

**Speech of Shri C.K. Jaffer Sharief
Introducing the Railway Budget, 1993-94
On 24th february, 1993**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for the year 1992-93 and Budget Estimates for 1993-94 for the Indian Railways.

Introduction

2. Sir, the time has come to renew our pledge to maintain the unity and the integrity of our Nation, preserve the noble ideals enshrined in our Constitution, and, reaffirm our faith in the rule of law. I am, Sir, referring to the unfortunate Ayodhya incident and its aftermath. There are no quick-fix solutions. The future should be built on the solid foundation of our common heritage and religious tolerance, eschewing fundamentalism, which is alien to our culture. Sir, it is indeed creditable that the Railway family remained a shining example of communal harmony and amity.

Freight Performance, 1991-92

3. Sir, I shall briefly review the performance during the year 1991-92. Sir, I am very happy to state that the Railways carried 338 million tonnes of revenue earning freight traffic. This was three million tonnes more than the Budget Estimate target of 335 million tonnes and 19.6 million tonnes more than the loading achieved in 1990-91. Thus, a growth rate of over 6% was achieved during this year. The Railways would have surpassed even this target but for the agitation and economic blockade by Jharkhand Mukti Morcha.

Passenger Traffic 1991-92

4. Passenger traffic also registered an impressive growth. The number of originating passengers increased by about 5% and passenger kilometres by about 6.4%.

Financial Results, 1991-92

5. Sir, the financial results truly reflect the good physical performance. Sir, an excess of Rs. 235 cr. was projected in the Budget Estimates for the year 1991-92. This excess was placed at Rs. 435 cr. at the Revised Estimate stage, after providing in full for the dividend liability of Rs. 1,039 cr. and Rs. 40 cr. additionally for the Pension Fund. I am very happy to inform the House that Indian Railways not only achieved the projected excess of Rs. 435 cr. but augmented the Pension Fund further by Rs. 90 cr. and liquidated the deferred dividend liability to an extent of Rs. 74 cr. Sir, this is indeed a creditable performance, as yet unsurpassed in the annals of Indian Railways.

Freight Prospects, 1992-93

6. Sir, the Indian Railways started the current year on an optimistic note. A general upswing in the transport demand was anticipated as a result of the bold industrial and economic reforms initiated by the Government. The originating revenue earning originating freight traffic was expected to go up from 338 million tonnes in 1991-92 to 354 million tonnes in 1992-93. The projected traffic from the core sectors has, however, not materialised. The tragic event at Ayodhya and the disturbances thereafter have also taken their toll of the freight movement. Nevertheless, the Railways hope to carry 350 million tonnes of traffic, 12 million tonnes more than that carried last year, and this has been provided for in the Revised Estimates.

Passenger Traffic, 1992-93

7. It was anticipated that, in the current year, there would be a growth of passenger traffic by about 5%. The anticipated growth in passenger traffic has not materialised. The Ayodhya incident and the law and order situation which prevailed in the country thereafter have resulted in substantial reduction in passenger earnings.

Financial Prospects, 1992-93

8.1 As the House is aware, a detailed Action Plan was launched this year to achieve

reduction in working expenses by cost control, cost reduction and economy measures, besides augmenting earnings through marketing strategies and plugging leakage of revenue, through intensive checks. The Action Plan is being implemented in all earnestness by the Zonal Railways.

8.2 Though passenger earnings are likely to be Rs. 4,330 cr. vis-a-vis the Budget target of Rs. 4,648 cr., the Budget target of Rs. 10,568 cr. of goods earnings is likely to be exceeded by Rs. 532 cr. The gross traffic receipts are expected to go up from the budgeted figure of Rs. 15,884 cr. to Rs. 16,115 cr., an increase of Rs. 231 cr.

8.3 The Ordinary Working Expenses for the current financial year, 1992-93 are estimated at Rs. 10,575 cr. Several post-budgetary factors such as higher dearness allowance rates, decontrol of steel prices, procurement of foreign exchange at market rates, hike in diesel prices and increase in electricity tariff have put the working expenses under a severe strain. While the Indian Railways are able to absorb most of the post-budgetary impact, it has, nonetheless, become inescapable to provide in the Revised Estimates 1992-93, an amount of Rs. 115 cr. over the Budget Estimates of Rs. 10,460 cr.

8.4 In the Budget for the year 1992-93, provision for payment of deferred dividend of Rs. 416 cr. was made. Since an amount of Rs. 74 cr. of deferred dividend liability has already been discharged in the year 1991-92, the liability gets reduced from the budgeted figure of Rs. 416 cr. to Rs. 342 cr.

8.5 After meeting in full the dividend liability of Rs. 1,146 cr. and the deferred dividend liability of Rs. 342 cr., an excess of Rs. 757 cr. is anticipated as against the budget of Rs. 564 cr. This excess of Rs. 757 cr. will be utilised in repayment of Development Fund loan together with interest thereon, cost of Development Fund Works and to meet part of the capital requirements of the Railways.

