

**Speech of Shri Nitish Kumar  
Introducing the Railway Budget  
for 1998- 99, on 29<sup>th</sup> May 1998**

Mr. Speaker, Sir,

I rise to present the Budget Estimates for 1998-99 for the Indian Railways. These Estimates reflect certain decisions taken by the Government after I presented an interim Budget to this august House on the 25th of March 1998.

### **Introduction**

2. In the last few months, Sir, I have had the opportunity of looking at the Indian Railways from close quarters. I have formed certain perceptions about their role, the present state of their health, the problems they face and the possible solutions. I would like to share these perceptions briefly with the Hon'ble Members.

3. Besides being a symbol of national integration, the Indian Railways are both a barometer and a principal determinant of the economic and social health of the nation. At this juncture, when the country is poised for significantly higher economic growth, Indian Railways cannot fail to match that growth. People must therefore know certain facts about the Railways - especially what the Railways can do, what they are unable to do and why. The Status Paper laid by me in the House two days back is an attempt to bring out these facts.

4. On this occasion, I would like to highlight a few of the basic issues that confront the Indian Railways. Sir, it is well known that Railways have a number of intrinsic advantages - they are six times more energy efficient, four times more efficient in land use and significantly superior from the standpoints of environmental impact and safety as compared to road transport. The rail mode is certainly cheaper for medium and long distance movement of passengers and freight traffic. Indian Railways therefore should occupy pride of place in the national transport infrastructure. But the reality is otherwise. Railways' market share of both freight and passenger traffic, has declined from 89% and 80% respectively in 1950-51 to 40% and 20% as of now. I feel that this is an undesirable trend which has to be arrested and reversed, from the national point of view as well as the Railways' own.

5. Obviously, development of the Railway system has not kept pace with the general progress of the country. The massive investments needed for this have not materialised because of the declining share of the Capital from the General Exchequer which supported Railway development considerably in the initial years of planned development and because of inherent limitations of Railways to generate adequate resources internally. During the last 12 years or so, Railways have become increasingly dependent on borrowed funds, which tends to depress their resource capacity. The result is that Railways are adding to their shelf of projects - both of a commercially viable nature and otherwise - their outstanding value being in the region of Rs 35,000 cr. Railway projects which would be meaningful from the socio-economic angle or from a commercial viewpoint are large and require long periods to yield returns. Limited resources being spread thinly over a large number of projects leads to time and cost overruns, affecting adversely their financial viability.

6. Railways are looked upon sometimes as a commercial organisation and sometimes as a vehicle for fulfilment of social obligations. The latter role requires them not only to make investments which are unremunerative or loss-making but also to provide subsidised services, mostly in the passenger segment and to some extent by carrying essential commodities below cost. Input costs are constantly rising and a major addition has occurred with the implementation of the recommendations of the Fifth Central Pay Commission. Complete freedom to fix tariffs so as to meet the costs and generate adequate resources for the Plan has generally not been available to the Railways. Especially in recent years, there has been no major revision of passenger fares. Cross-subsidisation through freight traffic is growing and right now any further increase of freight tariff will mean a serious risk of losing traffic. Unlike many foreign railways which receive the Government subsidies for public service obligations, Indian Railways do not enjoy specific compensation for their unremunerative operations.

7. With persistent shortage of resources for investment, Indian Railways' transport output is being squeezed out of an increasingly inadequate asset base. The system is feeling the strain, particularly in its high-density corridors. Reliability of assets is affected and it is becoming increasingly difficult to sustain growth and quality of Railway services on these sectors.

8. Sir, I have outlined some of the problems. Railways will continue to strive to effect improvements wherever needed, but the fundamental solution, to my mind, seems to lie in substantially enhanced levels of investment. I shall greatly appreciate the views of the Hon'ble members and look forward to these in the course of the debate on the Budget.

### **Economy and Austerity Measures**

9. Sir, in this context I would like to mention about the economy and austerity measures that I propose to pursue. There have been some comments regarding lavish expenditure in certain areas such as hospitality, publicity, advertisements, inauguration ceremonies, and the like. While I realise that austerity in these areas may not result in substantial saving, a climate of restraint is a desirable objective in itself and may lead to better financial efficiency in general.

10. A major part of the revenues of the Railways go to meet the maintenance and operating expenses. It will, therefore, be our endeavour to ensure that expenditure incurred is strictly need-based, whether it is on fuel, materials, staff or in other areas. There will be renewed emphasis on the efficient utilisation of assets, whether they are rolling stock, signals, track, equipment, line capacity, or manpower. The monitoring procedures that are in place will be put to the fullest use and improved where required. Prudence in spending, in the areas of construction activity and purchase of materials, will also receive greater attention. If cost-effective management of assets is vital to the financial health of the system, the prevention of wastage and leakage of resources through accidents, pilferage, ticketless travel and other malpractices is as important. I shall seek to make improvements in these areas.

### **Railway Recruitment Boards (RRBs)**

11. Sir, the working of the Railway Recruitment Boards, in the recent past, came under severe criticism. I have reviewed their functioning and decided that the administrative set up of the RRBs and the procedure for recruitment should be thoroughly revamped so as to tone up their working and ensure that candidates of quality and merit are selected for railway services with due regard to the prescribed rules.

