

**Speech of Shri Janeshwar Mishra
Introducing the Railway Budget
for 1991-92, on 25th February 1991**

Mr. Speaker,

Sir, I rise to place before the House the Revised Estimates for the year 1990-91 and the estimated receipts and expenditure for the year 1991-92. The estimates for the next financial year are for the whole of the year, but at present I seek from this House only a Vote on Account, sufficient to cover the estimated expenditure for the first four months, leaving the requirements for the rest of the year to be voted separately later on.

2. At the very outset, I would like to share with the House my concern on a matter of great anxiety and anguish for the nation. The conflict in the Gulf is likely to have far-reaching effects on the country's economy. Sir, the Indian Railways have geared up to face any eventualities and shall strive their very best to minimise hardship to the common man.

3.1 Financial performance, 1989-90 - I am happy to inform the House that for the fifth year in succession, the financial results of the Indian Railways showed a surplus, of Rs. 173.26 cr. as against the budgeted surplus of Rs. 140 cr., after full payment of dividend to the General Revenues amounting to Rs. 808.81 cr.

3.2 Seventh Plan - This takes the total surplus during the Seventh Plan period to Rs. 560 cr. and the Dividend payment to Rs. 3,249 cr. However, to complete the financial picture for the Plan period, it must be stated that Railways still had to borrow Rs. 198.08 cr. from the General Revenues for the purposes of the Development Fund, taking the cumulative figure of such loans to Rs. 534.44 cr.; deferred Dividend liability relating to an earlier period was brought down from Rs. 504.45 cr. at the beginning of the Plan to Rs. 428.44 cr; Fund balances of Railways received a net accretion of Rs. 139 cr. Plan outlay of the Railways amounted to Rs. 16,549 cr., of which internally generated resources amounting to Rs. 7,151 cr. formed the main source of financing along with market borrowing to the extent of Rs. 2,520 cr. in the context of dwindling budgetary support. Incidentally market borrowing, for Railways, is a much costlier form of capital than the traditional budgetary support, and had to be judiciously resorted to, in view of the overall constraint of resources.

4. Freight Traffic, 1990-91 - At the time of framing the Budget for 1990-91, the anticipation for revenue earning freight traffic was 325 million tonnes. The system was, however, exposed to a number of adverse external factors, beginning with the devastating cyclone in May, 1990 that caused virtual suspension of rail movement on the east coast, affecting loading of bulk commodities like coal, steel, iron ore, petroleum products etc. Subsequently, widespread civil disturbances in the country took a heavy toll of Railway operation and resources. With these factors, coupled with less than targeted offer of traffic from the core sectors of coal, steel and iron ore, a shortfall in the loading to the extent of eight million tonnes up to November, 1990 became inevitable; the year's target now stands revised to 316 million tonnes.

5.1 Financial Prospects, 1990-91 - Based on the expected improvement in revenue freight loading in the current busy season and an improved yield per million tonnes, Goods earnings which had shown a poor trend till November, 1990 are now estimated at Rs. 8,380 cr., which is short of the budget by Rs. 44 cr. Passenger earnings have been close to the expected levels, and are, in fact, likely to be higher than the budget of Rs. 3,115 cr. by Rs. 15 cr. Other Coaching earnings are expected to be above the budgeted Rs. 334 cr. by Rs. 16 cr. The trend in Sundry Other earnings is also encouraging, and in this case, the target is revised upwards by Rs. 19 cr. from the budgeted Rs. 207 cr. On the whole, Gross earnings are likely to be above budget by a slight margin of Rs 6 cr. But, at the same time, the increasing trend of unrealised earnings, particularly from some of the State Electricity Boards, has compelled me to place Gross Traffic Receipts at a level that is Rs. 22 cr. below the budget figure of Rs. 12,060 cr.

5.2 As far as Ordinary Working Expenses are concerned, it is proposed to retain them at the budget level of Rs. 8,241 cr. Although there was an increase in the diesel oil price in March, 1990 and Gulf surcharge in October, 1990, their impact would be partially offset by the shortfall in traffic of about nine million tonnes and fuel efficiency measures. In the overall, the scope for savings in certain other areas and the effect of cost reduction, cost control and economy measures that are being implemented since the beginning of the year, are expected to enable the Railways to manage within the original budget.

6.1 Passenger services - Sir, there is a continuous demand for augmenting passenger services. Over the years, and more particularly during the Seventh Plan period, Railways have responded to this demand as best as they could, keeping a judicious balance with the needs of freight traffic whose importance to the economy is paramount. In the current financial year, after the May, 1990 timetable came into force, six additional services were introduced, namely,

1. 2701/2702-2703/2704 Nizamuddin-Vasco-da-Gama (BG cum MG) Goa Express;
2. 2401/2402 New Delhi-Patna Shramjeevi Express;
3. 5003/5004 Gorakhpur-Allahabad Chauri-Chaura Express;
4. 229/230 Gandhidham-Bhuj-Nalliya passenger;
5. 315A/316A Howrah-Bokaro Steel City Passenger; and
6. 2403/2404 Kanpur-Varanasi Shramik Express.

