

**Speech of Shri C. K. Jaffer Sharief
Introducing the Railway Budget,
for 1995-96, on 14th March 1995**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for 1994-95 and Budget Estimates for 1995-96 for the Indian Railways.

Introduction

2.1 Before I start the customary review of the performance during the current year to set the background for the projections of the next year, I wish to place before this august House an overview of the performance of the Railways from the time this Government assumed charge in 1991. Such a review has to be in the context of the ongoing economic reforms since, demand for rail transport being a derived one, changes in the economic situation have considerable impact on the performance of the Railways. Further, as a crucial infrastructure, Railways have to play a very important role in the economic development of the country.

2.2 Under the inspired leadership of the Hon'ble Prime Minister, Shri P.V. Narasimha Rao, the economic reforms and the liberalisation process set in motion by the Government have given a tremendous fillip to economic growth. It is being universally acclaimed that our country is among the most successful in the world in implementing economic and structural reforms without falling into any pitfalls associated with such transformation from a regulated to a market-friendly economy. As a result of these reforms, the economy is now poised for a breakthrough. Foreign Exchange reserves are at an all-time high, agricultural production is expected to scale new heights and industrial growth is expected to be close to eight per cent in the current year. Naturally, the demand for rail transportation is bound to grow rapidly.

2.3 In keeping with the spirit of the economic reforms under implementation, the Railways have adopted several innovative measures to bring about changes. Some success has been achieved in getting the private sector to participate in the creation of Railway assets. I refer to the modified "Own Your Wagon" scheme, which has attracted considerable interest amongst the larger customers of the Railways. It is expected that before the current financial year closes, we will be able to finalise orders for a substantial number of wagons under the scheme. The current year also witnessed the trail-blazing induction of private enterprise for operating five tourist circuits on four routes.

2.4 Attention continued to be focussed on capacity generation through better maintenance of the existing assets and creation of alternative routes by conversion from MG to BG. A point I wish to highlight in this context is the drastic reduction of arrears in track renewal, which stood at 9,600 km at the beginning of the Eighth Plan, likely to come down to around 1,950 km by the end of the Plan. The implementation of Project 'Unigauge', which attracted some well-intentioned but misinformed criticism, was pursued vigorously for completing the conversion of over 4,700 km to Broad Gauge in the first three years of the Eighth Plan, to be followed by the completion of 1,500 km more in the next year, thus exceeding the Plan target of 6,000 km in four years. I am grateful to the Hon'ble Prime Minister for the blessings, encouragement and support he has given us for the successful completion of this all-important modernisation scheme. Other achievements needing special mention are the complete elimination of steam traction from the Broad Gauge system, and attaining self-sufficiency in the production of locomotives, wheels and axles. Mobility of wagons has been increased by closing down 27 marshalling yards.

2.5 Highlights of the financial performance during the years since 1991 relate to default-free payment of dividend to general revenues, extinguishing of deferred dividend liability of Rs 416 cr, discharging of loan liability of Rs 534 cr incurred for Development Fund works in the earlier years, building up of a sizeable balance of Rs 985 cr in the Depreciation Reserve Fund and improving the operating ratio from 92% in 1990-91 to 83% in 1993-94. Effective inventory control resulted in the reduction of inventory turnover ratio to 24%, leading to a saving of about Rs 233 cr. Centralisation of purchase of certain components required for the manufacture of concrete sleepers and changing the mode of purchase to open tenders instead of limited tenders traditionally followed in respect of some components, have opened up the possibility of creating healthy competition and securing lower prices. These need to be pursued. Intensifying the efforts

relating to scrap disposal brought about rich dividends in that realisation increased from Rs 410 cr in 1990-91 to over Rs 900 cr in 1994-95. A significant achievement in the financial performance is in respect of Plan financing. The internal resources component of Plan expenditure, together with market borrowing, has risen to, such a level that Railways could cope with a budgetary support as low as 17% in 1993-94 and 18 in 1994-95, far lower than in the previous Plans.

2.6 This period witnessed special efforts being taken for providing some improved facilities, although still inadequate, for the benefit of the travelling public. Thus a record number of 464 new trains and 277 extensions to existing services were introduced during the last four years. Fast and convenient services for inter-city travel such as Shatabdi Expresses, Main Line EMUs and Diesel Multiple Units have also been introduced, ushering in a new era of transportation.

2.7 In the context of the implementation of some of the recommendations of the Railway Fare and Freight Committee (Dr. Nanjundappa Committee) and the Committee on "Organisation Structure and Management Ethos of Indian Railways" (Prakash Tandon Committee) a few committees had been set up to work out the modalities. The Gupta-Prakash Narain Committee have presented a report covering certain aspects relating to recruitment to various railway services with a view to improving organisational effectiveness. Another Committee – Poullose Committee - have suggested certain path-breaking measures to bring about better commercial orientation within the existing arrangements of Government ownership and operations through a modified instrument to regulate the relationship between general finance and railway finance. A third Committee - Hasan Iqbal Committee - have presented a conceptual report recommending some far-reaching reforms in the systems of costing, cost control, revenue accounting and so on with a view to introducing Principles of Responsibility Accounting on Indian Railways. All these reports are under active consideration of the Ministry of Railways. It shall be my endeavour to see that the recommendations are implemented to the extent feasible without much loss of time.

2.8 Sir, having given a bird's eye view of the achievements of the Railways under the present Government which form the backdrop for the budget to be unfolded shortly, I can assure the House, through you, that it shall be our endeavour to continue the good efforts to retain the unique position of Indian Railways among the railway systems of the world as the largest and the only one to earn profits year after year.

Performance In 1993-94

3. Sir, as you are aware, the traffic performance in 1992-93 was adversely affected by disturbances in many parts of the country. It was thought that this was a temporary phenomenon. But the adverse effects continued in the year 1993-94 also. In particular, there was less offer of traffic than expected from the core sectors of the economy. Railways could move 359 million tonnes of revenue earning freight, which was nine million tonnes more than the traffic carried in 1992-93, but fell short of the revised target of 362 million tonnes. Passenger traffic also did not register growth as per original expectations.

Financial Results, 1993

4. Consequent to the drop in traffic expected, the Revised Estimates of earnings were reduced from the Budget Estimates of Rs 19,086 cr to Rs 18,505 cr. The earnings that actually materialised 1993-94 were only Rs 18,259 cr. The position was further aggravated by the mounting dues especially from the State Electricity Boards and other Power Houses, which went up by about Rs 300 cr at the end of 1993-94. In the result, actuals of Gross Traffic Receipts came to Rs 17,946 cr, as against the Revised Estimate of Rs 18,585 cr. Ordinary Working Expenses for the year were Rs 11,760 cr, just a little higher than the Revised Estimate of Rs 11,755 cr, but Rs 195 cr lower than the Budget Estimate of Rs 11,955 cr. Appropriation to Depreciation Reserve Fund, which was reduced in Revised Estimate to Rs 2,100 cr from the Budget Estimate of Rs 2,400 cr, in view of a reduction in the Plan size, was finally adjusted at Rs 1,875 cr, in the actuals. Payment of Dividend to General Revenues was effected almost at the Revised Estimate level. Ultimately, the 'Excess' as per actuals was Rs 1,806 cr, falling short of the Budget and Revised Estimate figure of Rs 2,195 cr.

