

**Speech of Shri C. K. Jaffer Sharief
Introducing the Railway Budget
for 1992-93, on 25th February, 1992**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for the year 1991-92 and Budget Estimates for the year 1992-93 for the Indian Railways.

Introduction

2. Sir, we are living in momentous times and the winds of change are blowing all over the world. In the changed circumstances, people are in search of a new identity. There is a genuine craving for peace and prosperity despite a few jarring notes of discordance, and terrorism. In our own country, attempts at communal disharmony have posed a great challenge and people are once again, as ever before, displaying patience and democratic spirit to tackle the problems. The role of Indian Railways in the socio-economic and political life of the nation as a unifying force is no mean achievement. Railwaymen have always risen to the occasion and kept the wheels moving and would do so in the years to come. They are conscious of their duties and responsibilities to the nation. I am confident they would respond whole-heartedly to the President's Address to the nation and maintain industrial peace in these tumultuous days.

Freight Performance, 1990-91

3. Sir, I shall briefly review the performance for the year 1990-91. There was no prospect of achieving the revenue earning freight target of 325 million tonnes and a shortfall of 9 million tonnes was projected in the Revised Estimates. However, in the last quarter of the year, the Railways did make up to some extent by loading more than a million tonnes a day, as a result of which the loading for the year aggregated to 318 million tonnes, which was two million tonnes more than what was projected in the Revised Estimates.

Passenger Traffic 1990-91

4. The growth in passenger traffic was impressive. The number of passengers originating and the passenger kilometres in 1990-91 increased by more than 5 % over 1989-90.

Financial Performance, 1990-91

5. The working expenses were under very heavy strain because of the increase in prices of petroleum products subsequent to the presentation of the Budget in February, 1990, Gulf Surcharge in October, 1990 and a general increase in the cost of Railway inputs. However, the improvement in Gross Traffic Receipts and containment of expenditure by stringent financial control enabled the Railways not only to absorb the post-budgetary increases but also achieve a surplus of Rs. 187.6 cr., as against Rs. 155 cr. projected in the Revised Estimates. Besides, it has been possible to augment the Pension Fund by Rs. 70 cr. and reduce the deferred dividend liability by Rs. 12 cr. For the sixth year in succession, Indian Railways showed a surplus after payment of dividend in full of Rs. 926.1 cr.

Freight Prospects, 1991-92

6. In the Budget for 1991-92, the originating revenue earning freight traffic has been estimated at 335 million tonnes. I am happy to inform the House that the performance during the first ten months of the current year has exceeded the proportionate target. The revised estimate for the originating revenue earning freight traffic in the current financial year is now placed at 337 million tonnes, which is 19 million tonnes more than the previous year's actuals of 318 million tonnes.

Passenger Traffic, 1991-92

7. The growth in passenger traffic during the current year is estimated at about 5%.

Financial Prospects, 1991-92

8.1 Sir, in my last Budget Speech, I had mentioned about a detailed Action Plan being prepared to achieve reduction in working expenses by cost control, cost reduction and economy measures and marketing strategies to augment earnings. This Action Plan has been launched and is being implemented in all earnestness by the

Zonal Railways. The House will be happy to know that the Budget target of Rs. 9,222 cr. of Goods earnings is likely to be exceeded by Rs. 96 cr. Passenger earnings are also expected to go up from Rs. 3,493 cr. to Rs. 3,647 cr., an increase of Rs. 154 cr. The revised estimates of Gross Traffic Receipts would be higher by Rs. 267 cr., compared to the budgeted figure of Rs. 13,319 cr.

8.2 The Ordinary Working Expenses for the current financial year 1991-92 are now estimated at Rs. 9,205 cr. Numerous post-budgetary factors, such as, higher dearness allowance rates, impact of devaluation, increase in electricity tariff, increase in cost of coal etc. have had a substantial impact on the Working Expenses. The Indian Railways will, however, be able to absorb most of the post-budgetary impact through judicious management. Accordingly, only a meagre amount of Rs. 25 cr. over the Budget Estimates has been provided for in the Revised Estimates of 1991-92.