Capital Fund

9. Sir, the House is aware that the budgetary support provided by the General Revenues to Indian Railways is declining. It has come down from 75% in the Fifth Plan to 58% in the Sixth Plan and 42 in the Seventh Plan. It is now only 14.7% in 1993-94. At the same time, the market borrowings by Indian Railway Finance Corporation to supplement the Railway Plan are becoming increasingly difficult and expensive. Thus a substantial component of the capital outlay will, from now onwards, have to be met with from out of the internally generated resources. A Memorandum has accordingly been submitted to the Railway Convention Committee to approve setting up of a Capital Fund. Meanwhile, this new Capital Fund is being set up from this year. This Fund will be financed from out of the internally generated resources and will be used to meet part of the capital requirements.

Action Plan, 1993-94

10.1 Sir, I have directed the Ministry to formulate the Action Plan for 1993-94, to achieve at least a 2% improvement in Operating Ratio. We are living in difficult times and it is not just essential but crucial for the economy that we should explore and implement cost-effective methods.

10.2 Sir, in my last Budget speech, I had indicated that a Committee of experts would be set up to make recommendations to bring about change in management ethos so that rail transport becomes a way of business. I wish to inform the House that a Committee of experts is being set up shortly to conduct a detailed study and give recommendations on the necessary organisational and structural changes.

Passenger Services

11.1 There is a continuous demand for introducing new passenger trains. I wish I was able to meet these demands fully, but as the House is aware, increase in passenger services requires massive inputs by way of coaches, engines, development of terminals and augmentation of line capacity but enough resources are just not available. We have, therefore, to strike a judicious balance between the demand for new passenger trains and the requirements of freight traffic. After presentation of the last Budget, 77 new trains, including a weekly Rajdhani Express from New Delhi to Secunderabad and Bangalore, have been introduced this year.

11.2 I am happy to inform the House that the following trains will be introduced in 1993-94:

1. A weekly Rajdhani Express between Hazrat Nizamuddin and Madras.
2. A Superfast train between Hazrat Nizamuddin and Mangalore.
3. A Superfast train between Hazrat Nizamuddin and Nagpur/ Jabalpur.
4. A triweekly Express train between Delhi and Jammu Tawi.
5. A Link Express between New Jalpaiguri/Katihar and Delhi.
6. An Express train between Dhanbad/Adra and Tatanagar.
7. An Inter-city Express between Agra and Jaipur (M.G.).
8. A biweekly Superfast train between New Delhi and Bhubaneswar/Puri.
9. An Inter-city Express between Agra and Hazrat Nizamuddin.

11.3 The run of the following trains will be extended :

1. Patna-Dhanbad Patliputra Express up to Hatia via Bokaro Steel City.
2. Meerut-Lucknow/Allahabad Nauchandi Express up to Saharanpur.

11.4 The frequency of the following trains will be increased :

1. New Delhi-Howrah Rajdhani Express from five days a week to daily.
2. New Delhi-Bombay Rajdhani Express from six days a week to daily.
3. August Kranti Rajdhani Express from thrice a week to daily.
4. Dadar-Guwahati Express from weekly to biweekly.
5. Secunderabad-Visakhapatnam Visakha Express from biweekly to daily.

Quality Of Service

11.5 Sir, I am determined to improve the quality of service to passengers. Deficiencies in basic amenities like proper booking arrangements, waiting halls, drinking water supply arrangements etc. are being removed on a sustained basis. To improve illumination in the coaches, existing 24 volts system in train-lighting is being upgraded to 110 volts. The overhead water tank capacity in new second-class sleeper coaches has been increased from 1,820 to 2,220 litres on Broad Gauge. For improving the system of passenger enquiries, the Railways continue to provide additional telephones, train indication display boards and hot lines between enquiry offices and control rooms. Public Call Offices have been provided at important stations. STD/ISD facilities have also been provided at several important stations.

Computerisation

11.6 The House is aware that computerisation of passenger reservation has been widely acclaimed and has led to immense customer satisfaction. This facility has so far been extended to 37 stations and work on 18 stations is in progress. It is proposed to include installation of this facility on 12 more stations in the Budget for 1993-94. With the completion of these facilities, nearly 80% of the reservations will be done on the computer.

Insurance Scheme

11.7 Sir, the House is aware that passengers who die or get injured in train accidents only are entitled to get compensation. I am happy to inform the House that Indian Railways will soon be launching an insurance scheme to cover incidences of deaths/injuries to bonafide passengers on account of terrorist attacks, dacoities, bomb blasts etc. The Railway staff travelling on duty or on railway passes will also be covered under this scheme.

Catering

11.8 I had informed the House last year about privatising the catering services. However, in the light of the feelings expressed by the Hon'ble Members, I have decided to continue the existing Departmental Units. I assure the House that all efforts would be made to ensure that the food served to the travelling public is nutritious, delicious and hygienic.