12. I have already initiated several measures in this direction. A Railway Recruitment Control Board (RRCB) has been set up in the Railway Board for issuing policy instructions to RRBs in matters connected with recruitment and to oversee their implementation. All RRBs will function under the direct control of RRCB. Several other procedural steps have also been taken to ensure that the recruitment process is streamlined and there is transparency. I hope that these measures will help the youth of the country get a fair chance to join railway services on merit. Recruiting the right people will, in turn, help the Railways in providing safe, secure, punctual and reliable services.

### **Performance in 1997-98**

13. I am glad to report that in the financial year 1997-98 that has just ended, the Railways have moved about 429.30 million tonnes of originating revenue earning traffic, against the target of 430 million tonnes and 20 million tonnes higher than the previous year's loading. This is the third successive year when Indian Railways have registered around 20 million tonnes or more of incremental revenue loading. Cumulatively the Railways have achieved a record of over 64 million tonnes of incremental loading during the past three years. Passenger traffic registered a growth of about 5% during the year. In financial results an excess of Rs 1,470 cr of receipts over expenditure was anticipated in the Revised Estimates. The final accounts for the year are under compilation and indications through approximate figures are that there may be a marginal variation. Plan expenditure is expected to be, more or less, close to the Revised Estimates, that is, Rs 8,403 cr.

### **Passenger Services**

14. Sir, there is an ever-increasing pressure for new passenger trains, increased frequency and extended run of trains, better quality of service, new halts, etc. Due to increase of population and the objective to achieve higher rates of economic growth, movement of passengers as well as freight is bound to increase. The Railways' offer of passenger services has generally lagged behind the demand and the reason for this is the lack of capacity and constraint in resources to enhance it. Without sacrificing the claims of freight traffic which is vital to the lives of the people and the growth of the national economy, Railways have been able to respond to passenger needs in a substantial manner.

15. In line with the above approach, it is proposed to introduce the following additional train services.

1. Bhopal-Hazrat Nizamuddin Express
2. Varanasi-Kurla Express
3. Bhagalpur-Patna Intercity Express
4. Madurai-Coimbatore Express(MG)

5. Guntur-Secunderabad Express
  6. Mangalore-Kurla Express (via Konkan Railway)
  7. Tiruchchirappalli-Howrah Express (tri-weekly)
  8. New Delhi-Muzaffarpur Swatantrata Senani Express via Ballia and Ghazipur (bi-weekly)
  9. Sealdah-New Coochbehar Uttar Banga Express (bi-weekly)
  10. Bangalore-Visakhapatnam Express via Guntakal (weekly)
  11. Kurla-Howrah Super Deluxe AC Express (weekly)
  12. Kurla-Nagpur Super Deluxe AC Express (weekly)
16. Frequency of the following trains will be increased :-
1. 7029/7030 Hyderabad-Cochin Express from 3 days a week to daily
  2. 4863/4864 Marudhar Express from 4 days a week to daily. On the additional three days train to be routed via Faizabad
  3. 5209/5210 Amritsar-Barauni Janseva Express from 3 days to 5 days a week
  4. 2715/2716 Nanded-Amritsar Express from 3 days to 5 days a week
  5. 8603/8604 - 8605/8606 Ranchi-Delhi Swarna Jayanti Express from 2 days to 4 days a week
  6. 6339/6340 Mumbai-Nagercoil Express from 3 days to 4 days a week
  7. 8403/8404 Puri-Ahmedabad Express from 3 days to 4 days a week
  8. 5219/5220 Kurla-Darbhanga Express from 2 days to 3 days a week
  9. 9047/9048 Surat-Patna Express from 1 day to 2 days a week
  10. 1031/1032 Pune-Varanasi Express from 1 day to 2 days a week
  11. 1029/1030 Pune-Howrah Express from 1 day to 2 days a week
17. The run of the following trains will be extended :-
1. 6683/6684 Mangalore-Palghat Express to Tiruchchirappalli
  2. 9759/9760 Delhi-Jaipur Intercity Express to Jodhpur
  3. 3447/3448 Dadar-Bhagalpur Express (four days a week) to Guwahati once a week
18. (a) On completion of gauge conversion the following improved broad gauge services will be provided: -
1. Bandra-Bikaner Express
  2. Jorhat-Guwahati Express
  3. Jodhpur-Ahmedabad intercity Express
  4. Tiruchchirappalli-Chennai Pallavan Express
  5. Chennai-Tiruchchirappalli Rockfort Express
  6. Bijapur-Hotgi Passenger (3 pairs of Push-pull services)
  7. Express train between Secunderabad-Hubli
  8. Villupuram-Tiruchchirappalli Passengers (3 pairs)
  9. Tiruchchirappalli-Lalgudi Passenger
  10. Extension of 523/524 Kacheguda-Mahbubnagar Passenger to Dronachelam
  11. Extension of 535/536 Secunderabad-Mahbubnagar Passenger to Kurnool Town
  12. Extension of 7607 / 7608 Secunderabad-Mahbubnagar Tungabhadra Express to Kurnool Town
  13. Extension of Purna-Mudkhed Passenger to Adilabad
18. (b) On completion of New Lines following train services will be introduced :-
1. Bhubaneswar-Rourkela Express via Sambalpur
  2. Talcher-Sambalpur Passenger
19. (a) Main line EMU services will be started on the following sections:-
1. Kanpur-Shikohabad
  2. Durg-Bilaspur
  3. Asansol-Jhajha
  4. Purulia-Barddhaman
19. (b) DMU services will be introduced on the following sections:-
1. Daund-Pune