8.3 The outgo from the Pension Fund is expected to be larger than what was estimated at the time of framing the budget. I, therefore, propose to enhance the contribution to Pension Fund during 1991-92 from Rs. 1,050 cr. to Rs. 1,090 cr.

8.4 The Revised Estimates for the year 1991-92 provide for a surplus of Rs. 435 cr., Rs. 200 cr. more than the budgeted figure of Rs. 235 cr., after meeting in full the dividend liability of Rs. 1,039 cr. to the General Revenues and after providing an additional amount of Rs. 40 cr. to the Pension Fund. The House would be happy to note that this is an excellent and enviable performance. This is our humble contribution towards reduction of fiscal deficit of the Government.

Passenger Services

9.1 Sir, the Indian Railways continue to receive demands for introducing additional passenger trains. It has not been possible to meet in full the growing demand for passenger services. The House, however, would be happy to note that by rationalising the use of available resources, it is proposed to introduce the following new services from 1-7-1992:

1. Sealdah-Haldibari/New Cooch Behar Express (triweekly)
2. Vadodara-Valsad Inter-city Express
3. Varanasi-Gorakhpur Inter-city Express
4. Guwahati-New Bongaigaon Passenger
5. Bombay-Bangalore Superfast Express
6. Virar-Dahanu-Road Passenger
7. Secunderabad-Vijayawada Inter-city Express
8. Madras-Bangalore Superfast Express
9. Vijayawada-Madras Inter-city Express
10. A new train between Hyderabad and Bidar and Link Express between Bidar and Bangalore to be combined with Hampi Express at Guntakal.
11. Mysore-Tirupati Express
12. Nizamuddin-Kota-Indore Express
13. Thiruvananthapuram-Gandhidham Express (weekly)
14. Sikar-Loharu-Delhi Express
15. Bhadrachalam-Secunderabad Passenger

9.2 The run of the following trains will be extended

1. A direct train service between Kumarghat and Guwahati by extending Lumding-Dharmanagar Passenger train up to Kumarghat and linking it to Barak Valley Express at Lumding.
2. Samdari-Palanpur Passenger up to Mahesana.

9.3 The frequency of Howrah-Jamalpur Express is being increased from three days a week to daily service.

9.4 In the last Budget session of the Parliament, I had mentioned about the feasibility of introducing a North-South Rajdhani Express. I am glad to inform the House that a weekly Rajdhani Express from New Delhi to Secunderabad and Bangalore is proposed to be introduced in the year 1992-93. Based on the patronage of this

train introduction of similar trains to Madras and Thiruvananthapuram and also increasing the frequency of these trains will be considered, depending upon the availability of special type of coaches and other inputs.

Passenger Amenities

10.1 Indian Railways are making a determined effort for improving the passenger services. The allocation for passenger amenities has been stepped up from Rs. 31 cr. in the current year to Rs. 50 cr. in 1992-93, an increase of 61 per cent.

Service Improvement Groups

10.2 Indian Railways have a system of monitoring the passenger amenities through the institution of set up at the station, area, division and zonal levels. These Service Improvement groups also look into complaints regarding telephone Groups enquiries, food, cleanliness and reservation. These groups have been activated to effectively handle local problems relating to quality of service. To strengthen the machinery looking after the passenger amenities, senior officers have been nominated to monitor proper upkeep of the passenger amenities at selected stations and on trains.

Computerisation of Passenger Reservation

10.3 Computerised passenger reservation system was first introduced in 1985-86 and since then, the facility has been extended to a number of important stations. It is proposed to cover 12 new locations, viz., Mangalore, Tatanagar, Gwalior, Indore, Ludhiana, Tirupati, Bilaspur, Vijayawada, Ranchi, Jabalpur, Shimla and Chandigarh in 1992-93. With the completion of these, nearly 77 per cent of the train reservation on Indian Railways would be on the computer. It is also proposed to extend computer reservation facilities for onward and return journeys between Secunderabad and Delhi and Secunderabad and Calcutta. When completed, such a facility will become available between any two of the five computer centres located at Delhi, Bombay, Calcutta, Madras and Secunderabad,

Catering

10.4 Catering is a highly personalised and professional service. To improve the quality, we have taken a decision to privatise the catering services in phases. Zonal Railways have been instructed to entrust the catering services to only reputed and professional caterers so that wholesome food is served to the passengers. This, it is hoped, will provide greater customer satisfaction.