Safety

12.1 The safety of passengers continues to receive the highest priority and is an area where we are not prepared to make any compromise. I may mention that the number of train accidents has come down from 717 in 1985-86 to an all-time low figure of 530 in 1991-92. There has also been an improvement in the universally accepted index of safety performance, namely, train accidents per million train kilometres, from 1.3 in 1985-86 to 0.84 in 1991-92.

12.2 In the current year too, the trend of improvement has been sustained. There were 439 train accidents during April, 1992 to January, 1993, as against 454 in the corresponding period of last year. Unfortunately, there have been some railway accidents involving loss of human life. I convey my heartfelt sympathies to the bereaved families through this House.

12.3 Human failure continues to be the most predominant factor responsible for train accidents. Continuous efforts are being made to inculcate safety consciousness amongst railwaymen through various measures including intensive counselling, monitoring of critical safety categories of staff, improved training techniques and improvement in the working environment. Besides, Indian Railways are upgrading the track structure, maintaining assets in good fettle and installing safety aids such as track circuiting to minimise train accidents.

Sub-Groups Of Consultative Committee

13. As the House is aware, I have constituted three sub-groups from amongst the members of the Consultative Committee for Ministry of Railways. These sub-groups are making a comprehensive study of various important aspects of railway working, namely,

- (a) Financial prospects of Indian Railways;
- (b) Disposal of scrap;
- (c) Commercial exploitation of railway land;
- (d) Gauge conversion and expansion of railway network;
- (e) Rolling stock-planning, availability, capacity generation; and
- (f) Passenger services-improvements and rationalisation of train stoppages.

I am happy to inform the House that these sub-groups are keenly studying the areas assigned to them and are likely to submit their recommendations by the end of March, 1993. I assure the House that the recommendations made by these sub-groups will receive earnest consideration.

Eighth Plan

14.1 Sir, as the House is aware, Indian Railways gave an excellent account of themselves in the Seventh Plan in terms of additional transport effort, technological up gradation, improvement in asset utilisation and productivity. The financial performance was equally noteworthy and a surplus of Rs. 560 cr. was generated after meeting the dividend liability in full. The trend of improvement continued in the years 1990-91 and 1991-92. The Eighth Plan has been launched to reinforce these achievements.

14.2 The size of the Eighth Plan has been fixed at Rs. 27,202 cr., including a budgetary support of Rs. 5,375 cr. The Eighth Plan objectives are an annual growth rate of 5% in passenger traffic and a total freight traffic of 443 million tonnes in the terminal year of the Eighth Plan. The thrust areas in the Plan period would be renewal and replacements of worn out assets, gauge conversion, electrification, rolling stock, improved passenger services, development of terminal capacity and intermodal transport.

14.3 The current year, 1992-93, is the first year of the Eighth Plan. The Plan size for this year is Rs. 5,710 cr. including an amount of Rs. 1,200 cr. to be mobilised by Indian Railway Finance Corporation through issue of bonds. Unfortunately, due to adverse bond market conditions, Indian Railway Finance Corporation has so far been able to mobilise only a meagre amount of Rs. 10.5 cr., even though the rate of interest on the bonds was increased from 9% to 10.5% tax-free. The Plan was in jeopardy. Since infrastructure development is crucial for economic development, I have decided to keep the Plan size intact. Out of Rs. 1,200 cr. to be mobilised through bonds, an amount of Rs 238 cr. is proposed to be met through internal resource generation of Railways themselves. Indian Railway Finance Corporation has paid Rs. 530 cr. from its own corpus and is making further efforts to mobilise resources.

14.4 Sir, the Railways' capacity has now reached a plateau and there is hardly any slack left in the system. Massive outlays are needed for creation of additional capacity and for replacement of assets. Development of alternative routes through gauge conversion has become a necessity for smooth flow of rail traffic and for opening up areas for development. The size of the Eighth Plan may require a mid-term upward revision.

Annual Plan, 1993-94

15.1 The outlay for the Railway Plan, 1993-94 is fixed at Rs. 6,500 cr. as against the Plan size of Rs. 5,710 cr. for the current year. If one takes into account the general inflation and the increase in steel prices due to decontrol, the size of the Plan for 1993-94 will, in real terms, be not more than that of the current year. A notable feature of this Plan is that the budgetary support provided is only Rs. 960 cr. An amount of Rs. 4,640 cr. will be met from out of the internally generated resources and the balance of Rs. 900 cr. is proposed to be raised through issue of bonds. It is for the first time that more than 70% of the Plan outlay is being funded by the resources generated internally, after payment of dividend in full.

15.2 I am also conscious of the fact that whatever resources are available, have to be utilised optimally. Only inescapable and absolutely essential new works are being included in the budget, and the additional transport capacity will be created in a most cost-effective manner.

15.3 The thrust areas in the Plan are rehabilitation of assets, acquisition of rolling stock, gauge conversion, electrification and other essential works.

15.4 Sir, in times to come, massive resources will be required to maintain and build up this vital infrastructure and it cannot be left to the Railways alone to raise resources through internal generation and I beseech the support and valuable guidance of the House on this important matter.