Besides, the run of 12 existing services was extended, in some cases for a limited number of days in the week.

6.2.1 As the House is aware, Railways have cancelled certain passenger services as part of the national effort to face the oil crisis. I do hope that this difficult situation will pass off soon. Assuming that this happens, I propose to introduce in the course of the financial year 1991-92, ten additional express train services and a passenger train. These are

1. An additional daily express service between Bombay V.T. and Varanasi.
2. An express train between Tirupati and Secunderabad via Nadikude.
3. An inter-city express between Bombay Central and Ahmedabad.
4. An express service from Ranchi to Rourkela to be linked to Bombay-Howrah Express.
5. An inter-city express between Bangalore and Tirupati.
6. An express service between Allahabad and Agra Cantt.
7. An express service between Allahabad City and Chhapra on the Metre Gauge.
8. A daily express service between Ferozepur Cantt. and Jammu Tawi.
9. A bi-weekly express between Waltair and New Delhi in place of the existing link services.
10. A weekly express service between Puri and Tirupati.
11. An additional passenger train between Porbandar and Wansjaliya.

6.2.2 Further, the run of the following services is proposed to be extended

1. New Delhi-Katihar Mahananda Express to New Jalpaiguri.
2. Bokaro-Madras Express to Ernakulam.
3. Bombay V.T.-Varanasi Kashi Express to Gorakhpur.
4. Ganga-Satluj Express to Ferozepur.
5. Veraval-Junagarh Passenger to Rajkot.
6. Virar-Sanjan Passenger to Dhilad.

6.2.3 I am happy to announce that a new express service between New Delhi and Bombay Central, either just ahead of the Rajdhani Express or closely following it, is proposed to be introduced. I have directed the Ministry that if this concept works successfully, it should be extended to other routes also as soon as additional passenger terminal capacity is developed.

6.2.4 Sir, I am aware of the inconvenience caused to long-distance passengers by the intrusion of short-distance passengers in the vicinity of urban agglomerations. In an effort to solve this problem, the possibility of introducing electric or diesel multiple unit trains in such areas to serve short-distance commuters is being considered.

7.1 Computerisation of Passenger Reservations Passenger reservation is being progressively computerised, and is now fully implemented at nine major cities. This has met with very favourable response from passengers, basically on account of faster service which has greatly reduced the queues, access to several satellite reservation offices with saving of travel time, and the perceived reduction in the scope for malpractices. The installation of the computerised system has also been either completed or is nearing completion at ten more cities, namely, Trivandrum, Patna, Bhubaneshwar, Guwahati, Gorakhpur, Jaipur, Jammu Tawi, Cuttack, Pune and Allahabad. It is proposed to cover eight more locations during 1991-92; these are, Varanasi, Jodhpur, Agra, Vadodara, Nagpur, Surat, Tiruchirappalli and Coimbatore. On completion of these projects, approximately 70 % of the total reservation workload will have been taken on the computer. Between the major cities of Delhi,

Bombay, Calcutta and Madras, the facility for onward and return reservation has also been incorporated. Networking of these centres, to which Secunderabad will also be linked, has been sanctioned for facilitating multi-leg reservation across the system.

7.2 Apart from this, an Automax Messaging System has been introduced at 51 smaller locations all over the Indian Railways to enable speedy and reliable transmission and handling of reservation messages.

8. **Amenities at stations** - As regards provision of various passenger amenities at stations, norms have been laid down, related to the volume of traffic dealt with at a time. Due to the limited availability of resources, Railways have broadly classified the amenities, from the standpoint of priorities, as basic or additional. A survey conducted in 1987 revealed certain deficiencies in respect of basic passenger amenities, and an action plan, supported by provision of about Rs. 50 cr. in the last three years, is being implemented with a view to eliminating these deficiencies by the current year. Additional amenities like platform covers, waiting rooms, refreshment rooms, etc as found necessary at important stations, are also being provided within the available funds. The current year's allocation for passenger amenities is Rs. 29 cr., which compares very favourably with the Seventh Plan average of Rs. 15.32 cr. An allocation of Rs. 30.5 cr. is proposed for 1991-92.

9. **Cushioned berths** - The programme of providing cushioned berths in Second Class on long distance trains has been completed in respect of sleeper coaches and is now being extended to partial sleeper coaches. This is expected to be completed during 1991-92.

10. **Catering** - In the area of catering, the serving of hot and hygienic meals in aluminium casseroles, modernisation of base kitchens, specialised training of staff and intensive inspections have brought considerable success. A policy of awarding catering and vending licences, except at small and wayside stations, to reputed caterers on the basis of tenders, has been decided upon. It is expected that besides providing another avenue of improvement in the quality of service, the cost of service would be minimised.