2. Tiruchchirappalli-Karur
3. Buxar-Danapur-Patna
4. Mhow-Indore(MG)
5. Patna-Rajgir

20. Rail Bus services will be started on the following sections :-

- 1 Tumsar Road-Tirodi
- 2 Silchar-Jiribam(MG)
- 3 Junagarh-Dhari(MG)

21. The following trains will be diverted via the Konkan Railway:-

- i. 2617/2618 Hazrat Nizamuddin-Mangalore Mangala Express
- ii. 6333/6334 Thiruvananthapuram-Rajkot Express (weekly)
- iii. 6337/6338 Cochin-Rajkot Express (weekly)
- iv. 6335/6336 Nagercoil-Gandhidham Express (weekly)

22. In addition to introduction of new trains and increase in frequency of existing services as detailed above, I propose to give a major thrust to augment the loads of passenger trains, so that there is increase in passenger carrying capacity per train. Load of existing popular trains will be increased to 24 coaches on selected routes. By this measure, availability of passenger carrying capacity will increase up to 25% per train. This augmentation will help the common man as extra second class coaches will be available per train. Based on the experience gained, we will be moving towards running of trains with 26 coaches.

23. With the increase in the AC 2-Tier class services to cater to passenger preference, Railways have been phasing out First Class services. But there is a clientele who, for reasons of health or otherwise, miss the First Class. In order to meet this gap, I have decided that such accommodation should be revived to a limited extent. A new design of composite coach is proposed to be introduced gradually, forming part of the second class sleeper coaches.

24. Sir, the Hon'ble Members will be happy to hear that the Railways propose to introduce a new type of high-speed train with special features of comfort. In this year of the Golden Jubilee of India's Independence, it will serve the passengers to and from the city of the Golden Temple, Amritsar, connecting New Delhi. It will be called the Swarna Shatabdi Express and will be in lieu of the existing New Delhi-Amritsar Shatabdi Express.

### **Tatkal Booking**

25. In order to provide a facility of instant reservation to that segment of our rail customers who have to plan their journeys at short notice, to meet emergent personal or business needs, an innovative "tatkal" scheme was launched last year on an experimental basis. It enables a passenger with a photo identity-card to get confirmed booking during the 24 hours before the departure of the train on payment of a surcharge. The scheme has proved popular and successful in curtailing the tout menace. Already in force on 20 Shatabdi and superfast trains to and from the four metropolitan cities, it is proposed to be extended to all superfast trains during this financial year.

26. I am glad to announce that senior citizens will now be entitled to a concession of 30% as against 25% available to them in second class and this facility will further be extended to include all classes and all trains including Rajdhani and Shatabdi Expresses.

27. Unemployed youth attending interviews for selection to Central Government jobs will be given full concession in second class on production of a certified copy of call letter and application.

28. The facility of advancing or postponing the date of journey is presently available only on confirmed tickets. This is being extended to waitlisted/RAC passengers also. Further, for the convenience of waitlisted passengers, reservation charges will also be collected along with the fare, so that they do not have to pay separately on the train in case their accommodation is confirmed.

29. Refund procedures are soon to be simplified so as to make it possible for a passenger to get refund not only from the ticket issuing station but also from Zonal railway headquarters of any station where he deposits the ticket.

30. Medical facilities of Railway hospitals are being given to licenced porters as outpatients, in recognition of the important service they provide to the passengers. There is yet another small section of people who provide service to the passengers, the licenced shoe-shine boys who mostly come from the weakest strata of society. In pursuance of our commitment towards social upliftment, it is proposed to extend to them the facility of outpatient treatment in Railway hospitals.

### **Tourism**

31. Sir, the Indian Railways have taken major initiatives in the sphere of tourism promotion in order to help the country attract around five million foreign tourists per year by 2000 AD. I have decided to introduce a tourist train named "Bodh Parikrama" on the Buddhist Circuit linking Saranath, Bodhgaya and Rajgir.

32. Arrangements have been finalised to introduce two tourist trains in collaboration with private sector on the following circuits:-

1. Delhi - Jaipur - Agra - Gwalior - Jhansi - Varanasi - Lucknow - Delhi, and
2. Bangalore - Mysore - Chennai - Kodaikanal Road - Kanniyakumari - Thiruvananthapuram - Cochin - Mettupalayam - Bangalore.

33. A tourist train from Delhi to Alwar hauled by the world's oldest working steam locomotive named "Fairy Queen" has become popular and has found a place in the Guinness Book of Records. The frequency of the service is proposed to be increased from once a month to twice a month during the tourist season.

34. Foreign tourists visiting India with the Euro Train Explorer pass sold through worldwide outlets can now exchange it for Indrail pass for travel on Indian Railway trains.

35. In order to further widen access to Indian Railways network, a strategic alliance has been formalised with Air India and Indian Airlines for sale of Indrail passes through the worldwide distribution network of these air carriers.

### **Catering Services**

36. Hon'ble members have expressed their concern, time and again, on the need to improve catering services on trains and at stations. I would like to inform the House that special emphasis is being given to handling of food, storage and service in hygienic conditions apart from its quality. Improvement of "on board" catering services is also a priority area and eight more trains will be provided pantry car services during the current year.

37. To strengthen and professionalise catering services, a corporate entity, styled as the Indian Railway Catering and Tourism Corporation has been proposed to be formed. It will provide necessary control and direction to catering services on trains as well as at stations. The proposal formulated for this purpose is under the consideration of the Government and a decision will be taken soon.