Safety

11.1 Sir, safety is an area where there can be no compromise. Any train accident that occurs is a matter of great concern and anguish to us. The safety performance of Indian Railways, judged in terms of train accidents, has been registering improvement. The number of train accidents came down from 717 in 1985-86 to 532 in 1990-91. The incidence of train accidents per million train kilometres also improved from 1.3 in 1985-86 to 0.86 in 1990-91.

11.2 The trend of improvement has been sustained during the first nine months of the current financial year. The number of train accidents during April-December 1991 were 410 as against 416 in the corresponding period of 1990-91. I, however, assure the House that Indian Railways would continue to accord the highest priority to safety.

11.3 Sir, there have been a few unfortunate accidents involving passenger trains resulting in deaths. Due to unprecedented rains, falling of boulders on the track and poor visibility, an accident took place on Bangalore-Dharmavaram section and 29 persons lost their lives.

11.4 Passengers travelling by Ludhiana-Ferozepur Passenger train were attacked by militants on 26th December, 1991 resulting in a loss of 52 lives. On 6th October, 1991, there was a bomb blast in a Patrol Special train, resulting in the death of 8 police personnel. On the 8th of this month, a bomb blast took place in Ferozepur-Bombay Janata Express on Jakhal-Jind section in which 5 passengers were killed.

11.5 Sir, we on the Railways pay our homage to the departed souls and convey our heartfelt condolences to the bereaved families.

Management of Technology and emerging trends

12. Sir, Indian Railways have demonstrated time and again their capability to manage technological changes, be it in the change-over of traction, computerisation of freight accounting and passenger reservations, inventory management, introduction of new types of rolling stock, adoption of operational strategies and so on. We are conscious of the challenges that we are facing and would be trying to introduce technological innovations as we go on.

Operational and Marketing Strategies

13. The operational strategies should aim at better asset utilisation and be responsive to market impulses. Accordingly, greater emphasis needs to be laid on marketing strategies to correct the imbalance of over-dependence on low-rated commodities which are price-sensitive but cost-inelastic. Greater emphasis on inter-modal traffic and containerisation would be attempted to capture high-rated traffic by running point-to-point trains with guaranteed delivery. "Own Your Wagon/Own Your Container" schemes would soon be launched so that captains of industry, trade and commerce can transport their goods more economically by availing themselves of attractive freight concessions. This would also supplement the wagon fleet of the Railways which are facing financial constraints.

Management of Change

14.1 In keeping with the new economic philosophy and policy of the Government, it is necessary to make the organisation and administration of the railways more responsive to changes. This may need organisational and structural changes which can be brought about on the basis of a detailed study. I intend setting up a committee of experts to make recommendations to bring about the change in management ethos so that rail transport becomes a way of business.

14.2 The Zonal Railways would be treated as profit-centres to generate surplus. Loss-making Railways would first aim at break-even. Accountability for financial results by bottom-line management would be emphasised. Towards this goal, I have directed the Railway Board to formulate not only the Action Plan for 1992-93 but also the financial planning for the entire Plan period.

14.3 Sir, any reform has to start at the top. The House would be happy to note that top level, below-top level, middle and lower levels of management posts, are being identified for surrender. Similar exercises to locate redundancies at lower levels due to change of technology are on and these would be pursued with vigour.

Eighth Plan Perspectives and Prospects

15.1 The achievements of Indian Railways in the Seventh Plan are noteworthy. The incremental originating revenue-earning traffic of 74 million tonnes is equivalent to the incremental traffic of 19 years previous. Freight transport output and passenger transportation rose by 30% and 22% over the Sixth Plan through mainly improvement in asset utilisation and productivity. The Railways generated a surplus of Rs. 560 cr. during the plan period after meeting the dividend in full and thus maintained financial viability in each of the years. A solid foundation has thus been laid for the Eighth Plan.