New Lines, Gauge Conversions And Doublings

16.1 I am happy to inform the House that 319 kilometres of new line projects and sections are targeted to be opened before the end of March, 1993. These are :

1. Amguri-Tuli
2. Alleppey-Kayankulam
3. Telapur-Patancheru
4. Bilaspur-Rudrapur of Rampur-New Haldwani project
5. Dindigul-Madurai of Karur-Dindigul-Tuticorin project
6. Talcher-Angul of Talcher-Sambalpur project
7. Trichur-Guruvayur
8. Satna-Rewa
9. Gwalior-Sanichara and Khajuri to Shivpuri of Guna-Etawah project
10. Mathura-Deeg of Mathura-Alwar project
11. Sambalpur-Maneswar of Talcher-Sambalpur project

16.2 The following new line projects and sections totalling 269 km are programmed to be completed during 1993-94 :

1. Deeg-Alwar of Mathura-Alwar railway line
2. Challakere-Rayadurg of Chitradurg-Rayadurg project
3. Lakshmipur-Rayagada of Koraput-Rayagada project
4. Rudrapur-Lalkua of Rampur-Kathgodam project.

With the opening of these sections, the following four projects would be completed :

1. Mathura-Alwar
2. Koraput-Rayagada
3. Chitradurg-Rayadurg
4. Rampur-Kathgodam

16.3 I am happy to inform the House that clearance of Planning Commission has since been received for taking up broad gauge lines from Narkher to Amravati and Nizamabad to Peddapalli via Karimnagar and these lines which will bring about speedy development in backward

areas have been included in the Budget for 1993-94. Another new line from Daitari to Banspani has been taken up to handle traffic for the new steel plant coming up in the area.

16.4 As the House is aware, Indian Railways have embarked on the project 'Unigauge' in a big way. When I announced last year that 1,200 kilometres of gauge conversion will be completed in 1992-93, several doubts were expressed. These doubts were legitimate as the track record of the Indian Railways in the Seventh Plan was to complete gauge conversion at the rate of 100 kilometres per year. Sir, I am happy to inform the House that gauge conversions of Bangalore-Mysore, Lalgah-Nagaur, Dindigul-Madurai (Parallel BG), Lalgah-Kolayat, Nadiad-Kapadvanj, Mankapur-Katra, Faziika-Kotkapura, Sawaimadhapur-Jaipur, Lucknow-Harauni, Bangalore-Yelahanka, Parbhani-Parli Vajinath, Purulia-Kotshila, Madurai-Virudunagar, Guntur-Narsaraopet, totalling 880 km have already been completed this year. It is expected that gauge conversion of the following sections will also be completed in the current year :

1. Delhi-Rewari
2. Bellary-Rayadurg
3. Harauni-Unnao
4. Burhwal-Mahmudabad
5. Bangalore-Tumkur
6. Aurangabad-Jalna
7. Nagaur-Merta Road
8. Virudunagar-Tuticorin
9. Bolarum-Secunderabad – Falaknuma

I am quite confident that during the year 1992-93 Indian Railways will surpass the stiff target of 1,200 kilometres of gauge conversion by more than 150 kilometres. I am sure, the House would join me in congratulating Railwaymen for this notable achievement.

16.5 The opening of about 1,350 kilometres of gauge conversion in the very first year of the Eighth Plan augurs well for the unigauge project.

16.6 The following new gauge conversion works have been included in the Budget for 1993-94

1. Rewari-Bhatinda
2. Lumding-Dibrugarh with linked branches
3. Jodhpur-Jaisalmer
4. Neemuch-Ratlam
5. Phulera-Ahmedabad
6. Luni-Marwar

It is proposed to open 1,600 kilometres of gauge conversion in 1993-94. Thus, in the first two years of the Plan, we will be completing gauge conversion totalling 2,950 kilometres, as against the Eighth Plan target of 6,000 kilometres.

16.7 Besides, Railways have already taken up survey for conversion of Miraj-Latur with extension up to Latur Road. The survey for conversion of Rupsa-Bangriposi line with extension up to Gurumahisani has been included in the Budget for 1993-94.

16.8 Doubling of about 200 kilometres of track will be completed during 1992-93. Another 250 kilometres are proposed to be completed in 1993-94.

16.9 The following new doubling works have been included in the Budget for 1993-94

1. Karpuiigram-Siho
2. Gajapatnagaram-Vizianagaram
3. Jhapater Dhal-Guskara

Track Renewals

17. The House is aware of the importance that we have been placing on track renewals to minimise the incidences of rail fractures, speed restrictions and derailments. The accumulated arrears of track renewals, which stood at 19,500 kilometres at the beginning of the Seventh Plan, came down to 9,600 by March, 1992. With the adoption of unigauge policy, renewals of metre

gauge and narrow gauge routes proposed for conversion to broad gauge would be restricted to safety renewals. The target for track renewals set for 1993-94 is 2,550 kilometres, including 250 kilometres of safety renewals on the metre gauge. This would leave arrears of 4,400 kilometres of track renewals on the broad gauge. Due to resource crunch, there will be some spill-over into the Ninth Plan. We will, however, make efforts to liquidate the arrears on the high density routes.