11. **Punctuality** - The punctuality of trains has always been a prime objective for the Railways, and monitoring of the running of trains is a day-to-day feature of the management function at different levels. So far as punctuality performance for the current year is concerned, however, I must report with regret that it has shown a slight decline. The setback was mainly on account of agitations concerning implementation of the Mandal Commission Report, Ramjanambhoomi-Babri Masjid issue, the difficult law and order situation in Punjab and elsewhere, and heavy rains in different areas.

12.1 **Safety** - The decade of the eighties began with 1,013 train accidents, but by the end of the decade the number dropped to 540, a reduction of nearly 47 %. Train accidents per million train kilometres dropped from 2.0 in 1980-81 to 1.3 in 1985-86 and 0.87 in 1989-90. In the current financial year, during the period April, 1990 to January, 1991, the total number of accidents were 458 as compared to 454 in the corresponding period of the previous year. The current year's figure includes as many as 31 at level crossings, mainly due to the misjudgement of road users, and 15 due to sabotage or miscreants' activities. So far as passenger train accidents in particular are concerned, although there is some reduction in their number in the current year compared to the last year, some of them have resulted in serious casualties; this is a matter of deep distress and concern for all of us.

12.2 The failure of the human element continues to be the prominent contributory factor in train accidents. A well-planned effort is being made to raise the level of safety consciousness among railway staff through repeated counselling, improved training techniques and psycho-testing of critical categories of staff like drivers and station masters. In order to reduce the involvement of the human element, modern technological improvements are progressively being inducted into the system; these are, to name a few, track circuiting, axle counters, panel interlocking, route relay interlocking, and auxiliary warning system. Emphasis on proper Maintenance of assets, which has a vital bearing on safety as well as efficiency, continues.

13. **Marketing Efforts** - As an infrastructural sector of the economy, Railways have increasingly become carriers of bulk commodities like coal, iron ore, foodgrains, etc. which accounted for nearly 89 % of railway freight in 1989-90. In respect of high profit yielding commodities, Railways face severe competition from road transport which can offer to the customers some advantages like door-to-door service and ad hoc reductions in freight rates. Railways have taken certain measures to attract such traffic from road

by introducing various customer-oriented services like quick transit service, freight forwarder scheme, and speed link express, besides container movement. Railways are intensifying their efforts in this area with a view to qualitative improvement of their service profile as well as greater revenue generation.

14. Railway Claims Tribunal - The Railway Claims Tribunal, which has been set up under the Railway Claims Tribunal Act 1987, has started functioning from the 8th November, 1989, with 17 Benches at different locations. Cases pending in civil courts have been transferred to the Tribunal. Speedy disposal of cases by the Tribunal has brought welcome relief to the claimants. This is particularly so in the case of accident compensation claims.

15. Eighth Five Year Plan - The Railways' Eighth Plan was formulated keeping in view the objective that by the turn of the century, they would be called upon to handle traffic almost double the Sixth Plan level. Besides building up adequate capacity, another basic aim was to complete the process of rehabilitation of the system and renewal of overaged assets, on which accent was placed in the Seventh Plan. The overall resource position has, however, been such that the Plan allocations earmarked for the Railways in the first two years have been far less than commensurate with what has been aimed at. The present state of the economy calls for austerity, and with due regard to inter se priorities, Railways' Eighth Plan would need to be tailored suitably. However, I am optimistic that it would be fixed with adequate provision for capacity generation that the Railways would need in order to subserve the demands of the economy as may be forecast. It is hoped that the plans for fully recovering the physical viability of the system and induction of technological upgradation to raise the qualitative performance of the Railways would also be met by the Plan allocation.

16. Annual Plan 1991-92 - The outlay for the Railway Plan 1991-92 is fixed at Rs. 4,820 cr., which is lower than the current year's Plan size. Market borrowing through issue of Railway Bonds, which is now the main source of financing the acquisition of rolling stock, goes up to Rs. 1,500 cr. from Rs. 1,170 cr. in the current year. Within the allocated Plan size, Railways have attempted to maintain their priorities in the matter of acquisition of rolling stock, modernisation of workshops, railway electrification, and rehabilitation of track and other assets, together with reasonable levels of allocation for new lines, gauge conversion and other essential works. Any increase possible in the Plan outlay would be reflected in the regular budget later.

17.1 New Lines, Gauge Conversion and Doubling - In the current year, the new line section Chittaurgarh-Neemuch (56 km.) has been opened for traffic, completing the Kota-Chittaurgarh Neemuch project. With the targeted opening of Jamira Bhairabi 18 km.) section before the end of March, 1991, the Lalabazar-Bhairabi project will also get completed. Six other sections, namely, Kolaras-Shivpuri (25 km.), Talcher-Angul (18 km.), Damanjodi-Lakshmipur (42 km.), Singapuram Road-Kevatiguda (10 km.), Gwalior-Panihar (23 km.) and SambalpurManesar (16 km.) are also targeted to be opened by March, 1991. Thus the total length of the new lines commissioned in the current year will come to 208 km.