### **Computerisation of Passenger Reservations**

38. Over the last decade, computerised reservation facilities have been provided at 339 locations covering almost 95% of the total reservation workload. Networking of computer systems has been established between New Delhi and Secunderabad and will soon be extended to cover Mumbai, Calcutta and Chennai.

39. To help a wider section of the travelling public, the provision of computerised reservation is being extended to stations where 200 reservations are required in a day, instead of 300 at present.

### **Punctuality**

40. Punctuality of mail and express trains has improved over the years. Further improvement requires major inputs for the provision of overlapping rakes to enable restoration of passenger rake links to their schedules whenever dislocations take place. Higher allocation is being provided for this purpose in the current year. Steps have also been taken to strengthen the machinery to monitor late running of trains on a real-time basis. Divisional Railway Managers are being directed to keep a special watch.

### **Freight Traffic**

41. While bulk long distance freight will continue to be the mainstay, thrust has been given to winning back non-bulk, less than trainload traffic back to rail from road by the multi-modal route. Container Corporation of India (CONCOR) has been strengthened with a new Domestic Division in this effort to reverse the trend of declining market share of freight traffic.

42. MOUs have been signed to introduce innovative transportation packages in collaboration with private sector enterprises in the form of "road-railers" and "roll-on-roll-off" services.

43. To improve the quality of service to the trading community and to boost the volume of international cargo movements, CONCOR has acquired state-of-the-art container flats capable of operating at a speed of 100 kmph. This will reduce transit times significantly and provide a much needed fillip to the country's export drive.

### **Safety**

44. Sir, the greatest challenge the railways are facing today is the restoration of the intrinsic health of the system so that safe transit is provided to passengers and freight. A train accident is a matter of deep concern and anguish to us. I would like to assure the House that safety is an area of paramount concern where no compromise will be made. Investments specifically needed for ensuring safety will be given overriding priority. The technology inputs required and the rehabilitation of overaged assets are being given due importance.

45. Sir, human failure accounts for nearly 70% of train accidents. With a view to addressing this problem effectively, Railways systematically provide training and counselling of staff connected with train operations and monitor their performance. It is also proposed to provide technical safeguards to check human failure, as far as possible. For instance, Railways are exploring the possibility of installing a pilfer-proof auxiliary warning system that can prevent collisions, which result in the loss of precious lives.

### **Security**

46. Hon'ble members have been expressing concern over the increasing incidents of theft and other criminal activities on the railway premises as well as running trains. The popular perception is that the Railways are responsible for providing security to passengers and their belongings. However, this is not the legal position. According to the Constitution, policing on the Railways is the responsibility of the State Governments. It is the Government Railway Police (GRP), functioning under the State Governments, that has to ensure the security of the railway passengers and their belongings. We do realise that the present state of affairs is not very satisfactory. Railway Protection Force (RPF) which is primarily meant for protection of railway property is in constant touch with the GRP to ensure safe travel of railway passengers.

47. Railways have commenced a process of streamlining the functioning of RPF to make it more effective. The measures taken include modernisation of communications, security gadgets and weaponry, provision of adequate transportation, computerisation, upgrading of training facilities etc. Specific additional budget provision has been made for this purpose.

### **Konkan Railway Corporation (KRC)**

48. Sir, I share my joy with the House that the Konkan Railway line has been made fully operational and was dedicated to the Nation on the first of May, 1998 by the Hon'ble Prime Minister. This 760 km line is a truly remarkable achievement of the country in the field of railway construction. It has greatly reduced the distance and travel time to Kerala and coastal Karnataka from the northern and western parts of the country and I am sure it will contribute immensely to the economic development of the west coast.

49. This unique engineering feat included the construction of 20 major viaducts, of which the tallest measures about 64 metres; boring of 92 tunnels for a total length of 83.60 kilometres, the longest tunnel being 6.5 kilometres. It is a tribute to the engineering skills of KRC that the Maharashtra Road Development Corporation Limited have selected them as the agency for tunnelling work on the proposed Mumbai-Pune expressway.

50. The final cost of the KRC project is likely to be in the region of Rs 3,550 cr of which Rs 1,033 cr is the financing cost (interest during construction) of borrowing from the market. The repayment of loans and interest during the current year is of the order of Rs 455 cr. It will be some time before the freight traffic on the line builds up sufficiently to enable KRC meet its obligations. Under the circumstances, Indian Railways have decided to give them some loan assistance. Provision for this has been made in the Budget.

### **Annual Plan, 1998-99**

51. Sir, in the interim Railway Budget I had placed the Plan outlay at Rs 8,300 cr, intending to increase it so as to meet the investment needs better. I am happy to state that it stands raised to Rs 9,500 cr, representing an appreciable increase over the Revised Estimate of last year. This has been made possible through an increase in the internal resource component to Rs 4,400 cr mainly because of the postponement of pensionary and other benefits as a result of Government's recent decision to raise the age of retirement from 58 to 60 years. Railways have also been helped by an increase in the Capital from the

General Exchequer by Rs 369 cr above the interim Budget level. It is now Rs 2,200 cr. Additionally, the market borrowing component has been slightly enhanced, to Rs 2,900 cr. I am hopeful that a further addition to the Plan outlay may become possible in the course of the year and, in any case, that outlays in the coming years of the Ninth Plan will be such as to infuse a new vigour and direction to railway investments.

52. Sir, Railways have a large shelf of projects involving enormous outlays across the various Plan heads that stand for different types of projects. Resources are by no means unlimited and investments have to be guided by prudence in selection and prioritisation in funding. An attempt has been made to maintain a careful balance between the claims of extension of the system to serve new areas, on the one hand and, on the other, the compelling needs of the system for enhanced capacity, modern technology and better service to the users, including the all-important dimension of safety.