The Metropolitan Transport Projects

18.1 The House is aware that the two sections, Esplanade-Tollyganj and Dum Dum-Belgachia, totalling 10 kilometres of the Metro Railway, Calcutta are already under commercial operation work on the remaining stretch of 6.5 kilometres between Esplanade and Belgachia is in progress and it is expected that this stretch will be commissioned by March, 1995.

18.2 An 18 kilometre long rail line from Mankhurd to Belapur with a bridge across Thane creek is under construction. The 13 kilometre stretch Mankhurd-Vashi-Nerul has been opened to traffic. The remaining work is likely to be completed by June, 1993.

18.3 The Rapid Transit system from Madras Beach to Luz is under execution. The subsection from Madras Beach to Park Town has already been opened to traffic. The balance portion from Park Town to Luz is likely to be completed by March, 1995.

Konkan Railway

19. Konkan Railway Corporation is beset with financial difficulties, as it has not been possible to mobilise funds through raising of tax-free bonds. The immediate problems have, however, been taken care of and I am happy to inform the House that the project Corporation is proceeding according to schedule. Two sections, Mangalore-Udipi and Roha-Veer are ready for commissioning.

Railway Electrification

20.1 As the House is aware, Railway Electrification of heavy density routes is being assigned a high priority to reduce our dependence on petroleum products. I am happy to inform the House in 1991-92, electrification of 726 route kilometres was completed against the target of 675 route kilometres.

20.2 Electrification of about 500 route kilometres will be completed in the current year. Kazipet-Sanatnagar section will be fully electrified, as also parts of Bina-Katni-Bilaspur and Sonnagar-Garhwa Road sections.

Production Units

21.1 The performance of Production Units has been satisfactory in the year 1991-92.

21.2 Diesel Locomotive Works, Varanasi achieved its target of production of 150 Diesel Locomotives.

21.3 Chittaranjan Locomotive Works produced 115 electric locomotives, as against the target of 105 electric locomotives. It also produced 45 diesel locomotives.

21.4 Integral Coach Factory produced 1,016 coaches, exceeding its manufacturing capacity of 1,000 coaches.

21.5 Rail Coach Factory, Kapurthala manufactured 915 coaches, as against the target of 750 coaches.

21.6 Wheel and Axle Plant, Bangalore exceeded the target of 27,000 wheel sets by manufacturing 33,286 wheel sets. This improved performance has resulted in savings of foreign exchange of about Rs. 14 cr.

21.7 Diesel Component Works, Patiala is engaged in manufacture of spares for diesel locomotives and rebuilding of old diesel locomotives. Its turnover in 1991-92 was Rs. 49.2 cr. as against the target of Rs. 41.6 cr.

21.8 In the current year too, the Production Units are all set to achieve the targets.

Energy Conservation

22. Indian Railways place great emphasis on building an energy efficient transport system. The energy bill of the Railways constitutes about 20% of the working expenses and bulk of this is on traction. Of the three modes of traction-steam, diesel and electric, steam is the least energy-efficient and is being phased out at an accelerated pace. In the current year, about 650 steam locomotives are likely to be withdrawn from service. By 1996-97, there will be no steam locomotive on the broad gauge. The energy conservation measures and programmes have been identified. A fuel efficient kit has recently been developed and will be retrofitted on the diesel locos progressively from this year to minimise fuel consumption.

23. The House is aware that the Railway Fare and Freight Committee, headed by Dr. D.M. Nanjundappa, is examining the entire gamut of the railway fare and freight structure. The Report of the Committee may become available next year.

Productivity Linked Bonus

24. Productivity Linked Bonus, equal to 49 days wages, was paid for the year 1991-92.

Indian Railway Welfare Organisation

25. Indian Railway Welfare Organisation is constructing houses for Railwaymen on 'No Profit, No Loss' basis. It has already undertaken six housing schemes at NOIDA, Gurgaon, Gorakhpur, Calcutta, Madras and Ghaziabad for constructing about 3,000 houses. Besides, land has been acquired at seven more locations, Allahabad, Bombay, Faridabad, Hyderabad, Jaipur, Meerut and Panchkula for future housing projects.

Indian Railway Finance Corporation

26.1 The Corporation was to raise Rs. 1,200 cr. through market borrowing in the current year. Unfortunately, due to adverse bond market conditions, the Corporation has not been able to mobilise resources despite the rate of interest on the bonds having been increased from 9% to 10.5% tax-free. The Corporation also suffered a setback as a result of default on the part of Canfina to make due payments. I assure the House that all efforts are being made to get back the amount from Canfina as early as possible. The Corporation declared a dividend of 8% of the paid-up share capital, amounting to Rs. 18.5 cr. in 1991-92.