15.2 The Eighth Plan objectives are 83 million tonnes incremental originating revenue-earning traffic over the original target of 335 million tonnes in 1991-92 and an annual growth of 5 % in passenger traffic. The investment in the plan period would aim at gauge conversion, electrification, rolling stock, technological upgradation, human resource development, inter-modal transport and development of terminal capacity.

15.3 Sir, the question of uni-gauge system has been agitating parliamentarians, economists, entrepreneurs and even the public at large. Metre gauge route kilometres of 23,419, representing 38 % of the total route kilometres, are considered a drag on the system. Some of the areas served by the metre gauge system have skilled manpower, besides generally enjoying conducive atmosphere for industrial development. However these regions are hamstrung because of lack of a good rail transport infrastructure. It is generally recognised by economists that rail transport system is at least six times more energy efficient than road. From the macro-economic point of view, it stands to reason that gauge conversion should be speeded up especially when the emphasis is now on energy conservation, and some of the ills of the metre gauge system need to be remedied urgently. Gauge conversion on the basis of prioritisation is aimed at as an alternative to the existing congested routes. Minimising of transport bottlenecks and transshipment hazards would thus not only enhance Railways' capacity and capability but also inspire confidence in investors in opening up new growth centres and boost economic activity for removal of regional disparities.

15.4 Sir, it is time to rectify at least partially the error of permitting dual gauge. My Ministry has identified about 10,000 km for conversion. It shall be my endeavour to convert at least 6,000 km during the Eighth Plan period. Incidentally, this would lead to generation of considerable local employment.

15.5 I have been greatly enthused in formulation of this new approach to gauge conversion by the encouragement given by the Prime Minister and the ready response of Deputy Chairman, Planning Commission. I have no doubt, Sir, that this task when accomplished would totally transform the system.

Annual Plan 1992-93

16. The Planning Commission in the light of the dwindling budgetary support had suggested initially a plan size of Rs. 5,450 cr. Hon'ble Members may kindly recall that the size of the plan is Rs. 5,325 cr. in 1991-92. The House would appreciate that infrastructure development is a must and capacity cannot be built up overnight. There is also an added need to take care of the thrust areas such as gauge conversion, electrification, rolling stock and terminal capacity so that rail transport capacity, if not ahead of demand, at least does not lag behind. I have fixed the plan size at Rs. 5,700 cr. with the approval of Planning Commission by resorting to resource mobilisation. Even this is insufficient. However, there is a silver lining in that the Planning Commission has promised to review the situation during the year.

Land Management

17. An area for generation of resources is exploitation of air space in metropolitan cities and effective land management. This new potential area is yet to be tapped and I am proceeding with caution. I am in dialogue with the State Governments and would be seeking their cooperation to enable the Railways to find resources for infrastructural development in metropolitan cities and elsewhere for betterment of the community. I have appointed an Expert Committee to study the various aspects of the problem including the kind of organisation required for better land use. Maharashtra Government has evinced keen interest and with their active cooperation, we propose to identify areas in Bombay city so that this can be a trend setter for the rest of the country.

New Lines, Gauge Conversions & Doublings

18.1 The following new line projects and sections, totalling 277 km, are targeted for opening before the end of March, 1992:

1. Trichur-Guruvayoor
2. Amguri-Tuli
3. Alleppey-Kayankulam
4. Telapur-Patancheru
5. Adilabad-Pimpalkutti
6. Satna-Rampur Road of Satna-Rewa project
7. Gwalior-Panihar of Guna-Etawah project
8. Lakshmikantapur-Kulpi of Lakshmikantapur-Namkhana project
9. Jammu-Bajalta of Jammu-Udhampur project
10. Rampur-Bilaspur of Rampur-New Haldwani project
11. Damanjodi-Lakshmipur of Koraput-Rayagada project

18.2 Besides, the following new line projects and sections are programmed to be opened to traffic during 1992-93:

1. Rampur Road-Rewa of Satna-Rewa project
2. Bilaspur-Lalkua of Rampur-New Haldwani project
3. Gwalior-Sanichara of Guna-Etawah project
4. Mathura-Deeg of Mathura-Alwar project
5. Challakere-Rayadurg of Chitradurg-Rayadurg project
6. Dindigul-Madurai of Karur-Dindigul-Tuticorin project
7. Lakshmipur-Singapuram Road of Koraput-Rayagada project

8. Talcher-Angul and Sambalpur-Maneswar of Talcher-Sambalpur project

The new lines programmed for opening in 1992-93 total to 367 km. With the opening of these sections, three projects, Satna-Rewa, Chitradurg-Rayadurg and Koraput-Rayagada would be completed.