Prospects For 1994-95 Traffic Prospects

5.1 Sir, keeping in view the Eighth Plan target of revenue earning freight traffic fixed by the Planning Commission at 418 million tonnes, Railways fixed a target of 380 million tonnes for the year 1994-95. The freight performance during the current year did not come up to expectation

during the first nine months. Against the proportionate loading target of 273 mt in the first nine months of the year, the actual loading was 265 mt after meeting all the demands of traffic offered to the Railways, transport capacity was available but not fully utilised. Lately, there are encouraging signs of increased offer of traffic; Railways are endeavouring to meet the challenge. Further, transport capacity being perishable, and capacity creation being highly capital-intensive, the Railways' infrastructure cannot absorb the peaking pattern discernible now, and some delays become inevitable; surplus capacity goes abegging during the first eight to nine months, while excess offer of traffic comes during the remaining months, leading to unsatisfied demands.

5.2 This is a challenge to be met, with cooperation from all rail users. The Railways should play their part as well. As already indicated, the response of the industry to the revised 'Own Your Wagon' scheme has been very encouraging. Another initiative that has been taken is the leasing of infrastructure and rolling stock under the scheme known as 'Build, Own, Lease and Transfer' (BOLT). Sufficient interest is discernible, but the success of the response would be known only after sometime when physical assets become available. These two initiatives would enable Railways to accept the challenge of peaking in the coming years, suitably supplementing by adjustments in investment priorities as necessary.

5.3 The drop in bulk movement has been made good, to some extent, by a remarkable spurt in the movement of traffic by containers. This is reflected in the increased turnover of the Container Corporation of India.

5.4 There is a happy sign that the growth in passenger traffic is far more than our expectations, hopefully in response to the steps taken by the Railways for improving the passenger services.

Financial Prospects

6.1 Sir, in view of the drop in freight traffic, and in its lead, the target of earnings from freight traffic is being reduced to Rs 13,700 cr in the Revised Estimate from the Budget Estimate of Rs 14,289 cr. As there is a healthy growth in passenger traffic, more than expected, the estimate of Passenger Earnings is being revised upwards from Rs 5,138 cr to Rs 5,410 cr. The revenue from Other Coaching and Sundry Other Earnings is also likely to be more than the Budget Estimates by a small margin of Rs 18 cr. The total traffic earnings are, therefore, being revised to Rs 19,970 cr as compared to the Budget Estimate of Rs 20,269 cr. - a reduction of Rs 299 cr. Gross Traffic Receipts have to be reduced by a larger margin to Rs 19,920 cr in the Revised Estimate as against the Budget Estimate of Rs 20,394 cr, on account of the accumulation of receivables from power sector.

6.2 As in the previous years, Railways have launched an Action Plan to - reduce the operating cost by taking various measures to achieve economies while retaining the efficiency of the system. Some reduction of expenditure is also to be expected on account of the lower - volume of freight movement. Accordingly, a saving of about Rs 257 cr in working expenses is anticipated. The Revised Estimate of Ordinary Working Expenses has, therefore, been reduced to Rs 13,050 cr from the Budget Estimate of Rs 13,307 cr.

6.3 The Plan outlay approved for 1994-95 at the level of Rs 6,515 cr provided for the procurement of 18,000 wagons. A need-based review of the requirement, keeping in view the reduced transport output and improvement in the operating indices, revealed that not more than 12,000 wagons would be required to be procured. This has resulted in a saving of about Rs 280 cr. Better realisation of credits due to tight monitoring of accountal and disposal of released materials has also been of help. We expect to realise our enhanced target of Rs 965 cr through the disposal of scrap. It is, therefore, proposed to place the total Plan Outlay for 1994-95 at Rs 6,255 cr, which implies a reduction of Rs 260 cr from the budgeted level of Rs 6,515 cr.

6.4 In view of the reduction in Plan outlay, the appropriation to the Depreciation Reserve Fund is proposed to be made at a lower level of Rs 2,140 cr in the Revised Estimate, as compared to Rs 2,300 cr in the Budget Estimate. For the Pension Fund, the appropriation is being enhanced by Rs 50 cr to Rs 1,750 cr in the Revised Estimate to meet a higher outgo now anticipated. With some marginal variations in the Net Miscellaneous Receipts and Dividend Payable to General Revenues, the 'Excess' arrived at is Rs 1,870 cr. This amount, which is Rs 100 cr less than anticipated in the Budget Estimate, will be utilised to meet the expenditure on works chargeable to the Capital Fund and the Development Fund as per the Revised Estimate of Plan outlay.

Improvement To Passenger Services

7.1 The basic objective of all reforms should be to provide adequate benefit and facilities to the people to improve the quality of their life. With this objective in view, I intend to introduce several facilities in the form of additional trains, new services, extension of services, and a few additional halts, by intensively utilising the passenger coaches and improving and rationalising the rake links. Nineteen new trains, introduction of fully unreserved trains on four sectors, extension of the run of nine trains, increased frequency of four express trains, additional halts for two pairs of Rajdhani Express and one of Shatabdi Express trains, introduction of Diesel Multiple Units in fifteen more sectors, providing Mainline Electrical Multiple Units in ten more sectors, rail bus services in eight additional sectors, etc., are some of the additional facilities proposed.

7.2 I am happy to inform the House that the following 19 new trains are proposed to be introduced during 1995-96:

- (1) A Shatabdi Express between Howrah and Bokaro
- (2) A Shatabdi Express between Howrah and Rourkela
- (3) A Shatabdi Express between Madras and Coimbatore
- (4) A Shatabdi Express between Hubli and Bangalore
- (5) An express train between Howrah and Jodhpur via Jaipur (in lieu of 3111/3112 Jaipur-Sealdah Express)
- (6) An express train between Delhi and Varanasi/Muzaffarpur
- (7) Bikaner-Jaipur Inter-city Express
- (8) Tirupati-Cuddappah Inter-city Express
- (9) An express train between Bangalore and Miraj
- (10) Ernakulam-Trivandrum Inter-city Express via Alleppey
- (11) Jaipur-Delhi Inter-city Express
- (12) An express train between Raxaul and Muzaffarpur
(on conversion of this section to B.G.)
- (13) Kanpur-Farukhabad Inter-city Express (M.G.)
- (14) Ahmadabad-Bhavnagar Inter-city Express (M.G.)
- (15) A bi-weekly express train between Bombay and Tirupati
- (16) A weekly express train between Nagercoil and Bombay VT via Madurai
- (17) A weekly express train between Howrah and Guwahati
- (18) A weekly express train between Howrah and Gorakhpur via Varanasi
- (19) A weekly express train between Bangalore and Quilon via Alleppey

7.3 There are certain sectors where passengers do not easily get confirmed reservation. Besides, many passengers have to plan their travel at the last moment and are unable to obtain reserved berths readily. By way of a beginning in meeting their requirement, I have decided to introduce fully unreserved trains on four sectors. These are:

- (1) A bi-weekly express train between Amritsar and Barauni via Saharanpur
- (2) An express train between Bhagalpur and Muzaffarpur
- (3) A weekly express train between Puri and Ahmadabad via Vizianagaram/Raipur
- (4) A bi-weekly express train between Surat and Varanasi.

7.4 Sir, I am sure the House will be delighted to know that the Konkan Railway will be opened during the current year. In addition to certain express trains which will be diverted via Konkan Railway, an Inter-city/ Shatabdi Express between Bombay and Madgaon and an overnight express train between Kurla and Madgaon are proposed to be introduced on this route.