Indian Railway Construction

26.2 Indian Railway Construction Company recorded a turnover of Rs. 318 cr. with net foreign exchange earnings of Rs. 22.2 cr. The Company made a profit before tax of Rs. 12 cr. and declared a dividend of 10% of the paid-up share capital, Company amounting to Rs. 49.5 lakhs in 1991-92. The Company has successfully completed projects in Turkey, Bangladesh and Indonesia and has secured contracts in Malaysia, Bangladesh, Saudi Arabia and Indonesia.

Rail India Technical And Economic Services

26.3 Rail India Technical and Economic Services registered a turnover of Rs. 54.9 cr. with net foreign exchange earnings of Rs. 5.3 cr. The Company made a profit before tax of Rs. 7.9 cr. and declared a dividend of 37.5% of the paid-up share capital amounting to Rs. 37.5 lakhs in 1991-92. The Company has successfully completed projects in Algeria, Bangladesh and Nepal and secured contracts in Ghana, Indonesia, Mozambique, Swaziland, Tanzania and Zambia.

Container Corporation Of India

26.4 The turnover of Container Corporation of India has been steadily going up. It was Rs. 10 cr. in 1989-90, Rs. 32.2 cr. in 1990-91 and Rs. 50 cr. in 1991-92. The Company declared a dividend of Rs. 50 lakhs in 1991-92. During 1991-92 CONCOR commissioned container freight station at Mulund, domestic container terminals at Shalimar and soft coke siding, Tughlakabad. In the current year, two inland container depots, one at Tughlakabad and the other at Bangalore, will be commissioned. These depots have been designed as 'state-of-the-art' terminals.

Sports

27. Indian Railways continue to retain their pre-eminence in the sphere of national

sports. During the year 1991-92, Railway sportspersons participated in 35 National Championships and won 18 National titles. Arjuna Award, the Nation's highest recognition in the field of sports, has been conferred on a Railway sportsman. In the current year, Railway sportspersons have so far participated in 26 National Championships and won 16 National titles.

Medicare

28. It is well known that the Perambur Railway Hospital has done pioneering work in Cardiology and Cardiac Surgery. At present, about 900 operations are performed in a year. I am told that railway servants have to wait for about two to three months for surgery, due to constraints of space and funds. I am directing the Ministry to cause expansion of the Cardiology Ward and upgrade facilities.

Technological Improvements

29. As the House is aware, the Indian Railways are making all endeavours to increase the productivity of the system through modernization and technological upgradation. Towards this end, we have taken action in several directions :

- (a) The track structure is being strengthened by providing heavier and stronger rails and concrete sleepers. The rails are welded to provide for a safer and comfortable travel.
- (b) BCNA wagons have been introduced for enabling increased throughput.
- (c) Recently, Chittaranjan Locomotive Works has produced the first prototype electric locomotive of 5000 h.p. for freight operation. I am happy to inform the House that this landmark has been achieved entirely through indigenous efforts. This locomotive is provided with specially designed high capacity transformers and high adhesion fabricated bogies and will, to a large extent, help avoid double-heading on graded sections.
- (d) Designs have been finalised for a rail bus having a capacity of 75 seats on the broad gauge and 60 on the metre gauge. This bus can be driven in both the directions without turning and will provide a quick shuttle service on low-density branch lines in rural areas.
- (e) Designs have been finalised for diesel multiple units which can be run with high fuel efficiency and fast acceleration in any combination from three to nine coaches. These units will have the capacity to achieve the same transit time as Mail/Express trains and can be utilised on branch lines and in non-electrified suburban areas around major cities.
- (f) Indian Railways, in collaboration with RDSO, IIT Delhi and Industry have developed their own version of electronic interlocking which is the latest improved technology in the signalling field. This system is being installed as a trial measure at two stations and has the advantages of less storage space, less power consumption and can be easily modified as and when yard remodelling takes place.
- (g) Efforts to upgrade technology for production of high-speed coaches would be pursued so that the potential of Rail Coach Factory, Kapurthala is fully realised.

Industrial Relations

30. Sir, Indian Railways fully recognise that for higher productivity and efficiency of the system, total involvement of all Railwaymen is needed. The continuing harmonious and cordial industrial relations have immensely helped the Railways to achieve the desired goals. We greatly value the constructive role played by the organised labour at various levels as well as in the Permanent Negotiating Machinery. The Corporate Enterprise Groups, which have been functioning at Divisional, Zonal and Railway Board levels, provide an excellent forum for exchange of views and suggestions for better performance of the system.

Budget Estimates, 1993-94

31.1 I shall now deal with the Budget Estimates for the coming financial year, 1993-94. In 1993-94, the Railways are expected to carry 370 million tonnes of revenue earning traffic, which is 20 million tonnes more than the level of 350 million tonnes likely to be achieved in the current year. As regards passenger traffic, a growth rate of 6% over the traffic likely to be carried in the current year is anticipated.