18.3 Two new lines Dudhnoi-Depa and Migrendisa-Ditokchera, both in the northeast frontier region, are proposed to be taken up in 1992-93.

18.4 Broad Gauge lines from Hubli to Ankola, Narkher to Amravati, Pedapalli to Nizamabad via Karimnagar and Raichur to Gadwal are proposed to bring about speedy development of backward areas. The proposals are being sent to the Planning Commission.

18.5 Gauge conversions of Manmad-Aurangabad and Salempur-Barhaj Bazar sections have been completed during the current year. 16 new projects of gauge conversions, totalling 3,352 km are proposed to be taken up in the year 1992-93.

18.6 Doubling of about 240 km of track will be commissioned during 1991-92. Another 350 km are proposed to be completed in 1992-93.

18.7 Doubling of Khana-Sainthia section on Eastern Railway, Maksi-Bairagarh on Western Railway and Kuppam-Whitefield on Southern

Railway are proposed to be taken up during 1992-93. In respect of the Khana-Sainthia doubling, the work of land acquisition and doubling between Khana-Jhapter Dhal with a fly-over at Khana will be taken up in 1992-93. The survey for doubling of Andal-Sainthia section is also proposed to be taken up in 1992-93.

Track Renewals

19. Sir, the House is aware of the stress being placed by the Railways to wipe out the arrears in track renewals, which, at the beginning of the Seventh Plan, stood at a staggering figure of 19,500 km. As a result of the accelerated pace of track renewals initiated from the year 1985-86, the arrears are expected to come down to 9,600 km at the end of the current financial year. The target for track renewals set for the year 1992-93 is 2,950 km, including 2,300 km of track which falls due for renewal every year. While a part of the overdue renewals will extend into the Ninth Plan, all efforts are being made to ensure that track renewals are current by the end of the Eighth Plan on the high density routes.

Railway Electrification

20.1 We have assigned a high priority to Railway Electrification to meet the national objectives of energy conservation and reducing our dependence on scarce petroleum-based energy. In my Budget Speech for the year 1991-92, I had indicated that the Railways proposed to electrify about 3,000 route kilometres during the Eighth Plan. We now propose to step up the pace of electrification and have set a target of 3,500 route kilometres for the Eighth Plan.

20.2 I am happy to inform the House that, with the completion of electrification of Itarsi-Nagpur, Durg-Nagpur, and Itarsi-Bhusawal sections, three more important trunk routes linking Delhi and Madras, Howrah and Bombay, and Delhi and Bombay via Central Railway have been completed. The sections Jolarpettai-Bangalore, Jolarpettai-Salem-Erode, Nagda-Bhopal, Diva-Panvel and substantial portion of Kazipet-Secunderabad section are also getting completed. Our target for the current year is to complete electrification of 675 route kilometres,

20.3 The following new electrification schemes, totalling 1,553 route kilometres, have been included in the Budget:

1. Ambala-Moradabad
2. Renigunta-Guntakal-Hospet including Tornagallu-Ranjitpura
3. Erode-Ernakulam-Cochin Harbour Terminus
4. Vijayawada-Visakhapatnam including Samalkot-Kakinada
5. Chandil-Muri-Barkakana
6. Jamadoba-Mohuda

20.4 Indian Railways will also commence electrification of Jhajha-Patna-Mughalsarai section which, though

sanctioned, was held in abeyance so far.

Metropolitan Transport Project

21.1 As the House is aware, the two sections, Esplanade to Tollyganj and Dum Dum to Belgachia, totalling 10 km have already been commissioned. Unfortunately, the work on the remaining 6.5 km stretch between Esplanade and Belgachia could not progress as per the schedule, mainly because of labour problems. These problems have since been resolved with the assistance of the State Government of West Bengal and the work is now progressing satisfactorily. It is hoped that the remaining stretch will be commissioned in 1995.