7.5 The run of the following nine trains is proposed to be extended:

- (1) 5657/5658 Sealdah-Guwahati Kanchanjunga Express up to Lumding
- (2) 2479/2480 Hazrat Nizamuddin-Miraj-Goa Express up to Castle Rock
- (3) 8011/8012 Howrah-Rourkela Ispat Express up to Jharsuguda
- (4) 5185/5186 Sealdah-Chhapra tri-weekly Express up to Gorakhpur
- (5) 3021/3022 Howrah-Muzaffarpur Mithila Express up to Raxaul
- (6) 5327/5328 Lucknow-Dudhwa Sanctuary Express up to Tilkunia (M.G.)
- (7) 5325/5326 Mathura-Bareilly Gokul Express up to Gonda, starting from Agra Fort (M.G.)
- (8) 2015/2016 New Delhi-Jaipur Shatabdi Express up to Ajmer

- (9) 7015/7016 Secunderabad-Srikakulam Road-Visakha Express upto Palasa.
- 7.6 The frequency of the following four express trains will be increased during 1995-96:
- (1) 2423/2424 New Delhi-Guwahati Rajdhani Express from weekly to tri-weekly
 - (2) 7003/7004 Secunderabad-Howrah Falaknuma Express from weekly to tri-weekly
 - (3) 3141/3142 Sealdah-Haldibari/New Alipurduar-Tee5ta Torsha Express from six days a week to daily
 - (4) 2801/2802 New Delhi-Puri Purushottam Express from five days a week to daily.

Provision Of Additional Stoppages

7.7 After careful consideration of the numerous demands received from various sources for providing additional stoppages for existing trains, it has been decided to provide the following:

- (a) a halt at New Bongaigaon for Train Nos. 2423/2424 Rajdhani Express trains between New Delhi and Guwahati
- (b) a halt at Palghat for Train Nos. 2431/2432 Rajdhani Express trains between Hazrat Nizamuddin and Thiruvananthapuram
- (c) a halt at Ambala for Train Nos. 2011/2012 Shatabdi Express trains between New Delhi and Chandigarh

Providing additional halts for the super-fast trains affects their running time and, punctuality, eroding their superfast character. These aspects need to be kept in view while considering requests for additional stoppages.

7.8 During my last Budget Speech, I had outlined the Railways' strategy to segregate short distance passenger traffic from long distance traffic by introduction of Diesel Multiple Units/Diesel Push Pull services in areas not served by electrified lines and Main Line Electric Multiple Units on the electrified lines. Diesel Multiple Units were, first introduced in Jalandhar area and Main Line Electric Multiple Units on Asansol-Bardhaman section of Eastern Railway and Delhi-Panipat section of Northern Railway. There was enthusiastic response, and Diesel PushPull services were introduced on the following sectors:

- (1) Dombivili/Diva-Vasai Road
- (2) Diva-Roha-Veer
- (3) Sambalpur-Jharsuguda-Rourkela
- (4) Ranaghat-Gede
- (5) Mansi-Barauni-Patna
- (6) Delhi-Shamli-Saharanpur
- (7) Secunderabad-Bolarum, Secunderabad-Umdanagar and Secunderabad-Bibinagar
- (8) Visakhapatnam-Palasa and Visakhapatnam-Tuni
- (9) Baidyanathdham-Jasidih-Jhajha-Kiul
- (10) Sahibganj-Jamalpur-Bhagalpur
- (11) Bangalore-Mysore, Bangalore-Arsikere and Bangalore area
- (12) Durg-Raipur-Baghabara
- (13) Delhi-Moradabad
- (14) Delhi-Meerut-Saharanpur

7.9 During 1995-96, I propose to introduce Diesel Multiple Units/Diesel Push-Pull services on the following 14 additional sectors:

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|---|------------------------------|
| (1) Bhagalpur-Barharwa-Katwa | (9) Ernakulam-Guruvayur |
| (2) Adra-Kharagpur | (10) Guntur-Repalle |
| (3) Fazilka-Bathinda | (11) Guntur-Macherla |
| (4) Fazilka-Ferozpur | (12) Tenali-Vijayawada |
| (5) Pune-Daund-Baramati | (13) Barauni-Samastipur |
| (6) Indore-Bhopal Muzaffarpur-Gorakhpur | |
| (7) Ahmadabad-Viramgam | (14) Guwahati-New Bongaigaon |
| (8) Ernakulam-Quilon | |

7.10 I also propose to introduce Main Line Electric Multiple Units (MEMU) on the following ten additional sectors:

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|-------------------------|--------------------------------|
| (1) Dhanbad-Gaya | (6) Mathura-Agra-Tundla/Bayana |
| (2) Gaya-Mughalsarai | (7) Surat-Valsad |
| (3) Tatanagar-Kharagpur | (8) Surat-Vadodara |
| (4) Adra-Asansol | (9) Vadodara-Ahmadabad |
| (5) Raipur Area | (10) Madras-Salem |

I earnestly hope that these services will reduce the pressure on the long distance trains, besides serving short distance passengers well.

7.11 In my last Budget Speech, I had mentioned about the introduction of rail buses on Branch Lines having low density of traffic. I am happy to inform the House that the first rail bus was introduced on Merta Road-Merta City section (in Rajasthan) of Northern Railway. During 1995-96, it is proposed to introduce rail bus Service on the following eight additional sectors:

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| (1) Gwalior-Panihar | (6) Hospet-Kotturu and Hospet-Swamihalli |
| (2) Pandeshwar-Palasthala | (7) Bobbili-Salur |
| (3) Bikaner-Kolayat | (8) Nadiad-Kapadvanj |
| (4) Mankapur-Katra | |
| (5) Bangarapet-Marikuppam | |

7.12 I had announced in my last Budget Speech about the introduction of AC 3-tier coaches on important trains. Accordingly, AC 3-tier Coaches have replaced the AC Chair Cars on all Rajdhani Expresses (except August Kranti Express) and have also been introduced on New Delhi-Allahabad Prayag Raj Express and New Delhi-Howrah Poorva Express. These coaches have proved to be extremely popular and more of them will be provided during the current year on other important Mail/Express trains.

7.13 Sir, I am acutely conscious of the fact that despite all the measures taken by us for improving passenger comfort, a lot more remains to be done in the areas of punctuality, cleanliness and security in trains. I would like to refer to certain measures that have been taken, or are being proposed.

(a) Formation of Instant Action Groups : Railways have constituted Instant Action Groups to provide comfortable, safe and secure travel to the passengers. Selected Mail/ Express trains running on vulnerable sections are escorted by these groups, which comprise the senior conductor, armed RPF personnel, coach attendant and safaiwalas. They are being supplied with distinct uniforms for easy identification by passengers. The groups have been equipped with walkie-talkie to enable contact with the driver and the Guard and also the GRP escorts and to attend to complaints and grievances of the passengers on the train. Some of the important trains which have the Instant Action Groups on board are the Tamil Nadu Express, Kerala Express, A.P. Express, N.E. Express, Gomati Express etc., to name a few. The reaction of passengers to the introduction of this system is encouraging. Its working is being monitored at the Zonal Railways' and Railway Board's level. General Managers of the Zonal Railways may nominate any train to be manned by the Instant Action Group.

(b) Additionally, it is proposed to provide a Train Superintendent on about 50 important trains for effective attention to all aspects of the comfort of passengers and response to their complaints.

(c) Rakes for the different services have been standardised and some of them kept reserved at important coaching depots, so that in case of late running of trains, these can be utilised. I expect that this measure will go a long way in curtailing the cascading effect of late running.

(d) Bed rolls are being supplied in all the AC 3-tier coaches of the Rajdhani Express trains. On about 100 selected trains, the supply of bed rolls will be made available to all passengers of AC sleeper classes. New types of bed rolls, which are light and of better quality, are being procured,

(e) Computerisation of reservations, which already covers about 80% of reservations and has proved to be a very popular measure, is now being extended to the smaller centres. At about 155 other locations, self-printing machines have been installed for quick issue of tickets; this is

also being extended to cover more stations.