31.2 On the basis of these projections, the gross traffic receipts at current fares and freight rates are estimated at Rs. 17,173 cr., an increase of Rs. 1,058 cr. over the Revised Estimates for the current year.

31.3 The Ordinary Working Expenses for the year 1993-94 are estimated at Rs. 11,955 cr., an increase of Rs. 1,380 cr. over the Revised Estimates for the current year. This increase is mainly to cover the cost of inputs for the incremental traffic, increase in price of fuel and other inputs, additional payment of Dearness Allowance and additional lease charges payable to the Indian Railway Finance Corporation.

31.4 It is proposed to step up the contribution to Depreciation Reserve Fund from Rs. 2,300 cr. in the current year to Rs. 2,400 cr. in 1993-94.

31.5 The contribution to Pension Fund is proposed to be increased from Rs. 1,200 cr. in the current year to Rs. 1,500 cr. in the coming year.

31.6 A Memorandum on the rate of dividend payable to the General Revenues on the Capital-at-charge has been submitted to the Railway Convention Committee. Meanwhile, provision for dividend for the year 1993-94 has been made at the same rate as adopted for the year 1992-93, except that the quantum of payment to States in lieu of passenger fare tax, has been increased from Rs. 23 cr. to Rs. 41 cr. per annum. On this basis, the dividend liability for 1993-94 works out to Rs. 1,253 cr.

31.7 The total working expenses, comprising ordinary working expenses and appropriations to Depreciation Reserve Fund and Pension Fund are expected to be Rs 15,855 cr. After adding the net miscellaneous receipts of Rs 282 cr., the net revenue will amount to Rs 1,600 cr. After payment of dividend of Rs 1,253 cr., the Railways will be left with an amount of Rs 347 cr. As against this, the Railways require Rs 2,195 cr., comprising Rs 1,960 cr. for works to be financed from Capital Fund and Rs 235 cr. for works chargeable to Development Fund.

32.1 Sir, the House is aware of the economic conditions prevailing in the country and the all round increases in the cost of inputs. The Railways have been continuously striving to absorb the impact of escalations in costs to the maximum extent. They have also restrained themselves from effecting a mid-year fare and freight hike consequent upon increases in cost of petroleum products, steel, electricity tariff rates etc. However, some increases in fares and freight rates have now become inescapable.

32.2 The Railways have been exempting certain commodities from freight increases in the past. I propose to continue the exemptions given in the past in respect of the following commodities :

1. Salt for human consumption
2. Kerosene
3. Livestock
4. Oilseeds
5. Liquid petroleum gas
6. Edible oils
7. Fodder
8. Gur, Shakkar and Jaggery
9. Fruits and vegetables
10. Tea
11. Organic manures; and
12. Chemical manures

32.3 Sir, recently on the basis of the recommendations of the Joint Parliamentary

Committee, the Railways have reduced the freight rates of eighteen varieties of chemical manures, thus foregoing substantial revenue. I do not propose to disturb this arrangement.

32.4 It is, however, proposed to withdraw the exemptions from freight increases given in the past in respect of four commodities, namely, grains & pulses, sugar, diesel and oil cake.

32.5 The freight rates for all commodities are proposed to be increased by 10% for distances upto 500 kilometres (inclusive) and 12% for distances from 501 kilometres and above. These increases will also apply to the twelve exempted commodities mentioned earlier.

32.6 The freight consignments are booked either as 'pre-paid' or 'to-pay'. In respect of 'to-pay' consignments, a surcharge of 5% is presently leviable. Sir, it has been noticed that in respect of coal, which accounts for more than 40% of the originating tonnage, abnormal delays take place in realisation of freight charges, which in a way, tantamounts to grant of an interest-free loan to the consignees. In order to discourage this practice, it is proposed to increase the 'to-pay' surcharge from 5% to 10% in respect of coal only.

32.7 My proposals in regard to passenger fares are as under

(i) I do not propose to increase the fares for Second Class ordinary upto a distance of 100 kilometres. However, the fares in the 1-15 kilometre slab will be rounded off to the next rupee. Consequently, in the 1-10 kilometre slab, the fare will be Rs. 2 instead of Rs. 1.50 and in the 11-15 kilometre slab it will be Rs. 4 instead of Rs. 3.50. In respect of distances beyond 100 kilometres, the Second Class ordinary fares are proposed to be increased by 10%. Sir, more than 80% of the Second Class Ordinary passengers travel up to a distance of 100 kilometres and will thus not be affected by this increase.

(ii) The fares for AC First Class, First Class, AC Sleeper, AC Chair Car and Second Class Mail/Express are proposed to be raised by 10% for all distances. Fares for Rajdhani Expresses, August Kranti Rajdhani Express and Shatabdi Express trains are also proposed to be suitably increased. The minimum fare for each class will be revised suitably to multiples of Rs. ten.