21.2 In Bombay, the extension of railway line from Mankhurd to Belapur including the 2 km long bridge across Thane Creek is progressing satisfactorily and the line is expected to be opened to traffic in 1992.

21.3 The Rapid Transit system from Madras Beach to Luz is progressing. One sub-section of this stretch, from Madras Beach to Park Town has since been opened to traffic. The next sub-section from Park Town to Chepauk is likely to be completed in 1993.

Production Units

22.1 The performance of production units has been satisfactory in the year 1990-91. Diesel Locomotive Works, Varanasi, achieved an out-turn of 147 diesel locomotives, exceeding the original target of 140 locomotives. Chittaranjan Locomotive Works produced 110 electric locomotives against the target of 100. It also produced 44 diesel locomotives. Integral Coach Factory, Perambur exceeded its capacity of 1,000 coaches by manufacturing 1,013 coaches. Rail Coach Factory, Kapurthala, produced 600 coaches against the target of 500. Wheel & Axle Plant, Bangalore manufactured more than 23,000 wheelsets. In the current year also, the production units will not only achieve the targets but some may do even better.

22.2 Sir, it will be our endeavour to modernise the manufacturing technology, improve designs, maximise indigenisation, strengthen value engineering and improve overall productivity.

Energy Conservation

23. Indian Railways attach great importance to energy conservation. Energy bill of the Railways constitutes about 20 % of the working expenses. Bulk of the energy is consumed on traction. Of the three modes of traction—steam, diesel and electric-steam is the least efficient. 315 steam locomotives are likely to be withdrawn from service in the current year, leaving a balance of around 2,500 steam locos. Of these 2,000 steam locos will be condemned during the Eighth Plan. Our target is that by the year 2000 AD, no steam loco will be left in the system. Besides, Indian Railways have been making vigorous, and concerted efforts towards conservation of energy. A number of energy conservation measures and programmes involving technological changes have been identified and are being pursued.

Railway Fare and Freight Committee

24. Sir, I am glad to inform the House that a Railway Fare and Freight Committee headed by Dr. D.M. Nanjundappa, an eminent transport economist, has been set up. The Committee will examine closely not only the modalities of pricing of various services but also costing of services and main components of costs and make suitable suggestions. All sectors of the economy have to be cost-effective and the various factors of production should be deployed to the best advantage of the community and the nation. The key issues are greater productivity and quality of work for enrichment of the country.

Indian Railway Finance Corporation

25.1 An amount of Rs. 1,500 cr. has been raised by Indian Railway Finance Corporation in the current year. The funds raised by the Corporation form part of Railways' Plan and do not constitute an additionality. Sir, I am glad to inform the House that in 1990-91, the Corporation has made a profit of Rs. 114 cr., compared to Rs. 16.5 cr. in 1989-90, and declared a dividend of 10% amounting to Rs. 23.2 cr.

Rail India Technical and Economic Services

25.2 Rail India Technical and Economic Services registered a turnover of Rs. 54 cr. in 1990-91 with net foreign exchange earnings of Rs. 8.6 cr. The Company earned profit before tax of Rs. 3.1 cr. and declared a dividend of 25 % amounting to Rs. 25 lakhs.

Indian Railway Construction Company

25.3 Indian Railway Construction Company recorded a turnover of Rs. 246 cr. and earned profit before tax of Rs. 11.7 cr. in 1990-91 and declared a dividend of 10% amounting to Rs. 49 lakhs. The Company has been selected by the Government for disinvestment of shares.

Container Corporation of India

25.4 Container Corporation of India recorded a turnover of Rs. 33.5 cr. in 1990-91, registering a 40 % growth over the previous year. During 1990-91, CONCOR commissioned three Inland Container Depots at Ahmedabad, Pune and Hyderabad, and two Container Freight Stations at Moradabad and Panipat.