53. Keeping these considerations in view, additional emphasis is being given to certain Plan heads. As compared to the general increase in the Plan outlay this year, in percentage terms, there will be higher enhancements for certain Plan heads. For new lines, the outlay is raised significantly from about Rs 370 cr in last year's Revised Estimate to Rs 500 cr, an increase of 35%. In view of the importance of doubling of track for increasing line capacity, the allocation for this Plan head has been raised by 88%, from Rs 272 cr to Rs 510 cr. For Traffic Facilities the allocation has been raised from about Rs 146 cr in last year's Revised Estimate to Rs 220 cr, an increase of 50%. Passenger Amenities receive an increased allocation of 25%, taking it to Rs 100 cr. For a higher rate of progress of track circuiting and other safety works, the allocation has been increased by 62% in the Signal & Telecommunication Plan head to Rs 350 cr from Rs 222 cr in last year's Revised Estimate. In view of the need to step up progress of Metropolitan Transport Projects in the cities of Mumbai, Chennai and Calcutta, the allocation has been placed at Rs 250 cr, with an increase of 65 % over the previous year. Adequate increases have been made in other important Plan heads like Track Renewals, Workshops including Production Units etc. Under the Gauge Conversion Plan head, which has received very significant allocations in the recent years, the outlay provided is sufficient to maintain the progress of ongoing works with due regard to their priority. For optimal utilisation of Plan funds, the various works in each of the Plan heads have been prioritised so that works that are approaching completion and works which are important from the operational viewpoint are adequately funded. New works have been added very selectively.

#### **New Lines**

54. Sir, I am happy to state that Railways have completed construction of the Jogighopa-Goalpara line. The Naranarayan Setu, a rail-cum-road bridge over river Brahmaputra, costing approximately Rs 300 cr, is an outstanding achievement of Indian engineers. It was inaugurated by the Hon'ble Prime Minister on the 15th of April 1998. This line will provide the vital rail link between the north and south banks of the Brahmaputra. Railways have also completed the construction of a new line from Nishchintapur to Kashinagar, a part of the Lakshmikantapur-Namkhana new line project.

55. In 1998-99, Railways will be completing work on Angul-Maneswar portion of the Talcher-Sambalpur new line project, thus completing the entire project. Similarly, by constructing Goalpara-Guwahati new line, the entire project of Jogighopa-Guwahati new line will be completed this year. The Panihar-Khajuri sector of Guna-Etawah line will also be completed this year, thus connecting Guna and Gwalior.

56. Railways will also make efforts to speed up work on the Udampur-Srinagar-Baramula line; this will depend upon the State Government making available the required land.

57. Sir, with a view to developing infrastructure in the backward areas, the New Line projects of Ranchi to Koderma via Hazaribagh and Barkakana, Deoghar to Dumka and Raichur to Gadwal have been included in the Budget. These works will be taken up for execution after the necessary approvals are received. In order to promote international tourism and keeping in view the needs of the Buddhist tourists in particular, the work of linking Rajgir to Gaya by a line from Rajgir to Tilaya via Hisua as well as the restoration of Fatuah - Islampur railway line has been included in the Budget.

#### **Gauge Conversion**

58. In 1998-99, Railways expect to complete the gauge conversion of following sections :-

| <b>Section</b>             | <b>Km</b> |
|----------------------------|-----------|
| Mudkhed-Adilabad (BOLT)    | 162       |
| Narkatiaganj-Gorakhpur     | 151       |
| Tambaram-Tiruchchirappalli | 303       |

|                            |            |
|----------------------------|------------|
| Tiruchchirappalli-Dindigul | 93         |
| Bayyappanahalli-Yesvantpur | 17         |
| Babupeth-Balharshah        | 11         |
| Solapur-Hotgi              | 15         |
| Sheosagar-Moranhat         | 36         |
| Mariani-Jorhat             | 22         |
| <b>Total</b>               | <b>810</b> |

59. Sir, it is proposed to take up gauge conversion of Gandhidham-Palanpur and Thanjavur-Villupuram mainline. Hon'ble members will be happy to know that the Bankura-Damodar river railway line, which was earlier owned by a private company, has already been purchased by the Railways and it has now been decided to convert this line to Broad Gauge. These projects are included in the Budget and can be taken up after the necessary approvals are received.

#### **Doubling**

60. In 1997-98, Railways have completed about 160 km of doubling projects. In 1998-99, another 284 km on various sections are proposed to be doubled.

61. Hon'ble members will be happy to know that doubling of Korba-Gevra Road and Lucknow-Sultanpur and 5th & 6th lines of New Delhi-Tilak Bridge have been included in the Budget. This will ease the traffic flows and create additional capacity on some of the saturated sections.

#### **Electrification**

62. During 1997-98, 445 route km of railway track was electrified, bringing the total length of electrified routes to 13,962 km. Electrification of 2,300 km has been targeted for the IX Plan including unelectrified Kharagpur-Visakhapatnam section of Calcutta-Chennai route, Ambala-Kalka and the Sitarampur-Mughalsarai sections. In 1998-99, electrification of 500 route km is envisaged. For this a provision of Rs 340 cr has been made in the Budget.

#### **Track Renewal**

63. An amount of Rs 1,425 cr has been provided in the Budget for Track Renewal this year, as against Rs 1,223 cr in the Revised Estimates of last year. The emphasis will be on carrying out track renewal on the important routes carrying fast or heavy traffic. The effort will be to eliminate overdue renewals in A, B and C routes on priority during the IX Plan period.