(iii) At present, the Railways levy sleeper surcharge in addition to the normal fare at the rate of Rs. 15 upto 500 kilometres, Rs. 20 from 501 to 1000 kilometres and Rs. 25 beyond 1001 kilometres. It is proposed to replace this arrangement by introducing a new class of travel, designated as "Sleeper Class" in respect of both Mail/Express and Ordinary trains. The fare for this new Class will be 25% higher than that for Ordinary and Mail/ Express Second Class. However, with the introduction of this Class, the existing system of recovering separate sleeper surcharge will stand abolished and therefore the net increase will be small. Sir, it has been our experience that passengers, who do not have sleeper reservations, enter the Second Class sleeper coaches causing inconvenience to the passengers with reserved accommodation. With the proposed introduction of the new Sleeper Class, only passengers holding tickets for this class will be allowed to travel in the sleeper coaches. To further ensure this, the minimum chargeable distance for this Class is proposed to be 200 kilometres.

(iv) Sir, there is an increasing demand for superfast trains and Railways have decided that trains which have an average speed of 55 kms or more on the Broad Gauge and 45 kms or more on the Metre Gauge will be designated as superfast trains. As a result of this, a number of trains have been deleted from the list of superfast trains. I propose to revise the supplementary charge for travel by superfast trains as under :

AC Sleeper	}	from Rs. 12 to Rs. 15
First Class		
AC Chair Car		
Sleeper Class		Rs. 10, as against Rs. 6 for the existing Second Class sleeper.
Second Class		from Rs. 2 to 5

(v) There is an ever-increasing demand for introducing computerised reservation system. The existing reservation charges in respect of reservations done through computers, are inadequate keeping in view the heavy cost involved in installation and maintenance of computerised reservation system. The reservation charges for computerised reservations are accordingly proposed to be increased as under :

AC First Class	from Rs. 20 to Rs. 25
AC Sleeper, First Class, } AC Chair Car }	from Rs. 10 to Rs. 15
Sleeper Class	Rs. 10, as against Rs. 7 for the existing Second Class sleeper.
Second Class (Seat)	from Rs. 3 to Rs. 5

There will be no change in respect of reservations done manually.

(vi) Sir, the Railways' efforts in reducing overcrowding on the platforms through the print and electronic media have not met with desired success. The Railways would like to keep the price of platform tickets sufficiently high to deter people from crowding the station platforms but this cannot be kept at more than the minimum fare for Second Class Ordinary. It is accordingly proposed to increase the price of platform ticket from Rs. 1.5 to Rs. 2.

(vii) Sir, the House is aware that the suburban services on Indian Railways are heavily subsidised. Today, a person holding a monthly season ticket can perform unlimited number of trips by paying a fare equivalent to 8 single journeys to 23 single journeys, depending upon the distance he travels. There has also been a steep increase in the operational costs, particularly due to hikes in the electricity tariff rates. It is proposed now to increase the fares for Second Class Monthly Season Tickets by the following amounts :

Distance (km)	Increase of (Rs)
1- 50	5.00
51-100	10.00
101-120	20.00
121-140	30.00
141-beyond	40.00

Sir, since about 80% of the commuters travel upto a distance of 50 kilometres, they will be affected only marginally as the increase in their cases has been limited to Rs 5 monthly season ticket.

(viii) The quarterly season ticket holders will continue to be charged at 2 ½ times the Monthly Season Ticket fares. First Class season tickets will continue to be charged at 4 times the second class season ticket fares.

(ix) At present, parcel traffic and goods in "Smalls" are charged at different rates. The carriage of smalls in goods wagons leads to loss of earning capacity of wagons and delay in transit to consignments. It is proposed to rationalise the freight rates for less than wagon load goods consignments and parcels so as to have uniform rates for both categories of traffic. This rationalisation is proposed mainly to simplify the existing system for booking and also for giving flexibility to the Railways to carry such consignments in brake vans, parcel vans vehicles or goods wagons.

33. The above proposals, which are proposed to be made effective from 1.4.1993 are expected to yield an additional revenue of Rs. 1,848 crores in the year, 1993-94.

34.1 Sir, I am privileged to be the head of the Railway family at a time when the Railways are poised for epoch-making achievements. Sir, I have been, in no small easure, receiving the understanding and full support of the Prime Minister, Shri P.V. Narasimha Rao, in tackling very delicate problems faced by the Railways from time to time. I acknowledge the dedication and devotion of the Railwaymen. The physical and financial performance of the Railways is indeed laudable. The indebtedness to General revenues which stood at Rs. 950 cr. in

1990-91 is expected to be liquidated in 1992-93, an achievement as yet unsurpassed, and perhaps unsurpassable, in the annals of Indian Railways. The Nation can be justly proud of the Indian Railways' achievements since independence. The unigauge programme, modernisation and upgradation of the system, hand-in-hand with human resource development, would enable the Railways to scale new heights of performance. Given the present track record, we can expect the Railways to do that provided funds for infrastructure developments are forthcoming, as there are limitations to internal generation of resources.

34.2 With these words, Sir, I commend the Railway Budget for 1993-94 to this House.