17.2 Two gauge conversion projects, namely, Guntur-Macherla (131 km.) and Mau-Varanasi (91 km.) have also been commissioned this year.

17.3 The sections of new lines that are proposed to be opened in the ensuing year 1991-92 are the following :

Project	Section	Km
Koraput-Rayagada	Lakshmipur-Kevatiguda	92
Satna-Rewa	Satna-Rewa	50
Alleppey-Kayankulam	Alleppey-Kayankulam	43
Trichur-Guruvayoor	Trichur-Guruvayoor	24
Adilabad-Pimpalkutti	Adilabad-Pimpalkutti	21
Amguri-Tuli	Amguri-Tuli	15
Telapur-Patancheru	Telapur-Patancheru	9
Guna-Etawah	Shivpuri-Khajuri, Panihar-Ghatigaon	30
Mathura-Alwar	Mathura-Govardhan	26
Talcher-Sambalpur	Manesar-Bhimkhoj, Angul-Kerjang	25
Chitradurg-Rayadurg	Rayadurg-Molakalmuru	15
Jammu-Udhampur	Jammu-Bajatla	11
Rampur-New Haldwani	Rampur-Chauraha	9

With the opening of the first seven sections mentioned above, seven projects, namely, Koraput-Rayagada, Satna-Rewa, Alleppey-Kayankulam, Trichur-Guruvayoor, Adilabad-Pimpalkutti, Amguri-Tuli

and TelapurPatancheru, will have been commissioned.

17.4 The Mysore-Bangalore gauge conversion project (138 km), and conversion of the sections Manmad-Aurangabad (114 km) and LalgarghNagar (50 km), totalling 302 km are also proposed to be commissioned during 1991-92.

17.5 Doubling of track of about 350 km is expected to be commissioned in the current year while in the next year another 500 km of doubling is proposed to be commissioned.

17.6 The House will be glad to know that the project of restoration of the Metre Gauge line between Bagha and Chhitauni and the gauge conversion project from Chhapra to Aunrihar are being progressed on high priority.

17.7 At the beginning of 1991-92, Railways will have on hand 24 new line projects, totalling 2,070 km, and 11 gauge conversion projects for 2,118 km. The balance of funds required for their completion is assessed at Rs. 3,005 cr. The House will agree with me that at a time when the country is facing an acute scarcity of resources, it is vitally important to speed up the flow of benefits from the ongoing projects rather than postpone the benefits by diverting a part of the available resources to fresh starts. The Committee for Expansion of Railway Network have identified a combination of new lines and gauge conversions to be executed solely for generating the capacity needed to handle the traffic that is likely to materialise by the end of the century. Under the circumstances, the approach to major new projects has to be extremely cautious and selective. Projects are generally considered on grounds of profitability but projects have also to be considered on grounds of development of backward areas so as to join them with the mainstream of national development. Keeping in view these aspects, for the development of economically backward areas, the following new projects are under consideration. These are

New Lines

Lanjigarh Road-Junagarh (54 km)
Khurda Road-Balangir (289 km)
Ranchi-Hazaribagh-Koderma (190 km)

Gauge Conversion

Allahabad-Varanasi (125 km)
Muzaffarnagar-Gorakhpur (310 km) Sagauli-Raxaul (29 km)
Mau-Shahganj (99 km) Indara-Phephana (51 km)

17.8 Survey for a new BG line from Ahmednagar to Parli Vaijnath via Beed has been completed, and the question of taking up the work is under consideration.

18.1 **Konkan Railway Corporation** - Sir, the House will be happy to know that, it has been possible to set up the Konkan Railway Corporation in record time. It was incorporated in July, 1990 as a public limited company under the Companies Act, 1956. The Company has been set up with an equity capital of Rs. 250 cr. with participation by the Ministry of Railways and the four beneficiary States of Maharashtra, Goa, Karnataka and Kerala.

18.2 When the project is completed, there will be tremendous saving in distance from stations on the South-West coast to the North; for instance, the distance between Mangalore and Bombay will be shortened by 1,050 km in 2,041 km, from Mangalore to Delhi by 707 km in 3,033 km, and from Cochin to Bombay by 436 km in 1,849 km. The travel time will also be reduced considerably; for journey from Mangalore to Bombay, the reduction would be 24 hours in 41 hours, and from Cochin to Bombay, 12 hours in 36 hours.

18.3 The savings in energy and time have not been taken into account in the financial appraisal, but they would figure prominently in any cost-benefit analysis of a project of this size.

