crores in 1982-83, RITES achieved a profit of Rs. 4.5 crores. During 1983-84, the Company's gross earnings are expected to be over Rs. 20 crores. The overseas operations of RITES are of inter-continental dimensions spanning the developing world of Africa, Middle East and South-East Asia. Recently, the Company secured new contracts in Sudan, Vietnam and Algeria while their contracts in Zimbabwe and Iraq have been extended further.

25.2 IRCON achieved a record turnover of Rs. 112.50 crores in 1982-83 against the target of Rs. 80 crores and earned a profit of Rs. 8.16 crores. Their turnover is expected to rise to Rs. 156 crores in 1983-84 with a gross profit of Rs. 12.86 crores. Currently, the Company is executing projects worth Rs. 485 crores abroad. The progress on the construction of the project in Iraq is satisfactory. During the current year, the Company secured a contract for construction of a railway line costing Rs. 115 crores in Algeria.

### **Strategy for the Budget Year**

26. I now turn to the strategy for the budget year. In the context of scarce resources and competing demands for the same, our overall thrust will be to step up productivity in every field productivity of investment, assets, machines and men.

26.1 The strategy for investment will be to complete early the on-going schemes nearing completion to derive immediate benefits therefrom and to allocate comparatively larger quantum of resources to those areas which will contribute to a more optimal use of our capacity.

26.2 The process of channelisation of more and more of bulk traffic in the form of block

rakes with end-to-end running and increasing the number of heavier trains on congested routes will continue.

26.3 Special thrust will be towards preventive maintenance of assets and improving the reliability of rolling stock. Within the availability of overall resources attempts will be made to improve the passenger services, and to a limited extent additional trains will also be introduced

26.4 Emphasis will continue on safety in operations. Introduction of sophisticated devices like the Automatic Warning System, track circuiting etc. will receive added attention.

26.5 To overcome thefts and vandalism and to provide better train lighting facilities the mid-on-generation system will be increasingly provided in rakes.

26.6 As a safety measure, an all-electric pantry car generating power from the moving axle of the coach has been built. On the trials proving successful this type of pantry cars will be provided on a number of trains in a phased manner.

26.7 The machinery for co-ordination in the field and at the apex level will be streamlined further not only to plan and monitor the movement of traffic in the core sector but also to reduce the delays taking place to wagons at terminals. The pace of condemnation of steam locomotives will be accelerated.

26.8 While the revision of wage structure of the railway employees is being considered by the Fourth Pay Commission, efforts will continue to rectify imbalances in cadres and for improvement in career prospects of employees by cadre restructuring. Sustained efforts will be maintained to improve the image of the Service Commissions and to tone up their working. Attempts will be made to increase the productivity of manpower by enriching their job content. A beginning will be made for developing multi-craft concepts for achieving better utilisation of manpower. A review will be undertaken to improve the working conditions of employees. Labour-Management relations and participative decision-making procedures will be further streamlined. Training facilities will be improved and put to effective use. The new Management Development Institute being developed as a part of the Railway Staff College, Vadodara will be satisfactorily progressed. Railways have been described as the life-line of the nation. Our strategy, in short, will be aimed at making this life-line stronger, safer, securer and speedier so as to render more satisfying service to the community.

### **Budget Estimates 1984-85**

27. Let me now present to the House the Budget Estimates for 1984-85. The revival of the economy in the recent past gives me the confidence that the offering of traffic in the budget year will be much more than what materialised in the current year. I have, therefore, fixed the target of 245 million tonnes of revenue earning traffic for the Railways. The Railways will be ready to move this level of traffic, which is 6.5 % more than what is expected to be done in 1983-84. This is a challenging task, which every Railwayman will be ready to take up. On the passenger services front, it is assumed that there will be an increase of 3% in the passenger kilometres.

27.1 On these assumptions, the gross traffic receipts at current fares and freight rates are estimated at Rs. 5342.78 crores, which is Rs. 344.78 crores more than the Revised Estimates for the current financial year. Increases in staff costs, costs of other inputs, additional provisions for increased repairs and maintenance of rolling stock and track, and increased expenditure on fuel for hauling the additional traffic are the main components of expenditure which are responsible for increasing the working expenses by Rs. 335 crores from Rs. 3676 crores in the Revised Estimates for 1983-84 to Rs. 4011 crores in 1984-85.

27.2 As the House is aware, the Railways have been criticised severely by all the sections of the House, various Parliamentary Committees, the Railway Reforms Committee and the public in general for not providing adequate funds for renewal and replacement of assets. I would, however, submit that whatever may, have been the sins of commission, and omission of several past years, these cannot be rectified in a very short time. Although there is adequate justification for stepping up the contribution to the Depreciation Reserve Fund from Rs. 850 crores in the current year to a still higher figure, I have decided to retain it at the same level next year. I am sure the House will appreciate that I have not adopted the easy, but undesirable, method of artificially depressing the depreciation provision to produce a misleading surplus as has been alleged in respect of some earlier years.

27.3 The contribution to the Pension Fund from Revenue is proposed to be stepped up from Rs. 185 crores in 1983-84 to Rs. 225 crores in 1984-85, mainly to take care of the additional liabilities arising out of the Supreme Court judgment extending some of the benefits of the liberalised pension rules to those who retired prior to 31st March, 79. The withdrawals from the Fund are estimated at Rs. 250 crores, which is more than the contribution proposed.