#### **Suburban Transport System**

64. Sir, nearly two-thirds of Railway passengers travel on the suburban systems of the cities of Calcutta, Chennai, Delhi and Mumbai, which have come under immense pressure. They need to be strengthened urgently. I shall mention here briefly the improvements being made.

65. A survey for the extension of the Calcutta Metro to Garia has been completed and a study for its extension from Dumdum to Barrackpore is in progress. A survey for extending the Circular railway from Princepghat to Majerhat is in progress. It has already been decided to electrify the section from Dumdum to Tala Junction. Electrification of Ranaghat-Gede and Ranaghat-Bongaon sections has been taken up. Electrification of Barasat-Hasnabad section has been included in the Budget. The project will be taken up after the necessary approvals are received. I am happy to note that the Government of West Bengal has offered to make a financial contribution for Railway projects in the State.

66. Extension of the Mass Rapid Transit System in Chennai from Luz to Velacheri has been taken up in coordination with the Tamil Nadu Government who have agreed to bear two-thirds of the cost besides providing Government land available along the alignment free of cost. In addition, conversion of the MG suburban system to BG is also being included in the Budget with the participation by Tamil Nadu Government. The commitments, however, will be made after the necessary approvals are received.

67. A technical Cell in the Railway Board is being set up to assist the Delhi Metro Rail Corporation in technical matters.

68. For improving the conditions of travel for the vast number of rail commuters in Mumbai, twelve-car rakes are being progressively introduced. Track, Signals and power supply are being improved to permit augmentation of services. A number of studies of major projects for additional lines are already in progress and this year it has been decided to finance the quadrupling of Borivali-Virar section from budgetary resources since the BOLT scheme earlier envisaged for this was not successful. A Memorandum of Understanding (MOU) between the Ministry of Railways and the Government of Maharashtra has been

signed for the formation of a Public Sector Unit called Mumbai Railway Vikas Corporation Limited (MRVC) for executing projects in Mumbai area.

### Surveys

69. Considering the requests received from the Hon'ble members and from the State Governments, I have decided to take up several surveys in the Budget for 1998-99.

- I. Following surveys in the suburban sections are being taken up:-
  1. Study of an Inter-modal transport system for Bangalore
  2. Techno-Economic study for identifying inputs required for Commuter traffic in Delhi and National Capital Region
  
- II. The following surveys for New Lines are being taken up :-
  1. Deoghar-Sultanganj
  2. Ghuguli-Pharenda via Maharajganj
  3. Agartala-Sabroom
  4. Ujjain-Ramganj Mandi via Ghatia, Ghonsala, Agar and Susner
  5. Madurai-Kottayam
  6. Hyderabad-Raichur
  7. Kaithal-Yamuna Nagar via Karnal
  8. Rajanandgaon-Jabalpur
  9. Extension of Etah-Baran line up to Shahjahanpur
  10. Updating survey for linking Hastinapur
  11. Urai-Mahoba/Harpalpur via Rath
  12. Tohana-Abohar via Bhuna and Fatehabad
  13. Hamirpur-Hamirpur Road
  14. Daniawan-Shekhpora via Chandi, Biharsharif and Barbigha
  15. Rail linking-Tonk
  16. Merta Road-Ajmer
  17. Rail linking of Pushkar
  
- III. Surveys for conversion of the following lines to Broad gauge are being taken up: -
  1. Kalol-Kadi-Kotasan
  2. Chickaballapur-Kolar
  3. Bodinayakkanur-Madurai
  4. Madurai-Coimbatore
  
- IV. Surveys for doubling the following lines are being taken up :-
  1. Gaya-Kiul
  2. Delhi-Ahmedabad
  3. Bandel-Katwa
  4. Hasnabad-Barasat

### Railway Production Units

70. The performance of our production units has a great bearing on our total transport capacity. All production units achieved their targeted outturn in 1997-98. In fact, most of them recorded their best-ever performance. It is a matter of satisfaction that five of our Production Units have secured ISO 9001 and 9002 certification. I am also happy to inform the House that Wheel & Axle Plant, Bangalore, was presented the "Golden Peacock Award" for quality.

### Public Sector Undertakings

71. I would now like to review the working of the public sector undertakings under the administrative control of the Ministry of Railways. In 1996-97, IRCON International Limited registered a turnover of Rs 467 cr and a profit before tax of Rs 43 cr. It earned foreign exchange worth Rs 42 cr completing various projects in Angola, Nepal, Malaysia and Tanzania. Rail India Technical and Economic Services (RITES) also showed good progress with a turnover of Rs 135 cr in 1996-97, its overseas business being Rs 55.6 cr. Container Corporation of India (CONCOR) registered a healthy traffic growth of 18.4% during the year 1996-97. The Corporation's total turnover increased from Rs 389 cr in the previous year to Rs 534 cr in 1996-97. Indian Railway Finance Corporation (IRFC) earned a profit of Rs 102 cr in 1996-97. It mobilised a total of about Rs 2558 cr in the domestic and international market in 1997-98.

**Research, Designs and Standards Organisation (RDSO)**

72. RDSO functions as consultant to the Indian Railways in technical matters. The important projects in hand include development of railway girder bridge sleepers in advance composites, retrofitment of air spring in the existing DC EMU bogies, optic fibre signalling and communication, solid state interlocking and BG high speed coaches.