19.1 **Metropolitan Transport Projects** - The Metro Railway system at Calcutta is a cherished possession of the citizens of this great city. But the completion of the remaining 6.5 km stretch between Esplanade and Belgachia is hampered by problems for whose solution, the active assistance of the State Government of West Bengal is vital. I hope the State Government's help would be forthcoming for the speedy completion of the project.

19.2 The rail line from Dum Dum Junction to Princepghat for operation of commuter trains over a distance of 13.5 km has been commissioned during the year. The feasibility of extending this line

to Majerhat, so as to complete the Circular Railway system, is being examined in consultation with the Ministry of Surface Transport as the proposed alignment runs through the Calcutta Port Trust area.

19.3 In Bombay, the project for extension of Railway line from Mankhurd to Belapur is making steady progress, estimated at 73% at the end of December, 1990.

19.4 The Madras Beach-Luz Rapid Transit System has registered a progress of about 41% as at the end of December, 1990.

20. Status Paper on Bombay Suburban Railway System - Indian Railways have released a Status Paper on Bombay Suburban System in September, 1990. This Paper attempts an appraisal of the transport situation in Bombay, especially on the suburban railway system, and considers the available options for financial and institutional arrangements which could be adopted to meet fully the suburban rail traffic demand by the year 2001 AD. The Paper highlights the need for an integrated approach to urban transport in Bombay and spells out the possible strategies to provide the commuters rapid and safe transport at an affordable price.

21. Urban Transport - The need for augmenting urban transport facilities in many other rapidly growing cities is certainly a vital one. While in the case of Bombay, it is basically a question of strengthening the existing rail transport system, for certain cities, the technical solution may have to be found in other forms as well, including underground railways. Overall strategies in this respect come within the purview of the Ministry of Urban Development, and the financial burden will have to be shared by the concerned city authorities and the State Governments.

22. Track Renewal - The special thrust given to track renewal during the Seventh Plan resulted in 19,623 km of renewal, giving an annual average of 3,925 km. Thus arrears which stood at 19,500 km at the beginning of the Seventh Plan were brought down to 12,000 km at the end of the Plan, taking into account an average annual accrual of 2,300 km to the arrears. Although Railways would like to wipe out the arrears completely by the end of the current plan, a certain spillover to the Ninth Plan appears inevitable because of the resource constraint and escalation of cost. Efforts are being made, all the same, to ensure that track renewal is current at least on the high density routes by the end of the Eighth Plan. The target, which is 3,500 km in the current year is retained at the same figure for the next year also.

23.1 Railway Electrification - In the context of reducing the dependence of Railways on petroleum products, electrification of heavy density routes has assumed special significance. During the Seventh Plan, 2,812 route kilometres were electrified, bringing the total at the end of the Plan to 9,252. During the Eighth Plan, Indian Railways propose to electrify about 3,000 route kilometres.

23.2 At present, the important trunk routes linking Delhi and Howrah, and, Delhi and Bombay via Western Railway, have been completed. The North-South route linking Delhi and Madras will be completed in the current year. The target for the year is 1,040 route kilometres including about 400 route kilometres that were substantially completed but could not be energised last year.

23.3 The trunk routes from Delhi to Bombay via Central Railway and Howrah to Bombay are planned for completion by next year. In the Budget for 1991-92, electrification of Delhi-Ambala-Ludhiana (314 rkm), Sabarmati-Gandhinagar (28 rkm), and the iron ore route from Kiriburu to Bokaro (398 rkm), and Gomia-Patratu (72 rkm) have been included as new works. Electrification of the Sitarampur-Jhajha Section (154 rkm) is also being taken up.

24.1 Production Units - Performance of production units in 1989-90 has generally been satisfactory. Diesel Locomotive Works, Varanasi achieved its targeted outturn of 140 diesel locomotives. Chittaranjan Locomotive Works produced 105 electric locomotives, exceeding the target of 100, and also 42 diesel locomotives. Production at the Integral Coach Factory was up to its targeted capacity of 925 coaches. These units are likely to meet their targets of production in the current year also.

24.2 As regards the other three units, which have gone into operation in recent years, the output of the Rail Coach Factory, Kapurthala has picked up well in the current year and the target of production is being raised from the original 400 coaches to 500 of existing design.

24.3 The Diesel Component Works is expected to produce spares worth Rs. 28 cr. and rebuild 24 locomotives this year. The Wheel & Axle Plant at Bangalore, which manufactured 22,647 wheelsets

last year, is likely to increase the production to about 24,000 in the current year.

25. Rehabilitation of Workshops and Production Units - The Workshops and Production Units of the Indian Railways are the backbone of the maintenance of rolling stock and the production of coaches and locomotives. Many of them have served the Indian Railways for several decades, and their machinery and equipment have had to be rehabilitated. In the process of replacement, they are being modernised. The second phase of modernisation is under way. The end result is the improved availability and reliability of all types of rolling stock. Incidentally, I am happy to inform the House that the Rail Spring Factory, Gwalior, a modern and sophisticated plant for the manufacture of coil springs for Railways' rolling stock, has gone into production.