Konkan Railway Project

26. Konkan Railway Project is very dear to all of us. At the outset, I must place on record my grateful thanks to the State Governments of Maharashtra, Karnataka, Kerala and Goa for their whole-hearted cooperation in the progressing of this project. Additional resources, keeping in view the anticipated increase in the cost from Rs. 1,043 cr. to Rs. 1,604 cr., would be required. Market borrowing on a larger scale has to be resorted to in order to fill the gap. However, notwithstanding the difficult resource position, I have allocated Rs. 50 cr. more for the Konkan Railway Project for this year as equity.

Industrial Relations

27. Industrial relations on the Railways during 1991-92 have remained cordial and harmonious. Sir, I would like to acknowledge the yeoman service by the railwaymen to the victims of earthquake at Uttarkashi and the flood and cyclone victims in the State of Karnataka.

Sports

28. The performance of Railways in the field of sports is a shining example. I am glad to inform the House that the Railways achieved an all-time record of winning 26 national championships in 1990-91. In the current year, the Railways have already won 17 national titles. Three railway sportspersons were recipients of the coveted Arjuna Award.

29. Hon'ble Members would be happy to note that I intend to extend the facility of free pass to former eligible Members of Parliament, in keeping with Prime Minister's desire so that they can continue to play their active part in public life.

Budget Estimates 1992-93

30.1 I shall now deal with the Budget Estimates for 1992-93. In 1992-93, the Railways are expected to carry 17 million tonnes more of revenue earning traffic over the level of 337 million tonnes likely to be reached in the current year. As regards passenger traffic, a growth rate of 5 % has been estimated.

30.2 Based on these projections, the Gross Traffic Receipts at current fares and freight rates are estimated at Rs. 14,518 cr., an increase of Rs. 932 cr. over the Revised Estimates for the current year.

30.3 The Ordinary Working Expenses for the year are estimated at Rs. 10,460 cr., an increase of Rs. 1,255 cr. over the Revised Estimates for the current year. This increase is primarily to cover the cost of inputs for the incremental traffic, additional lease rental payable to the Indian Railway Finance Corporation, increase in prices of fuel and other inputs and additional payment of Dearness Allowance.

30.4 It is proposed to step up the contribution to Depreciation Reserve Fund from Rs. 2,000 cr. in the current year to Rs. 2,300 cr. in 1992-93.

30.5 The contribution to Pension Fund is proposed to be increased from Rs. 1,090 cr. in the Revised Estimates for 1991-92 to Rs. 1,200 cr. in the next year.

30.6 A Memorandum on the rate of dividend payable to the General Revenues. on the Capital-at-charge has been submitted to the Railway Convention.. Committee constituted recently. Meanwhile, provision for dividend for the year 1992-93 has been made at the same rate as for the current year. On this basis, the dividend liability for 1992-93 works out to Rs. 1,150 cr.

30.7 The Total Working Expenses, comprising Ordinary Working Expenses and the appropriations to Depreciation Reserve Fund and Pension Fund, are thus expected to be Rs. 13,960 cr. After taking into account the Net Miscellaneous Receipts of Rs. 206 cr., the Net Revenue will amount to Rs. 764 cr. This would not be sufficient to meet even the dividend liability of Rs. 1,150 cr. Besides, the Railways need additional resources to sustain an adequate Plan size.

Proposals

31.1 Sir, the House is aware that the Railways have a long tradition of absorbing costs and even rendering service below cost as a matter of public policy. This becomes counterproductive beyond a point and would be detrimental to nation building. The social costs have risen from Rs. 421 cr. in 1980-81 to Rs. 2,202 cr. in 1990-91, and to an estimated amount of Rs. 2,227 cr. in 1991-92. Further, the input costs are going up and hence a certain adjustment in fares and freight rates has become inevitable.

31.2 Sir, I am deeply concerned and shall still strive to -render service to the rail users at affordable prices by absorbing costs by internal economies to some extent. Accordingly, I have decided to protect the interests of the common man, weaker sections of our society residing in urban and rural areas and the farmers by not only continuing the existing low tariff but also exempting altogether the following essential commodities from either any increase in freight rates or stepping up of classification:

- (i) Foodgrains and Pulses
- (ii) Salt for human consumption
- (iii) Sugar
- (iv) Gurr, Shakkar and Jaggery
- (v) Tea
- (vi) Fruits and Vegetables
- (vii) Edible Oils
- (viii) Kerosene
- (ix) Diesel
- (x) Chemical manures
- (xi) Organic manure
- (xii) Oil cake
- (xiii) Oil seeds
- (xiv) Livestock and
- (xv) Fodder

31.3 There will be no increase in platform ticket. There will be no increase in the Second Class ordinary fares upto 10 kilometres. There will be no increase in sleeper surcharge up to 500 kilometres.