27.4 The final recommendations of the Railway Convention Committee 1980 regarding the dividend payable to the General Revenues and other allied matters for the Sixth Five Year Plan as a whole are not yet available. Therefore, I have adopted the basis applicable to 1983-84 for the budget year also subject to any adjustments that may become necessary in the light of their final recommendations in due course. I may, however, place on record my grateful thanks to the Chairman and Members of the Railway Convention Committee for the hard work they have put in while conducting in-depth studies of various aspects of railway working having a bearing on railway finances. Taking into account the increased working expenses and the contributions to the funds, the total working expenses add up to Rs. 5037 crores leaving net revenue of Rs. 305.78 crores. This is not adequate to meet the dividend liability of Rs. 490 crores and the Development Fund expenditure of Rs. 58.36 crores.

### **Need for Additional Resources**

28. As I have just mentioned the operating results, on the basis of current fares and freight rates, do not generate adequate resources to meet all our requirements. As is well known, rehabilitation of our assets merits the highest priority. After making a suitable provision for this, the resultant net revenue has become inadequate for meeting other liabilities. Therefore, there is need for raising, some additional resources. I am confident that the rail users will not grudge making a small contribution to helping the railways tide over the situation.

### **No General Revision**

29. I hasten to assure the House that I do not propose to make any general revisions in the rationalised fare or freight structures introduced from April, 1983.

### **Surcharge**

30. I propose to levy a small surcharge on passenger tickets, daily as also season tickets, on a graded scale per passenger without reference to the distance travelled, as follows:-

- There will be no surcharge on II Class Ordinary single tickets.
- The surcharge on II Class Mail/Express and Air-Conditioned chair car tickets above the value of Rs. 10 will be Rs. 2 per passenger.
- In First Class and II Class Air-Conditioned sleeper classes, the surcharge will be Rs. 3 per passenger.
- In Air-Conditioned First Class, the surcharge will be Rs. 5 per passenger.
- On season tickets, the surcharge will be Re. 1 and Rs. 3 per passenger in Second Class and First Class respectively.

### **Rounding off of Fares**

31. As the House is aware, the shortage of small change is creating considerable difficulties all round. Under the existing rules, the fares for all classes, except II Class Mail and Express and Ordinary, are in whole rupees. In these two classes also, it is proposed to round off the fares to whole rupees. Wherever the existing fare includes 50 paise or more as a fraction, it will be rounded off to the next higher whole rupee. Any fraction below 50 paise will be dropped. As a corollary to this, the minimum fare, which is now 80 paise in II Class Ordinary, will be rounded off to Re. 1.

### **Platform Ticket and Concession to Blind**

31.1 The price of platform ticket will also be rounded off to Re. 1. There has been a long-standing demand for extending some concession to blind persons who travel on season tickets on the suburban sections. I propose to give them a concession of 25% in the season ticket fares.

### **Reduction in Parcel Rates**

32. In the hope that the benefit of reduction in parcel rates will be passed on to the consumers by the trade, I propose to downgrade the classification of certain commodities moving as parcels from General Parcel (A) scale to Concessional Parcel (1) scale. Such downward adjustment will be in respect of 23 commodities, which inter alia include tyres and tubes, textiles, cosmetics and toiletries, scientific goods, medical stores, paper, etc. A detailed list is given in

Annexure A of the "Memorandum Explaining the Proposals for Adjustments in Freight Rates and Fares in the Railway Budget 1984-85" forming part of the budget documents. This adjustment will give a reduction of 20%. Similarly, in respect of another 21 commodities, which include medicines, safety matches, coffee, tea, exercise books, pencils, erasers and so on, also listed in Annexure A of the Memorandum mentioned earlier, the classification is proposed to be reduced from General Parcel (B) scale to Concessional Parcel (1) scale, leading to a freight reduction of 10%.

### **Reduction in Freight Rates**

33. As part of our efforts at reducing the prices of commodities, I propose to effect a downward adjustment in the classification of 121 commodities for applying the freight rates. These commodities fall under the broad headings of textiles, medicines, paints, leather goods, soap, tea, coffee, milk powder, etc. A detailed list is given in Annexure B of the Memorandum, which I referred to a little earlier. The reduction in freight rates ranges between 5 % and 33 %.

### **Withdrawal of Transshipment Charges**

33.1 The House will recall that I had introduced from 1<sup>st</sup> April, 1983, a transshipment charge of Rs. 15 per tonne in cases where the destination point or the booking point was less than 200 kms. from the break-of-gauge transshipment point. Subsequently, this was suspended for the period upto 31<sup>st</sup> March, 1984. I propose to withdraw the transshipment charge altogether, instead of merely extending the period of exemption. This will give relief to rail users in the Metre Gauge and Narrow Gauge areas.

### **Increase in Surcharge on "To Pay" Traffic**

33.2 At present, the rail users who avail of the facility of booking their goods on "To Pay" basis wherever admissible, are required to pay a surcharge at 3 % of the freight charges. I propose to increase this percentage to 5. This is primarily intended to improve the cash flow, but may incidentally bring in some additional revenue.

### **Financial Results**

34. The proposals that I have made will come into effect from 1<sup>st</sup> April, 1984. It is estimated that the additional annual revenue from Passenger and Coaching traffic will be Rs. 104.22 crores and from goods traffic Rs. 10 crores, making a total of Rs. 114.22 crores leaving an uncovered balance of Rs. 70 crores. I have, however, balanced the budget by carrying this over to the deferred dividend liability account. Nevertheless, it will be our endeavour to avoid even this addition to the deferred dividend liability account by effecting economies in the cost of operations and improving the earnings during the course of the year.

### **Conclusion**

35. I will be failing in my duty, if, before I conclude, I do not place on record my deep appreciation and gratitude to all railwaymen for their unstinted cooperation, hard work and continued devotion to duty. I am sure the House will share my sentiments in this regard. I am confident that Railwaymen at all levels will continue to display unremitting dedication and devotion to duty and work unitedly towards making "every tomorrow a better tomorrow".

I am grateful to the Members for the patient hearing given to me. With these words, Sir, I now commend the budget to the House.

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