26.1 One of the areas where technological upgradation on the Railways is perhaps most urgent is that of locomotives. As the House is aware, Indian Railways have already taken steps to obtain modern electric and diesel-electric locomotives of high horse Technology power with several advantages, such as, higher energy Upgradation efficiency, quicker acceleration, capacity for heavier loads and greater speeds, and requiring less maintenance effort. These are to be acquired with technology transfer. 18 electric locomotives of 6000 HP and of three designs, from Japan and Sweden, are under trial on the Indian Railways. Until the manufacture of high horse-power locomotives is indigenously taken up, it is proposed to continue, as far as possible, the progressive uprating of the locomotives manufactured at Chittaranjan and Varanasi through improved designs of individual equipment and sub-systems. A modern design of a longer, lighter and better riding coach with high speed potential is under finalisation.

26.2 Indian Railways are implementing a selective programme of track modernisation to cope with the heavier and faster traffic envisaged in the coming years. This is being done through the increasing use of heavier rail sections of higher strength, long or continuous welded rails, pre-stressed concrete sleepers with elastic fastenings and pre-stressed concrete bridges of innovative designs and thick web switches with high-speed turnouts. Railways have also embarked upon mechanisation of track maintenance operations on important routes, mainly to improve the quality and durability of track. This is accomplished through an expanding fleet of track machines of various kinds. Indigenous manufacturing capacity for some of these machines is being progressively developed.

26.3 As part of the modernisation of the telecommunication network, equipment based on digital technology will be utilised, in keeping with the current trends, wherever old assets are due replacement. Similarly, electro-mechanical telephone exchanges will be replaced by digital electronic exchanges. Most of these equipment will be procured from indigenous manufacturers. Optic fibre communication link was commissioned between Churchgate and Virar, and has been taken up in the Durg-Nagpur-Itarsi Electrification project.

27.1 Energy Conservation energy - Sir, energy conservation is a dire need of the hour. It has been an important objective for the Railways, who have already implemented various measures for more efficient utilisation of available resources through technical and managerial innovations, and for avoiding waste. During the Seventh Plan years, specific energy consumption in terms of kilograms of coal per thousand gross tonne kilometres has steadily come down. The falling trend of specific fuel consumption under all the three types of traction, namely steam, diesel and electric, has been continuing in the current year also.

27.2 In the context of energy conservation as well as enhancing productivity, mention may be made of the improvement in utilisation of diesel and electric locomotives, which has enabled Indian Railways to accelerate the phasing out of steam locomotives. 2,766 steam locomotives have been withdrawn from service, and 57 steam sheds closed, during the Seventh Five Year Plan. In the Eighth Plan period, it is proposed to reduce the number of steam locomotives by a further 2,500.

27.3 Steps already taken by the Railways, or proposed to be taken, for fuel efficiency are :

- (1) re-assessment of trip rations for diesel locomotives on the basis of the sections traversed and loads carried;
- (2) monitoring fuel consumption performance of individual locomotives and drivers ;
- (3) training of drivers through simulators in appropriate techniques to conserve fuel;
- (4) study of sub-systems of diesel locomotives with a view to improved fuel efficiency; fuel efficiency kits and high-efficiency turbochargers are also on trial;

- (5) use of wheel flange lubricators and lubrication of rail gauge faces to reduce friction during movement;
- (6) Save Electricity' campaign on Railways;
- (7) energy audit of major establishments;
- (8) trial of three-phase induction motor drive on electric locomotives and choppers for DC traction;
- (9) capacitor banks at traction substations ;
- (10) use of long-welded rails for track; and
- (11) inculcation of energy consciousness at all levels.

27.4 Security arrangements in respect of coal and diesel oil, and procedures for accountal of their receipts and issues, have been tightened up to reduce pilferage and wastage.

28.1 Indian Railway Welfare Organisation - The House is aware that the Indian Railway Welfare Organisation has been set up for helping railwaymen in acquiring houses on self-financing basis. The Organisation is being given loan assistance as well as grants for its activities. So far, more than 41,000 railwaymen have registered themselves as primary members with IRWO.

28.2 I am grateful to the State Governments of Uttar Pradesh, Haryana and West Bengal for their assistance to IRWO for acquiring land for their schemes.

29. Medicare - Medicare is an important component of the amenities traditionally provided by the Railways to its staff and their families. Improvement to the network of medical infrastructure received special emphasis during the Seventh Plan period. Besides, Homeopathy and indigenous system of medicines are also encouraged, and a phased plan is under implementation for augmenting their use.

30. Productivity Linked Bonus - For the financial year 1989-90, railwaymen have been sanctioned Productivity Linked Bonus equivalent to 45 days' wages-the highest so far. Personnel of the Railway Protection Force and Railway Protection Special Force were sanctioned 27 days' wages as ad hoc bonus.