(f) The supply of drinking water is being improved by providing mineral water bottles and water coolers in some selected trains. In addition, private entrepreneurs are being associated to augment the supply of water at the Railway Stations by installing their own water coolers. I hope these measures will be well received by passengers.

(g) In pursuance of our commitment to improve the environment, Railways are experimenting with biologically degradable toilet system in a few coaches. The results are encouraging. Another system of vacuum evacuation of toilet discharge on moving coaches has also been designed and is planned to be tried out in a few coaches. The better system will be introduced on selected trains in the coming years.

(h) In order to bring about an improvement in running of trains, an Action Plan was launched during 1994-95. Targets were set for the Zonal Railways in areas of asset reliability and asset utilisation, amongst others. I am glad to report that substantial improvement has been brought about. With improvement in the reliability of track, signals, locomotives and overhead electrical equipment and through intensive monitoring, the punctuality of Mail and Express trains improved to 87.4% during 1994-95 as against the target of 85%. It is now proposed to revise the target to 90%. An in-depth examination is being arranged to see how best the Railways' obligation to provide punctual and satisfactory services can be enforced and what relief can be given to the affected passengers when gross failure takes place.

Catering Services

8.1 In my Budget Speech last year, I had mentioned that the setting up of a Railway Catering Corporation is being considered in order to professionalise catering services and upgrade them qualitatively. This is expected to be finalised shortly. An amount of Rs 10 cr is being provided in the Budget towards initial capital required for the Corporation.

8.2 Sir, there are inherent difficulties in providing good quality catering service on running trains, but efforts are continuously being made to improve it. Overaged pantry cars are being replaced gradually. New services have been started on some selected high priority trains. Drinking water is supplied in hygienic bottles and pouches.

Public Grievances

9. As the House is aware, Railways have a public grievance redressal machinery functioning at the Zonal Railway and Divisional levels. Complaints by Railway users are given the utmost attention. Senior Railway officers personally attend to public grievances and complaints, reserving specific time for meeting the public. Frontline staff who come in contact with the public are being suitably trained to provide courteous service to Railway users, giving no room for complaint. I am happy to say that there has been an improvement of about 3% in 1993-94 as compared to 1992-93 in the receipt of complaints against Railways.

Tourism On Railways

10.1 Sir, I have mentioned on earlier occasions about the Railways' efforts towards development of tourism. Three new tourist train services are being introduced in collaboration with the Tourism Development Corporations of the States of Gujarat, Rajasthan and Tamil Nadu this year. In the first phase of the programme of weekend holidays that has been introduced in collaboration with the Tourism Development Corporations of the States and Government of India, 38 Rail Week-ender tours have been planned and nine have already been implemented. The scheme offers to the tourists single window facility for travel, accommodation at destination, catering, sight-seeing and surface transportation.

10.2 Hon'ble Members will also be happy to know that Railways propose to facilitate construction of 100 budget Hotels on Railway land at stations of tourist importance in order to provide accommodation at affordable cost to the tourists. The locations are being finalised in consultation with the Department of Tourism.

Ticketless Travel

11. Sir, ticketless travel on Indian Railways is still quite rampant despite regular checks

and special intensive drives. Our efforts to curb this social evil are continuing. Recently, an incentive scheme has also been introduced for the Travelling Ticket Examiners for improved results through their regular checks.

Safety

12.1 Sir, there is continuous reduction in the number of train accidents, declining to 520 in 1993-94, and the number of accidents per million train kilometres has also shown improvement, from 1.5 during 1984-85 to 0.82 in 1993-94. Collisions, the most serious of them all, and the casualties thereof, have shown a steep reduction this year when compared to last year. But so long as accidents occur at all, there can be no room for complacency. Safety shall continue to engage our prime attention. The 'human failure' factor, the most important one for accidents, has to be addressed effectively; this is a continuous process involving the aspects of training, counselling and monitoring of the staff connected with the working of trains, and these aspects are regularly attended to. Besides, technological improvements that tend to minimise the scope for human failure are given close attention. Special teams have been constituted at the Railway Board's level and on the Zonal Railways to conduct on-the-spot assessment of deficiencies and lapses of the field units. Immediate remedial steps are then taken to remove the deficiencies.

12.2 The House would recall that there was a tragic fire accident in Bombay-Howrah Mail, near Chakradharpur in October 1994. I had then sought the assistance of a Committee of five Members of Parliament of the Consultative Committee attached to the Railway Ministry to help with their appraisal of the accident. The Committee in its report submitted last month, have made twelve recommendations covering various aspects relating to safety on Railways. Many of the recommendations have been accepted or implemented. The Committee have also welcomed the institution of the Instant Action Group which, as I mentioned earlier, is functioning on selected trains.

12.3 Accidents at unmanned level crossings continue to cause concern. These are due largely to the negligence of road users. Measures have been taken to enlist the help of local bodies and to have a media campaign for creating awareness of the dangers of such negligence. I had announced in the last budget a special provision of Rs 25 cr towards manning of 500 unmanned level crossings. Obviously, this is a costly solution. A low-cost solution is now being evolved with the help of Bharat Electronics Limited, a Public Sector Undertaking. In this method, an alarm will sound at the level crossing when a train is about two kilometres away, giving sufficient time for the road users to get clear. A pilot project is being implemented at ten locations and if successful, it will be extended in a phased manner to all unmanned level crossings.

Annual Plan 1995-96

13.1 Sir, the imperative need for making sufficient investment in the Railways at the present juncture cannot be over-emphasised. Railways have to plan for a rate of growth in transport much higher than that of the economy, so as to generate capacity ahead of the demand, for transport capacity cannot be built up overnight; thrust areas such as Railway Electrification, Gauge Conversion, Rolling Stock and terminal facilities must receive priority without, at the same time, affecting the steady progress of replacement and renewal of track and other assets where these are due. Accordingly, a Plan of Rs 7,500 cr which is essentially need-based, has been drawn up. This is exclusive of the amounts of Rs 120 cr to be mobilised by the Konkan Railway Corporation and Rs 74 cr by the Container Corporation of India for their projects. Budgetary support to the Plan is, however, at the same level as the current year's figure of Rs 1,150 cr due to resource constraint. I am hopeful that in the course of the year Government will find it possible to raise the level of budgetary support, so that the strain of borrowing capital at high cost is minimised for the Railways.

13.2 The dominant component of the Plan would be internal resources, accounting for Rs 4,100 cr. Extra-budgetary resources through market borrowing will also have to be relied upon, as in the recent years. However, certain investment is expected to come under the 'Own Your Wagon' scheme which I have outlined earlier; some projects are proposed to be covered by the 'Build-Own-Lease-Transfer' scheme under which private entrepreneurs are being invited to invest in Railway works, and there is fairly encouraging response. If these materialise, then market borrowing will be reduced suitably.

New Lines

14. 1 Sir, in the current year, 42 km of new line sections will be completed. These are:

1. Beas-Goindwal, completing that project, and
2. Kulpi-Nischintapur of Lakshimikantapur-Namkhana project.

14.2 Three new lines, namely, Dallirajahara-Jagdalpur in Madhya Pradesh, Ahmednagar-Beed-Parlivaijnath in Marathwada region of Maharashtra and Kottur-Harihar in Karnataka and the Restoration of Kakinada-Kotapalli line are proposed to be taken up in 1995-96. Work on these projects will commence after the necessary approvals are received. As regards Dallirajahara-Jagdalpur, a Memorandum of Understanding for sharing the cost with the Ministry of Steel and the State Government of Madhya Pradesh is also to be formalised before the work is taken up for execution.