73. In order to give a fillip to R&D, the budget provision for research projects of RDSO has been enhanced from Rs 3 cr in 1997-98 to Rs 10 cr in 1998-99 Plan outlay.

**Role of Railway Labour Federations**

74. Industrial relations on Indian Railways continue to be cordial. The established fora viz. Permanent Negotiating Machinery (PNM), Departmental Council (DC) / Joint Consultative Machinery (JCM) and Participation of Railway Employees in Management (PREM) played an effective role in resolution of issues through meaningful dialogue.

**Medicare**

75. Indian Railways have been providing excellent medical services to its employees through a network of 122 hospitals and 670 dispensaries spread all over the country. Railway Health Services have contributed significantly to the overall performance of the Railways by keeping the health, morale, and productivity of the railway employees at high levels. Railways also fully participated in the nation-wide campaigns for eradication of Polio and Family Planning.

**Welfare of Other Backward Classes**

76. Indian Railways have always taken a lead in looking after the interests of weaker sections of the society. As Hon'ble Members are aware, associations representing the interests of Scheduled Castes and Scheduled Tribes have been in existence on the Railways at the Divisional, Zonal and Railway Board levels for the past several years. In the same spirit, last year some facilities have been extended to associations of the employees belonging to Other Backward Classes to represent their grievances at the Zonal and Divisional levels. I have now decided to facilitate the formation of the Association representing the interests of OBCs at the Railway Board level also. Further, it has been decided to extend to the OBC associations at the Railway Board, Zonal and Divisional levels all the facilities given to the All India SC/ST Railway Employees Associations.

**Sports**

77. The performance of Indian Railways on the national sports scene during 1997-98 was excellent. Railways won as many as 30 national titles out of a total of 37, an all-time high by any sports organisation in the country. While a large number of railway sports persons won Gold Medals, two of them also won the coveted Arjuna Award.

78. Indian Railways have traditionally been on the forefront of promotion of sports. They provide job security and a congenial environment for sportspersons who have already attained national and international status, as well as facilities for budding sportspersons to develop their talents. Accordingly, Indian Railways will actively scout for the top sporting talent in the country to join the Railways. As regards the other category, recruitment will be done through open advertisements to ensure equal opportunity and transparency.

79. In keeping with the spirit of promotion of sports by Indian Railways, it has been decided that the "Railway Sports Control Board" will be renamed as "Railway Sports Promotion Board."

**Budget Estimates 1998-99**

80. I shall now deal with the Budget Estimates for 1998-99.

81. On the basis of freight traffic projection of 450 million tonnes and passenger growth of 5% over 1997-98, the Gross Traffic Receipts at the current fares and freight rates were estimated at Rs 31,022 cr in the interim Budget. This figure is retained.

82. Ordinary Working Expenses had been provided in the interim Budget at Rs 23,370 cr. Since then, the rates of TA/DA and Running Allowance have been revised. The impact of these revisions is quite substantial, assessed at Rs 836 cr. This additional requirement is proposed to be met partially by an additional provision of Rs 350 cr and the balance is proposed to be met by effecting savings in certain other areas of working expenses. Thus, the Ordinary Working Expenses are revised upwards to Rs 23,720 cr from Rs 23,370 cr.

83. The appropriation to Pension Fund, which was placed at Rs 4,000 cr in the interim Budget, has been reduced to Rs 2,218 cr, mainly in view of a substantial relief in pensionary payments due to enhancement of retirement age from 58 to 60 years. On the other hand, in order to plan for renewal and replacement works at a higher level, the appropriation to the Depreciation Reserve Fund is placed at Rs 2,473 cr as compared to Rs 1,500 cr of appropriation supplemented by Rs 800 cr from the balance in the Fund, as per the interim Budget.

84. With this, the Total Working Expenses will amount to Rs 28,411 cr, leaving Net Traffic Receipts of Rs 2,611 cr. A sum of Rs 372 cr is estimated by way of Net Miscellaneous Receipts, and thus Net Revenue would amount to Rs 2,983 cr. A higher provision of Rs 1,777 cr, as against Rs 1,756 cr in the interim Budget, has been made towards the Railways' dividend liability due to the upward revision of Capital from General Exchequer. In the result, the 'Excess' of receipts over expenditure works out to Rs 1,206 cr. As I mentioned earlier, the Railways' Plan outlay of Rs. 9,500 cr has an internal resource component of Rs 4,400 cr. Out of this, Rs 1,656 cr is to be met out of the "Excess", which is insufficient to the extent of Rs 450 cr.

85. Sir, I am sure that the Hon'ble Members from all sections of the House fully recognise it to be in the long term interests of the Railway system that its operational and financial strength are not only maintained but also enhanced. Generation of adequate internal resources for the Railway Plan is a must, which implies that the tariff must inevitably rise with the rising input costs. This has certainly been the case with freight tariff, which has in fact reached a level over which any further increase would be a severe burden on the economy as well as the rail users. It entails a serious risk of a loss of railway's market share, a risk that is not desirable both for the Railways and the country. On the contrary, the pricing of passenger services has been so moderate as to require increasing amounts of cross-subsidisation from freight earnings. Such a pattern of pricing is not sustainable. I am not, for a moment, underestimating the need for cheap transport for the poor among the railway passengers. Keeping that humane objective in view, I am reluctantly constrained to make certain revisions in the fares for passenger travel.