31. Industrial Relations - Industrial harmony continues to prevail over the Indian Railways. The Permanent Negotiating Machinery and the Joint Consultative Machinery perform their valuable role in this regard. The Corporate Enterprises Group serves as a useful forum for exchange of views and suggestions for the management of the vast Railway undertaking.

32.1 IRCON - The Indian Railway Construction Company Limited recorded its highest-ever turnover of Rs. 213 cr., earned a profit before tax of Rs. 20.5 cr. and net foreign exchange of Rs. 37.57 cr. in 1989-90. The Company successfully completed two projects in Bangladesh and one in Malaysia, and secured four other international contracts. It is also executing several projects of national importance within the country.

32.2 RITES - Rail India Technical and Economic Services Limited registered a turnover of Rs. 86.38 cr. in 1989-90 with net foreign exchange earnings of Rs. 18.47 cr. The profit before tax, however, dropped to Rs. 3.74 cr. from Rs. 9.23 cr. in the previous year on account of premature termination of a major contract in Iraq. During the year under review, RITES secured new contracts in Zambia, Zimbabwe and, for the first time, in Botswana and Swaziland.

32.3 CONCOR - The Container Corporation of India Limited was set up in March, 1988 in order to oversee the development of multi-modal transportation. From November, 1989, CONCOR has taken over the management of the -seven Inland Container Depots on the Railways and has made plans for developing facilities at various other important centres.

32.4 IRFC - The Indian Railway Finance Corporation was incorporated in December, 1986 with the primary objective of raising funds through public borrowing and investing them in Railway assets. Till last year, an amount of Rs. 2,560 cr. was mobilised by IRFC by market borrowing. Railway Bonds are proposed to be issued for a further Rs. 1,170 cr. during the current year and Rs. 1,500 cr. next year.

32.5 CRIS - The Centre for Railway Information Systems, established as a Society under the Ministry of Railways, is engaged in the development of computer systems on the Indian Railways. Presently, its

major activity is the design, development and implementation of the Freight Operation. Information System. It has also taken up many other useful projects for the Railways and provides consultancy services to other organisations as well.

33. Manpower Planning - The financial viability of the Indian Railways is greatly dependent on improvement in productivity, and, Human Resource Development is the key to manpower productivity. The ongoing modernisation of the railway system calls for upgradation of the technical skills of the workforce so that it may cope effectively with the technological innovations that are being introduced. Scientific manpower planning at all levels, introduction of improved work methods, systematic study of the training needs of different categories, have all been taken up with this objective in view.

34. Progressive use of Hindi - Steady progress has been maintained by the Indian Railways in promoting the use of Hindi in accordance with the policy of the Government. More than 95% of the documents specified in the Official Languages Act are being issued in Hindi English bilingual form. Codes, Manuals and Station Working Rules have been made available in Hindi, and staff are encouraged in various ways to increase the use of Hindi in office work.

35. Status Paper on Indian Railways - Some Issues and Options - Sir, the peoples' aspirations for expansion of the railway network and better service level have often been voiced not only in both the Houses of Parliament but also in many public forums. A Status Paper was released on 1st March, 1990, to acquaint the public with the performance of the Indian Railways since Independence, and the problems and prospects for the present and the future. The six basic issues relate to technological upgradation, expansion of network, financial arrangement between Railways and General Finance, capital restructuring, tariff policy, and, passenger services and freight movement. The response of the public to this transparency of railway management has been overwhelming. The various suggestions that have been received from eminent persons and bodies are being examined.

36.1 Certain reforms contemplated - From time to time, I have received representations that reservation facility is not available on long distance trains for passengers starting from important stations which are not en route. For the convenience of such passengers, reservation quotas are proposed to be allotted.

36.2 Sale of tickets through booking agencies in big cities, as per local requirement, is also being considered.

36.3 Special attention will be paid to provision of pantry cars on superfast trains.

36.4 For candidates appearing for interviews after all India competitive examinations, the question of giving rail travel concession is under consideration.

36.5 In view of acute unemployment, steps will be taken to provide certain stalls at bigger stations. We intend to give preference to educated unemployed persons belonging to Scheduled Castes, Scheduled Tribes and backward classes, and their Cooperative Societies, in the allotment of such stalls.

36.6 In the present context, there is special need for socialist literature, but books of this type are not available to passengers. Keeping this in view, it is being decided to set up separate stalls for the sale of such literature at important stations.

36.7 Apart from this, proverbs and maxims of statesmen, saints and thinkers of the nation, which stimulate moral thoughts, will be displayed at the platforms and the railway station premises.

36.8 Taking into account the present social structure and the related problem of unemployment, it is being considered whether the large number of unauthorised vendors on trains may be licensed to sell their goods on collection of prescribed fees.