14.3 There has been persistent demand for a direct link from Rajpura to Chandigarh. Survey for the line has been completed and the proposal is being sent to Planning Commission for approval.

14.4 Sir, in pursuance of the Government's resolve to develop a strong infrastructural base in the Kashmir Valley with the utmost speed for development of that region and improving the quality of life for its people, I had earmarked Rs 50 cr this year for the Jammu-Udhampur new line. The final location survey for extending this link to Srinagai and Baramula was also taken up and the first phase from Udhampur to Katra has been completed. Work on this sector will be taken up as soon as the necessary approvals are obtained.

14.5 For the Jammu-Udhampur line, taking into account its national importance, an allocation of Rs. 50 cr is being made in the budget. Adequate allocations are also required to be made for the various, other new line projects commensurate with commitments to be discharged, within the overall limit of Rs 200 cr for New Lines in 1995-96. It has, therefore, not been possible to make full allotments required for certain new lines for completing them during the year, much as I would here liked to. The position will, however, be reviewed in the course of the year, in case additional budgetary support becomes available, and the allocations suitably enhanced to accelerate their completion.

Project Unigauge

15.1 Sir, the project Unigauge has been widely appreciated and has got support and encouragement from different quarters. The anticipated benefits like better service, increased throughput and industrial development are already in evidence. Gauge conversion of the following 14 sections has been planned to be completed before the close of the year:

- (i) Hissar-Rewari
- (ii) Rewari-Jaipur, Phulera-Ajmer
- (iii) Mehsana-Khodiyar of Delhi-Ahmadabad route
- (iv) Chikjajur - Harihar - Hubli - Londa - Miraj of Miraj-Bangalore route
- (v) Hubli-Gadag and Alnavar-Ambedwadi of Hospet-Vasco route along with the connected branch lines.
- (vi) Jodhpur-Jaisalmer
- (vii) Birur-Shimoga
- (viii) Donakonda-Giddalur of Guntur-Guntakal route
- (ix) Chikjajur-Chitradurg of Bellary-Chikjajur route
- (x) Parbhani-Purna-Nanded of Parbhani-Adilabad route
- (xi) Arjuni-Wadsa of Gondia-Chanda Fort route
- (xii) Muzaffarpur-Raxaul
- (xiii) Lumding-Dimapur of Guwahati-Dibrugarh route
- (xiv) Chaparmukh-Haibargaon,

15.2 The following sections are proposed to be taken up for gauge conversion during 1995-96:

- | | |
|-------------------------------|--------------------------------------|
| (i) Narkatiaganj-Valmikinagar | (vi) Mathura-Achnera |
| (ii) Gorakhpur-Khadda | (vii) Hassan-Mysore |
| (iii) Agra-Bandikui | (viii) Salem-Yeshwantpur |
| (iv) Wankaner-Maliya-Miyana | (ix) Tiruchirappalli-Nagore Karaikal |
| (v) Rupsa-Bangriposi | (x) Gandhidham-Bhuj |

The last five of these projects will be executed after necessary approvals are received.

15.3 It is proposed to convert the following eight routes to broad gauge during 1995-96:

- | | |
|------------------------------|-----------------------------|
| (i) Delhi-Ahmadabad | (v) Aunrihar-Chhapra |
| (ii) Kandla-Bathinda | (vi) Agra-Bandikui |
| (iii) Wankaner-Maliya-Miyana | (vii) Samastipur-Dharbhanga |
| (iv) Hospet-Swamihalli | (viii) Parasia-Chhindwara |

15.4 Work on the conversion of Solapur-Gadag and Miraj-Latur lines to Broad Gauge will also be started in 1995-96. These projects, which had been included in the Budget for 1993-94, had been held over for the approval of Planning Commission, which has been received recently.

Doubling

16.1 Doubling of lines continue to be a priority area and in 1995-96, the allocation has been increased to Rs 269 cr from Rs 161 cr in the Revised Estimate of the current year.

16.2 With the doubling of Kuttipuram-Calicut section, the link from Guruvayoor to Kuttipuram is also proposed to be undertaken, subject to necessary approvals, as an alternative to doubling of the track from Shoranur to Kuttipuram. Doubling of Calicut-Mangalore Section is proposed to be taken up under BOLT.

Surveys

17. Sir, a large number of surveys are in various stages of progress. With a view to further expansion of the system and increase of its capacity, Railways intend taking up another 40 surveys during 1995-96. The House will be glad to know that in our quest for opening up new areas for development, we have included a number of New Line surveys. Some of these are for Biyavra-Rajgarh-Sironj-Bina, Dholpur-Gangapur City (with conversion of Dholpur-Sirmathra to BG), Giridih-Koderma, Patiala-Jakhal-Narwana, Nagaur-Phalodi, Panipat-Meerut, DigaruBurnihat, Sabarimala-Dindigul, Thakazhi-Thiruvalla-Pathanamthitta, Bhadrachallam Road-Kovvur, Ongole-Donakonda, a new line link to Kamakhyanagar Sub-division and for connecting Gandhinagar on main line between Ahmadabad-Delhi. Some of the surveys that are proposed to be taken up for conversion to broad gauge are in respect of Mansi-Saharsa-Banmankhi-Katihar, Dharangadhra Khuda Salt Siding, Rewari-Ringus-Phulera, Ranchi-Lohardaga with extension to Tori and the suburban system between Madras Beach-Tambaram.

Railway Electrification

18.1 I am glad to inform the House that in 1994-95, we could electrify 450 route kilometres, adding to the 11,793 route kilometres of electric traction as on 1-4-1994. Electrification of Katni - Bilaspur will be completed by March 1995 and Bina - Katni has been completed. The following five sections are expected to be completed in 1995-96:

- (i) Sonenagar-Patratu
- (ii) Jamadoba-Mahuda
- (iii) Bandel-Katwa
- (iv) Delhi-Ambala
- (v) Branch lines off Vijayawada-Balharshah.

18.2 It is gratifying to note that India has now been brought on the world map for the 2 x 25-KV AC system of traction. Regular train services on this system are already plying between

Bina and Katni of Central Railway and are likely to be extended on the system between Katni-Anupur-Bishrampur of South Eastern Railway.

Track Renewals

19. With the gauge conversion of many metre gauge and narrow gauge lines, it is aimed to liquidate all arrears of track renewal on important and high speed broad gauge sections. In the current year, track renewal of 2,550 km will be completed. The target for track renewal in 1995-96 is 2,600 km.

Railway Production Units

20.1 The performance of the Production Units has been satisfactory during 1993-94.

20.2 Diesel Locomotive Works, Varanasi manufactured 152 diesel locomotives as against the target of 150 diesel locomotives. Chittaranjan Locomotive Works exceeded its target of 135 by manufacturing 140 electric locomotives. It has also manufactured a 5000 HP passenger locomotive capable of hauling 26 coaches at 140 km per hour and a passenger locomotive capable of hauling trains at 160 km per hour.

20.3 The two coach manufacturing factories of Indian Railways produced 2,063 coaches as against a combined target of 2,000. The Electric Multiple Units and Diesel Multiple Units manufactured at I.C.F. proved very successful in service.

20.4 The Diesel Component Works, Patiala produced different kinds of spares worth Rs 53.29 cr and rebuilt 68 locomotives, converting them as fuel-efficient ones.