31.4 The Hon'ble Members, Sir, would appreciate that rail transport is the mainstay of the economy and infrastructure development cannot be neglected. Investment is necessary to generate future income and that can be achieved only by generating resources internally now.

31.5 I, therefore, propose some changes in tariff and rationalisation in freight structure to be made effective from 1-4-1992.

31.6 It is proposed to increase freight rates of all commodities, other than the essential commodities mentioned earlier, by 7.5 %, except coal where the increase will be only 4%. The tariff increase on coal is being kept low in order to contain the inflationary pressures in the economy.

31.7 I also propose to rationalise the classification structure of different commodities, other than the essential commodities mentioned earlier, by raising the trainload, wagonload and smalls classification by one step.

31.8 Some rationalisation of parcel classification and charge is also proposed to be effected. The minimum charge in respect of parcels and luggage is proposed to be revised from Rs. 17 to Rs. 30, except for fresh fruits and vegetables where the revised minimum charge will be Rs. 20.

31.9 My proposals in regard to passenger fares are as under:

(i) The fares for upper classes, namely, Air-conditioned First Class, Air-Conditioned Sleeper, First Class, and Air-Conditioned Chair Car are proposed to be increased by 20 % for all distances. The fares for the Rajdhani Express, New DelhiBombay AC Express and the Shatabadi Express

trains are also proposed to be suitably increased.

(ii) The fares. for Second. Class Ordinary are proposed to be increased by 50 paise per ticket in the lowest slab, progressively rising to Rs. 5 per ticket for distances beyond 250 km. I do not, however, propose to increase the fares for passengers travelling up to 10 km.

(iii) The Second Class Mail/Express fares are proposed to be increased by Re 1 at the lowest distance slab, rising progressively to Rs. 25 per ticket for distances beyond 1,300 km. The fare a passenger has to pay between Jammu Tawi and Kanyakumari -a distance of 3,726 km-will thus go up by only Rs. 25.

(iv) For Second Class Monthly Season Ticket fares, the existing number of equivalent single journeys is proposed to be increased by one in all distance slabs. A Second Class Monthly Season Ticket holder will now have to pay fare equivalent to 9 to 24 single journeys at various distance slabs against the existing range of 8 to 23 single journeys. The First Class Monthly Season Ticket fares will be correspondingly adjusted.

(v) The Second Class Sleeper surcharge for the distance slab 501 km to 1,000 km will be revised to Rs. 25 from the present Rs. 20.

31.10 The above proposals are expected to yield an additional revenue of Rs. 1,366 cr. in the year 1992-93.

32. Sir, change is inherent in the nature of things. The old organisations like Railways respond to changes slowly. In a dynamic world, there is a need for a change in management awareness, attitude and aptitude to respond to public impulses. The organised sectors should realise that they cannot clamour for and appropriate to themselves the entire fruits of development with their collective bargaining power instead of sharing the benefits with the people and the nation. Public need better service and faster trains and, I am sure, they are willing to pay for it. Sacrifice, therefore, is needed on the part of all today so that we can plan for a better and brighter tomorrow. Resources have to be raised for investment in technology, human resource development and operational strategies by adopting cost-effective methods and economic pricing of services. Towards this goal, Sir, we shall proceed with the fullest confidence in our people, our institutions and our democratic traditions. Sir, I am indeed privileged to head the railway family of dedicated workers who are ready to meet challenges and I am sure that the nation can count on their ability and capability to usher in changes. I am confident, Sir, the Hon'ble Members of the House will unanimously support my proposals for a vibrant, vigorous and viable railway system.

33. With these words, Sir, I now commend the Railway Budget for 1992-93 to the House.