86. It is proposed to increase the fares of Second Class (Ordinary) by Re 1 for distances up to 50 km, Rs 2 from 51 km to 100 km, Rs 3 from 101 km to 300 km and Rs 5 from 301 km onwards. Sir, I would like to mention that 80% of the passengers of this class travel in the distance zone of 1 to 50 km and will pay just one rupee more.

87. The fares of both First Class (Ordinary) and Sleeper Class (Ordinary) will be increased, by Rs 5 for distances up to 750 km, Rs 10 for distances from 751 km to 1,500 km and by Rs 20 for distances beyond. Here again, 90% of the passengers of these classes travel up to 750 km, and will pay only Rs 5 more.

88. The commuters of metro cities depend heavily on the suburban rail services and most of them are low wage earners. Keeping this in view, I propose to increase the Monthly Season Ticket fares only by Rs 5 for journeys up to 50 km, by Rs 10 for distances between 51 km and 100 km and by Rs 15 for distances beyond. Since Season Ticket holders make, on an average, 50 journeys in a month and approximately 80% of them travel up to 50 km, the increase in their case works out to only 10 paise per journey.

89. For Mail/Express trains, Sir, I propose to increase the fares marginally. The increases in Second Class will be Rs 5 for distances up to 500 km, rising in steps to Rs 25 for 2,501 km onwards. Similarly, in Sleeper Class the increases will be from Rs. 10 to Rs 45. Keeping in view the fact that mostly the lower income groups use these two classes for long distance journeys, the increase has been kept to the minimum. The fares of higher classes are however being increased by higher amounts - Rs 20 to Rs 60 in First Class Mail/Express and AC Chair Car Class, Rs 40 to Rs 120 in AC 3 Tier, by Rs 60 to Rs 180 in AC 2 tier and by Rs 180 to Rs 540 in AC First Class. Bedrolls will be supplied free in AC 3-tier Class.

90. The fares for Rajdhani and Shatabdi express trains are proposed to be increased by 20% in all the classes.

91. The fares for Metro Rail, Calcutta are also proposed to be increased by Re 1 for 1 km to 5 km distances, Rs 2 for 6 km to 10 km distances and Rs 3 for distances beyond 10 km. As regards MRTS Chennai, I propose to revise the rate of existing surcharge of 50 paise to Re 1 in Second class per passenger. The surcharge will be Rs 2 per passenger in First class.

92. In order to meet the increasing cost of computerised reservations, I propose to increase charges by Rs 5 for all classes.

93. The supplementary charge for superfast trains is also proposed to be revised from the existing Rs 5 - 25 to Rs 10 - 50.

94. The price of platform ticket is proposed to be fixed at Rs 3.

95. Sir, the parcel freight rates for newspapers and magazines have not been revised for several years. The rates for magazines are now proposed to be increased by 20 %, but newspapers will not be affected. Parcel and Luggage rates of all other commodities are proposed to be revised upwards by 5%. Banana traffic moving in train loads will be given concession at the existing level on the revised rates.

96. As far as freight rates are concerned, as I mentioned earlier there is practically no scope to make a general increase at this point of time. I propose to make only a few marginal adjustments, involving a slight increase in some cases and slight reduction in others.

97. I propose to adjust the freight rates for Coal in shorter distances marginally - the increase being in the range of about 2% at different distances up to 500 km. There will be no increase beyond 500 km up to 1500 km and a reduction of 1% beyond 1,500 km. Iron ore, manganese and other common ores, timber, soda ash, rubber crude and caustic soda, which are at present having relatively low classifications for charge, are proposed to be moved up by one step.

98. Relief was earlier granted to Steel Industry by reducing the classification for Iron or Steel temporarily from Class 230 for trainload and Class 250 for wagonload to Class 210 for train-load and class 230 for wagonload respectively. This relief will continue.

99. To make the rail rates more attractive over middle and long distances, I propose to adjust the taper of rates for Coal, Cement, Iron or Steel such that the rates will reduce at longer distances, by about 1% to 2%. This, I hope, will not only give a boost to the core sector, but will also enable this sector to offer more traffic.

100. In order to offer further relief to the industry and agriculture, I propose to reduce the classification of Limestone, Dolomite and Gypsum by one step.

101. Certain commodities like foodgrains, edible salt, urea, edible oils, kerosene, liquid petroleum gas etc. have been exempted in the past from increases in freight rates. In these cases the exemptions are proposed to be continued with a view to avoiding a burden on the common man and the agriculture sector.

102. Railways are also examining a scheme of discounts on substantial offer of assured additional traffic. I hope this scheme will be welcomed.

103. Sir, these proposals will be effective from 20.6.1998 and are expected to yield Rs 450 cr during the remaining part of the current financial year, just so that the gap in the resources for the Railways' Annual Plan can be bridged. This will be a small step in the right direction, of limiting the extent of cross-subsidy to passenger services by freight.

104. Sir, I deem it a unique privilege to be presenting the Railway Budget in this golden jubilee year of independent India. The encouragement and motivation that I have received from the Hon'ble Prime Minister, Shri Atal Behari Vajpayee ji has been a source of inspiration for me. I am indeed grateful for his guidance. Indian Railways is a great organisation that draws its strength from valuable traditions. I am confident that with these strengths and with the patriotic determination of railwaymen at all levels to contribute their best efforts, Indian Railways will continue to play a notable role in the economic prosperity of this great country and its people.

105. Sir, I look forward to the support of Hon'ble Members to meet the challenges before the Indian Railways.

106. With these words, Sir, I commend the Railway Budget 1998-99 to the House.

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