20.5 Wheel & Axle Plant, Bangalore exceeded its target by assembling 32,664 wheel sets in 1993-94. It manufactured 69,489 wheels against the target of 68,000 wheels and produced 47,698 axles as against the target of 47,000 axles. I am happy to inform the House that this modern unit has obtained the ISO 9002 Certificate, a hallmark of excellence in quality.

Export Promotion

21. Sir, Railways are placing increased emphasis on- asset utilisation. With the consequent improvement in rolling stock utilisation, surplus manufacturing capacity has become available at all the railway production units. Export of rolling stock has been identified as one of the thrust areas. A high level Export Promotion Committee has been constituted to clear all export enquiries expeditiously. Earlier efforts through RITES and IRCON have proved fruitful. Twenty four diesel locomotives have been leased to Malaysian Railways. Export orders for 15 coaches from Vietnam, ten locomotives from Bangladesh and two locomotives and six coaches from Nepal have been finalised. Export of rolling stock to Bangladesh, Mynamar, Indonesia, Ghana and Sri Lanka are under active consideration.

Research Activities

22.1 Sir, the Research Design and Standards Organisation of the Railways at Lucknow is doing a commendable job. Some of its achievements are:

- (i) Design and development of rail buses to ply in sections with low passenger traffic density.
- (ii) Design and development of 5000 HP passenger electric locomotives.
- (iii) Development of diesel multiple units for high density fast intra-urban traffic on non electrified sections.
- (iv) Long confirmatory successful trial run of WAP 3 locomotive for 160 kmph high speed trains.

22.2 The time has come for us to redefine the role of RDSO, and make it completely autonomous. Ideally, this organisation should concentrate on activities like research and designs mission areas and increase its interaction with industries and centres of academic excellence like IIT's. Peripheral activities like inspection, development of new sources etc. are best handled by the Production Units/Workshops. Action in pursuance of this thinking is proposed to be initiated.

Suburban Services

23.1 Sir, I am conscious of the acute problem faced by the commuters on the Bombay

suburban railway system. As the Hon'ble Members are perhaps aware, Ministry of Railways have given serious attention to the problem, in consultation with the State Government of Maharashtra, and a number of measures have been identified for improving the suburban services in Bombay area. I shall enumerate them.

- (1) Improving the reliability of the system by replacing the eight old/damaged rakes, four each on the Western and the Central Railways, by 31-3-1995, stepping up the pace of track renewal and making the passenger information system more efficient.
- (2) Augmentation of the system capacity in the short term and for future needs.
- (3) Replacement of level crossings by road overbridges/ underbridges and removal of encroachments with the help of the State Government and the Bombay Municipal Corporation.
- (4) Improvement of general service areas like station premises, toilets, etc.
- (5) Preparation of a master plan for improving the circulating areas and platforms as well as quick dispersal of passengers.
- (6) Quadrupling of track between Borivli-Virar and extension of 5th line from Santa Cruz to Borivli and other terminal capacity works.

23.2 Some of these measures have already been implemented, bringing stability in the Bombay suburban system. During 1995-96, 16 additional rakes will be inducted into the system.

23.3 Several works have been identified for inclusion in Bombay Urban Transport Project-II which will be eventually finalised by World Bank. Five studies are being conducted in respect of the Railway component, whose cost is in the region of Rs 2,000 cr. In the meantime, quadrupling of track between Borivli and Vasai Road is being included in the Budget for 1995-96 at a cost of Rs 131.34 cr, and provision of a sixth line between Bombay Central and Santa Cruz is also being taken up.

23.4 In the New Bombay area, the following works have been included in the Budget subject to necessary approvals being received and will be taken up for execution thereafter.

- (i) Thane-Turbhe-Nerul-Vashi Section
- (ii) Belapur-Panvel double line.

Expenditure on these projects is proposed to be shared by the Railways and CIDCO in the ratio of 1 : 2, as in the case of the Mankhurd - Belapur project.

Metropolitan Transport Projects

24.1 Sir, I am happy to inform the House that the Calcutta Metro Project is now reaching the final stage of its completion. All the sections except a stretch of 1.5 km between Girish Park and Central have been opened for commercial service during this year. The remaining stretch will also be completed by the end of 1995.

24.2 Mankhurd-Belapur project in Bombay has already been completed during the current year.

Indian Railway Finance Corporation

24.3 The MRTS Project, Madras is also nearing completion. Another section between Park Town and Chepauk will be opened to commercial service this year. The remaining sections of this project will be opened during 1996.

25.1 The Indian Railway Finance Corporation has declared a dividend of Rs 27.84 cr at 12% of the paid up share capital for 1993-94 as compared to Rs 23.20 cr at 10% for 1992-93.

25.2 During the current year, IRFC is required to raise Rs 1,050 cr comprising Rs 550 cr through taxable bonds and Rs 500 cr through tax-free bonds. It is expected that IRFC will be able to raise the full amount despite adverse market conditions.

Railway Construction Company

26.1 Indian Railway Construction Company Ltd. recorded a turnover of Rs 391 cr in the year 1993-94, earning Rs 29 cr in foreign exchange. A dividend of Rs 62 lakhs at 12.5% has been paid by the Company.

26.2 IRCON has successfully completed all projects undertaken in Bangladesh and Malaysia and obtained the ISO 9002 Certificate for their work in Malaysia. The Company has also secured four international contracts, one each in Turkey, Malaysia, Nepal and Bangladesh.

Konkan Railway Corporation

27. The Konkan Railway Corporation has elicited excellent response to its efforts during the current year for mobilisation of resources by issue of tax-free bonds for funding its prestigious project, which is now entering the completion phase. A further borrowing of Rs 120 cr during the next year is planned in order to meet the total requirement of funds for implementing it. The new line is likely to be opened to goods traffic during the third quarter of 1995 and to passenger traffic in December 1995. In keeping with the Build Operate-Transfer principle, the Corporation will be responsible for the operation of the line for some years after its commissioning.

Rail India Technical And Economic Services

28. Rail India Technical and Economic Services Ltd. registered a turnover of Rs 65.2 cr in 1993-94. The net foreign exchange earned by the Company during the year was Rs 4 cr. The Company has paid a dividend of Rs 45 lakhs.

Container Corporation Of India

29.1 Container Corporation of India has diversified and extended its services on selected domestic sectors, setting up three new container terminals during the year at Indore, New Mulund and Agra. The traffic handled by the Corporation has increased by 52%, its turnover increasing to Rs 114 cr from Rs 81 cr in last year.

29.2 Through the operations of CONCOR, Indian Railways have entered the mainstream of multimodal transportation. The Corporation handles the international traffic at the major ports of Bombay, Madras and Calcutta and is likely to start doing so in Kandla and Tuticorin Ports shortly.

Centre For Railway Information Systems

30. The Centre for Railway Information Systems (CRIS) is handling a variety of computerisation projects. The most important among them is that of development and implementation of the Freight Operations Information System. The software of its central system is presently under trial in Delhi area of the Northern Railway. On satisfactory completion of the trial, the system will be extended to the other Divisions of the Northern, Railway.

Indian Railways' Welfare Organisation

31. Sir, the Indian Railways' Welfare Organisation is constructing houses for the Railway employees on a 'no profit no loss' basis through self-financing scheme. It has undertaken eleven housing schemes in various parts of the country and acquired land for the purpose at nine other locations. Two housing projects, one each at NOIDA and Gorakhpur (Phase-I), have been completed without any time or cost overrun.

Sports

32. Sportspersons of Indian Railways won twelve National championship titles during 1993-94. During the last Common-wealth Games, the Railway players won two Gold Medals and one Silver Medal. In the 12th Asian Games held at Hiroshima in Japan, Railway players won a Gold, a Silver and a Bronze Medal.