36.9 It is observed that outside the premises of railway stations, stalls and shops are constructed unauthorisedly. There may be need for them, but Railways do not get any revenue from them. In the circumstances, it is considered that such railway land, if not immediately required for railway development programmes, may be allotted for stalls on an annual licencing basis, thereby earning some revenue from them.

36.10 Many cases of encroachment of large portions of railway land have also come to notice. Where the

land is required for railway's own expansion programmes, these encroachments will be removed immediately. However, where the land is cultivable, and the railway administration do not require it in the near future for any of its schemes, it can be allotted to Cooperative Societies of landless Harijans and backward classes at current rates.

37.1 Corporate objectives- widening Horizons - The Indian Railways as a forward looking organisation should have Corporate objectives for the current decade so that in the 21st century, the Indian Railways would be able to meet fully the aspirations of the nation and the people. I am directing the Ministry to adopt the following objectives for bringing about a change in the philosophy of management to ensure greater productivity of assets and human resources. In brief, the objectives are

1. Customer orientation;
2. Commercial orientation;
3. Management orientation;
4. Management of change;
5. Human Resource Management;
6. Safety and alertness in operation; and
7. Financial viability.

37.2 In the context of the accelerated pace of economic growth in the Eighth Plan, the Railways will be called upon to perform a much more challenging task than heretofore. The need for developing adequate line and terminal capacities, and rolling stock utilisation, will be all the more overwhelming. Modernisation and technological upgradation of the system would be yet another priority thrust of the railway programmes for the Eighth Plan to launch the Railways into the 21st century as a modern railway system with sufficient capacity to meet the country's transport needs, both passenger and freight traffic, based on an optimal inter-modal mix, and to provide this transportation at the least cost to the society while maintaining financial viability. Railways as an infrastructural sector should keep ahead of requirements and not just keep pace with the overall economic development, and for this, sufficient funding would be needed.

38.1 | Budget Estimates 1991-92 - shall now deal with the Budget Estimates for 1991-92. The Gross Traffic Receipts for the year at the existing level of fares and freight rates are estimated at Rs. 12,665 crores, which is higher than the current year's Revised Estimates by Rs. 627 crores.

This increase in traffic receipts is based on an additional revenue-earning originating freight loading of 19 million tonnes over the current year's revised target of 316 million tonnes, and an estimated 3% growth under passenger traffic.

38.2 The estimate of Ordinary Working Expenses has been placed at Rs. 9,270 crores, representing an increase of Rs. 1,029 crores over the Revised Estimate for the current year. This increase is primarily to cover the cost of fuel and other inputs for incremental traffic, the escalation in prices of materials, the effect of annual increments, additional payment of dearness allowance, and higher lease rental payable to Indian Railway Finance Corporation.

38.3 The contribution to Pension Fund is proposed to be raised to Rs. 1,000 crores compared to Rs. 900 crores in the current year.

38.4 The contribution to Depreciation Reserve Fund is proposed to be stepped up from Rs. 1,950 crores in the current year to Rs. 2,050 crores in 1991-92. This covers, more than adequately, the anticipated outgo of Rs. 1,891 crores on replacements and renewals, which are financed from the Fund.

38.5 The Total Working Expenses, comprising Ordinary Working Expenses and appropriations to the Pension and Depreciation Reserve Funds, will amount to Rs. 12,320 crores, leaving Net Traffic Receipts of Rs. 345 crores. A sum of Rs. 180 crores is estimated by way of Net Miscellaneous Receipts, and thus the Net Revenue would amount to Rs. 525 crores. The dividend payable to General Revenues has been estimated at Rs. 1,037 crores, with the result that at the current level of fares and freight rates, there will be a shortfall of Rs. 512 crores. I am leaving this gap uncovered, to be bridged during the course of the financial year. Further, a loan of Rs. 140 crores from the General Revenues would be needed for execution of works chargeable to the Development Fund.

38.6 Memorandum on the rate of dividend payable to General Revenues on the Capital-at-charge, and other ancillary matters, will be submitted to the Railway Convention Committee 1989, in due course, for their consideration. Provision for dividend for 1991-92 has been proposed at same rate as adopted for the year 1990-91.

39. **Conclusion** - Sir, I consider it my proud privilege to head the railway family. The railwaymen's devotion to duty and dedication to the national cause have been there from the very beginning, and are still there today. Railways, today, are the main cementing force for the unity and integrity of the country. Even this year, under very trying and difficult conditions, railwaymen have kept their vigil. In spite of agitations and disruptions, totally unrelated to railway working, and untold loss and damage to the railway property due to vandalism, and threats to safety of operation, the system has bounced back to normalcy time and again. I am sure, Sir, the House will join me in the appreciation of the railwaymen's unwavering commitment to work, even under perilous circumstances. I am extremely thankful to the crores of passengers and other rail users for the forbearance and empathy shown by them.