Medicare

33.1 Indian Railways have been providing excellent medical services to its employees and their family members, as also retired employees, through its network of 122 hospitals and 670 dispensaries spread all over the country. Besides providing specialist services in the Divisional and Zonal hospitals, it also provides super-specialist services in the fields of Cardiac surgery, Orthopaedic surgery, Plastic surgery, Gastroenterology, Micro vascular surgery and Cancer.

33.2 We have recently commissioned a 50-bedded advanced superspeciality Gastroenterology Centre at Jagjivan Ram Hospital, Bombay which has all the facilities of advanced therapeutic endoscopic surgery. Major Divisional hospitals have been provided with the

facilities of Ultrasonography and diagnostic endoscopy. Indian Railways Cancer Institute at Varanasi has become a premier institute in North-East area and is being further modernised.

33.3 I also propose to provide laboratory and ECG facilities to 60 dispensaries of the Indian Railways in order that primary health care of the Railway employees improves.

33.4 Indian Railway Medical Service is not attractive for doctors, with only 207 of those selected joining it, and many of them leaving. I propose to make this Service more attractive by bringing the promotional avenues for Railway doctors at par with other health services under Central Government.

Industrial Relations

34.1 Sir, I am happy to record that the organised labour of railways have been extending constructive cooperation in modernising railway working. Our Prime Minister has been keen on ushering workers' participation in management and towards this end, as I had mentioned in my last Budget Speech, the Corporate Enterprise Groups were restructured and Groups for Participation of Railway Employees in Management (PREM) were constituted.

34.2 I would now take this a step further. I intend introducing a system of participation at the apex level between the Railway Board and the Labour Federations in important matters of railway working leading to greater transparency. This will also make labour unions feel more of a partner in our march towards achieving Indian Railways' Corporate objective of higher productivity with cost reduction.

34.3 At the zonal railway level, there will be wider participation with affiliated unions on issues and concerns having a bearing on railway operations and customer services. At the grass-root level self management teams will be constituted for direct involvement and self-directed endeavour. A pilot project has already been launched at Vadodara Station of Western Railway where self-management groups have been constituted consisting of staff at supervisory and grass-root levels, empowered to deal with activities like booking and reservation, parcel handling and cleanliness of station.

Special Announcements

35. Sir, this Government is committed to improve the condition of the poor. In the last four years, several measures have been taken to create employment opportunities and improve the lot of the weaker sections. I am happy to announce the following measures to better the lot of some categories

- (i) Unemployed Youth : Unemployed youth who are called for interviews by Public Sector Organisations and who are not given travel expenses will be entitled to get 50 % concession on production of call letters.
- (ii) Licenced Porters : The presence of licenced porters at the Railway platforms or at the entrance to the station premises does generate a sense of relief, security and assurance to the railway passengers. This self-employed category constitutes a very critical part of amenities to passengers, helping them by carrying their heavy luggage. Most of these people spend their lifetime doing this work, remaining on railway platforms for long hours, be it night or day. Railways do recognise the importance of their support. As a mark of appreciation of their services, I propose to extend the following facilities to this dedicated category
 - (a) Outdoor medical facilities at present available to the licenced porters but not to their families, will be extended to cover their wives and dependant children.
 - (b) I also propose to extend free educational facilities to their wards in schools run by the Railways or by organisations of railwaymen, and Mahila Samitis.

Grant of these facilities to licenced porters is purely ex gratia, and would not confer upon them, any right, or indication of a right, for any regular status on the railway establishment.

- (iii) In cooperation with the Ministry of Communication, a pilot project to provide mobile telephone communication through terminals installed on, high speed trains is expected to be started from June 1995. Initially, this service will be provided on the

Bombay-New Delhi Rajdhani and the broad gauge "Palace on Wheels" trains. On successful completion of the pilot project, this will be extended to other high speed trains also. This will usher in a new era of modernisation in Indian Railways.

Reorganisation Of Zones

36.1 Hon'ble Members will recall that in my last Budget Speech, I had emphasised the need for re-organisation of the railway network after taking into account the changed patterns of traffic by the project unigauge and the Konkan Railway, Project. The last re-organisation of the Zonal Railways was done almost three (decades back in 1966, when the, South Central Railways was formed. Since then the Railways have made significant strides in freight, and passenger business and the workload has increased tremendously. A detailed study in this regard has since been completed and the recommendations have been accepted by the Ministry and are being processed further. A token provision, however, has been made in the Budget for the implementation of the recommendations.

36.2 I am confident that with this long over-due step, the organisation structure would become more compact and the system would be able to deal with changing patterns of market orientation and customer requirements more effectively and promptly.

Railway Protection Force

37. In the recent years and ever since RPF has become an Armed Force of the Union, there has been increasing demand on this Force for its deployment for law and order duties in various States at the instance of the Ministry of Home Affairs. During the last few years, RPF is being regularly deployed for law and order duties, especially at the time of Assembly Elections, 80 Companies of RPF have been deployed along with other Central Para-military Forces for ensuring free and fair elections. Wherever they have performed duties, the officers and men of RPF have performed extremely well, earned high appreciation from the State Governments and brought honour to the Force and to the Railways. In addition, RPF is also deployed for assisting commercial staff in ticket checking drives and also drives against the menace of alarm chain pulling, unauthorised hawking etc. As the effective strength of RPF gets depleted due to large-scale deployment for other duties, I propose to suitably augment the strength of the Force. The roles of RPF and GRP are also proposed to be redefined, after a detailed discussion with the Chief Ministers of the State Governments, to make the functioning of these forces more effective. It is also intended to closely examine the emoluments of the RPF personnel from the standpoint of parity with the other similar Forces of the Government of India.

Budget Estimates 1995-96

38.1 Let me now turn to the Budget Estimates for 1995-96. At the outset, I must assure this august House that we have carried out very meticulous exercises to work out the earnings and, working expenses on realistic basis taking into account the increases in traffic as a result of the anticipated faster pace of growth in the economy and absorbing substantial portions of increased input costs by enforcing cost cutting measures.

38.2 As I have stated earlier, rail capacity has to be created ahead of the requirements to avoid the painful predicament of railways becoming a serious bottleneck. Keeping this in view, and on the basis of the forecast made by the Planning Commission, I have retained the seemingly ambitious target of 398 million tonnes of revenue earning freight traffic for the next year, notwithstanding the fact that targets had to be revised downward during the last few years. This, as I have explained earlier was not due to any fault of the railways. I am sure the House will bear in mind that demand for rail transport is dependent almost entirely on the growth of the economy. If the expectations regarding the faster growth of the economy in 1995-96, materialise there is no reason why the railways should not achieve the projected target for freight traffic. Passenger traffic has registered appreciable growth in the recent past; this encourages me to project a four percent growth in the passenger traffic for the next year. Similar growth is expected in Other Coaching and Sundry Other earnings also. Based on these projections, Gross Traffic Receipts at the current fares and freight rates are estimated at Rs 21,205 cr, inclusive of some realisations out of the outstanding dues from the power sector. Thus, it is expected that the Gross Traffic Receipts would exceed the Revised Estimates for the current year by Rs 1,285 cr.

38.3 Realistic assessment of working expenses, allowing for the capacity of Railways to absorb part of the increases in input costs, places the requirement of working expenses at Rs

14,790 cr, up by Rs 1,740 cr from the Revised Estimates of 1994-95. The cost of inputs for carrying the incremental traffic, other increases in costs, and higher lease charges payable to the Indian Railway Finance Corporation will be met out of this provision.

38.4 With the procurement of Rolling Stock through the leasing route, supplemented, hopefully, by a spurt in the materialisations under the "Own-Your-Wagon" scheme, a reduction in the provision for depreciation is called for. Accordingly, it is proposed that the appropriation to Depreciation Reserve Fund be kept at Rs 2,000 cr, slightly lower than Rs 2,140 cr in the Revised Estimates of the current year.

38.5 The appropriation to Pension Fund is proposed at Rs 1,970 cr in 1995-96 as against Rs 1,750 cr in the current year, to meet the anticipated higher outgo from the Fund next year.

38.6 The principles for working out the dividend payable to General Revenues are settled on the recommendations of the Railway Convention Committee. Dividend for the year 1995-96 has been provided at the same rates as applicable to the current year subject to suitable adjustments on receipt of the recommendations of that committee. The amount works out to Rs 1,371 cr, after setting off Rs 145 cr on account of arrears of operating losses of strategic lines on Northeast Frontier Railway. After meeting all these and taking into account Net Miscellaneous Receipts, the "Excess" comes to Rs 1,305 cr.

Need For Additional Resources

39.1 Sir, the Railways are facing a severe resources crunch for implementing a reasonably sized Annual Plan for 1995-96. The internal resources available on the basis of the existing fares and freight rates are of the order of Rs 3,350 cr. Together with the proposed borrowings at the level of Rs 2,250 cr and Budgetary support of Rs 1,150 cr, the total resources becoming available are only Rs 6,750 cr, whereas the need-based requirements amount to Rs 7,500 cr. Additional borrowings, at comparatively higher costs would not be in the financial interests of the railways, nor would that be a prudent measure to adopt. As the House is aware, Railways have in the last four years, initiated several measures to absorb the increases in costs by internal economies. These are being pursued vigorously, and the impact of such measures are also reflected in these Budget Estimates; however, the gap between the requirements of resources and the availability is too wide to be bridged through these measures alone. An easy way out would be to reduce the Plan, but that would jeopardise not only the Railways but also the economy as a whole. There was no question of the Railways settling for a reduced Plan since capacity constraints on Railways would endanger economic progress of the country. The Government, therefore, decided to retain the Plan size at Rs 7,500 cr.

This necessitates raising of additional resources of the order of Rs 750 cr, through very modest and selective adjustments in fares and freight rates. I shall now refer to these proposals.

39.2 In the larger interests of the travelling public, I have decided not to impose any increase in the fares for any distance in respect of the following classes

- (i) II Class ordinary
- (ii) II Class Mail and Express
- (iii) Sleeper Class (all trains); and
- (iv) First Class (Ordinary)

39.3 Fares for AC First Class, AC 2-Tier Sleeper class, AC Chair Car and First Class in Mail and Express Trains are proposed to be raised by 10%. Fares for AC 3-Tier will continue to be charged at 25% higher than the fares for AC Chair Car as at present. Minimum fares will also be suitably revised in these cases. In the case of First Class (Ordinary), the minimum fare of Rs 32 is proposed to be reduced to Rs 20.

39.4 Railways have built AC 2-Tier coach of a new design in which cabin type accommodation with sliding doors would be available. I propose to levy a surcharge of 5 per cent subject to a minimum of Rs 50 per passenger for allotment of accommodation in the cabin.

39.5 It is proposed to supply bed rolls to all the passengers travelling in AC 2-Tier coaches without collecting bed roll charges on the trains from a date to be notified later, making suitable adjustments in the fares.

39.6 It is proposed to introduce separate fare structures for Rajdhani, including August Kranti, and Shatabdi Express trains, keeping in view the quality of service provided to the passengers.

39.7 Several improvements in the suburban services, involving heavy investments, are planned. It is but fair that users of suburban services contribute in some measure towards the cost of such improvements. I, therefore, propose to make some adjustments in respect of such users.

39.8 Sir, the House is aware that suburban fare structure for season tickets is highly subsidised. At present, a suburban passenger pays in a month an amount equivalent to only 23 single journeys at 10 km and 9 single journeys at 110 km, which indicates the massive subsidy involved.

39.9. Railway Fare and Freight Committee have recommended that a season ticket holder should pay for at least 25 to 11 single journeys on a descending scale. This has been accepted but the implementation will be in stages. In the first stage, it is proposed to increase the second class monthly season ticket fares by Rs 5 at the minimum distance to Rs 30 at a distance of 91 km and beyond and suitable increases are proposed to be made for the intermediate distances. This amounts to an increase of just 17 paise a day at the minimum distance and Re 1 per day for 91 km and above.

39.10. Railway Fare and Freight- Committee have also recommended fixation of quarterly season ticket fares at 10 per cent less than three monthly season ticket fares. Quarterly season tickets will now be charged at 2.7 times the monthly season ticket fares instead of 2.5 times at present.

39.11 First Class season tickets will continue to be charged at four times the second class season ticket fares.

39.12 Computerisation of the Passenger Reservation System has been welcomed and there are demands for, its extension. By the end of 1994-95, almost all centres with 300 or more reservations per day are expected to be brought on the computer. With a view to partially recovering the higher cost of reservation, it is proposed to increase the reservation charges suitably.

39.13 I also propose to revise the clerkage charges and the minimum cancellation charges in order to recover the increase in cost.

39.14 At present, the passenger fares in respect of Kalka-Shimla, Siliguri Darjeeling, Mettupalayam-Udhagamandalam and Pathankot-Jogindernagar sections are charged: on an inflated distance basis. Even though these sections continue to incur losses, I propose to give relief to local passengers travelling within the section, because most of them belong to the weaker, sections of society. All these passengers, when they make journeys within the section, will pay normal fares. However, passengers booked from stations outside these sections to any of the stations on these sections and vice versa will continue to pay fares on the inflated distance basis.

40.1 Sir, my proposals in regard to freight are as follows:

1. It is proposed to reduce the classification of a number of commodities such as paper, footwear, coir products, tea, coffee, rubber, cotton raw full pressed and half pressed, medical stores, milk powder, turmeric, electric appliances, agricultural implements (power-operated) etc. in line with the recommendations of the Railway Fare and Freight Committee.
2. It is proposed to increase by 7 per cent the freight rates of all commodities except foodgrains for public distribution, sugar and chemical manures Division A, B and C.

40.2 Sir, the House will appreciate that the increase proposed is lower than the current inflation rate of about 10% showing that the balance of the impact is being absorbed by the Railways. It will thus be seen that as I indicated at the outset, I am imposing only the least and unavoidable burden on the rail users.

40.3 These proposals, which will be effective from 1-4-1995, are expected to yield about

Rs 750 cr in a full year, just enough for covering the resource gap. I would like to assure the House that resources thus generated will be utilised effectively for the expansion of the system and for strengthening it.

Conclusion

41.1 Sir, this Government is committed to taking decisions which are in the long-term interests of the country. It would have been easy for me to take the soft option by reducing the Plan size and avoiding fare and freight rate hikes, or by committing the Railways to ever increasing levels of borrowing. Such an approach would undoubtedly place the progress and development of the Indian Railways at peril. I am sure, Sir, the House will certainly not allow that to happen to the lifeline of the nation.

41.2 Sir, let us once again place on record our gratitude to the Prime Minister, Shri P.V. Narasimha Rao, for his support and encouragement in all our development efforts. I also wish to place on record my deep appreciation of the dedication and devotion with which the railwaymen have carried out their assigned tasks.

41.3 With these words, Sir, I commend the Railway Budget for 1995-96 to the House.
