

**Speech of Shri Nitish Kumar
Introducing the Railway Budget
for 1999-2000, on 25th February 1999**

Mr. Speaker Sir,

I rise to present the Budget Estimates for 1999-2000 for the Indian Railways.

Introduction

2. This government is about to complete one year in office. During this period, a "Status Paper" and "White Paper", have been placed before the Parliament, to help appreciate the financial position, shortage of resources and the various challenges and difficulties faced by Indian Railways. I am happy to report that on some of these issues, we have taken concrete steps as I shall presently explain in the speech.

3. The year 1998-99 has been a difficult one, not only for the Railways, but perhaps for the whole country. Our industrial and financial growth have been affected by the global financial crisis and various other difficulties, impacting the Railway system also. Freight loading has not been as per our expectations. On the other hand, expenditure has gone up considerably as a result of the Fifth Central Pay Commission's recommendations. Mr. Speaker, Sir, such circumstances would have discouraged any other organisation but I am happy to say that without being disheartened by such adverse situations, we succeeded in achieving many of our objectives. Notwithstanding the constraint of resources, we have enhanced passenger carrying capacity of trains by attaching two or more coaches in 100 popular trains. Thus, by adding 440 additional coaches, we generated carrying capacity of more than 29,000 passengers per day. Apart from this, 124 new trains were introduced, the run of 32 trains was extended and the frequency of 32 trains increased. I am happy to state that all announcements made regarding passenger trains in 1998-99 with the exception of one, have been fulfilled.

"1999-2000 - Passenger Year"

4. Sir, the progress made in passenger services during this year has not made us complacent. I propose to declare the year 1999-2000 as the "Passenger Year" and take still greater strides in this direction. It will be our earnest effort to not only provide reliable and better services but it will also be our endeavour that our staff behave more courteously and the passengers get reservation easily. We will make efforts to make at least one station in each Division as model station where higher level of passenger facilities will be provided and to upgrade some selected passenger terminals. I would like that improved amenities are provided on all passenger trains but, in the first phase, special emphasis will be given to the maintenance of 30 Mail and Express trains, apart from Rajdhani and Shatabdi trains, so as to ensure that there are no complaints in this respect.

5. Sir, during the "Passenger Year", our efforts to control the activities of the touts will be greatly intensified. To begin with, in the first phase, our effort will be to make Calcutta, Mumbai, Delhi and Chennai free of touts. We are aware that this is a very difficult task but all necessary steps will be taken to achieve this.

Passenger Amenities

6. One of our most important goals has been to continuously improve passenger amenities. In the current year also, we have taken a number of steps which I would like to mention :-

- (i) A "Customer Care Institute" is shortly being opened in Delhi with a view to improve politeness and courtesy in the behaviour of the staff like ticket collectors, booking clerks etc., who come in direct contact with the public.
- (ii) Delhi, Secunderabad, Calcutta and Mumbai Passenger Reservation Systems (PRS) have been linked with the network, and Chennai will also get connected to this network by 31.3.99. With this, facility will now be available to get reservation by any train from any of the PRS terminals in the country.
- (iii) In the last Budget, the norm for setting up a PRS centre was reduced from 300 to 200 reservations per day. As a result, 75 additional PRS centres have been set up, raising the total number of centres to more than 400.
- (iv) With the establishment of "Rail Net" and the computers provided at 150 stations, it will be possible to monitor passenger complaints at the Divisional, Zonal and Railway Board's levels. This will enable expeditious disposal of complaints.
- (v) Interactive Voice Response System (IVRS) has been extended to 44 stations to provide real-time information to the public regarding availability of reservations and arrival/departure of important trains.
- (vi) Passengers are always keen to learn about the factual position of the running of trains. For this, a successful trial has been carried out on Western and Northern Railway and based on the experience gained a "National Train Enquiry System" is expected to be established next

- year to provide real-time information regarding running of any train from any location.
- (vii) A pilot project for providing "Tele Booking" reservation facility at New Delhi Reservation Complex has been launched.
 - (viii) Indian Railways has launched its 'Web Page' on the Internet which will permit access from anywhere in the world, to information regarding train schedules and connections, including tourist trains.
 - (ix) 'Tatkal Scheme' has been introduced successfully for more than 100 important long distance trains. This has enabled passengers to get reservation at short notice. This facility will be further extended.
 - (x) It was announced in 1998-99, that in eight trains pantry cars will be introduced. This work has almost been completed. We plan to introduce pantry car services in eight more trains in 1999-2000.
 - (xi) We plan to introduce a 'Rail Yatri Magazine' during the year. This will be available in the trains for reading by the passengers. Apart from providing information about railways, this will also provide information about tourist spots, special tourist programmes, articles on health and interesting topics for the entertainment and knowledge of the passengers.

Safety

7. Sir, whenever we talk about passenger services on Indian Railways, the safety of passengers is our foremost concern. The disastrous and unprecedented accident at Khanna is still deeply etched in my mind and continues to move and unnerve me. This tragedy has raised questions regarding several aspects of railway safety. It is imperative that we find early solutions to them. This matter has been given serious thought by the Railway Ministry and a plan has been drawn up for improving safety. I would also like to inform this august House that a one-man Commission of enquiry under the chairmanship of a sitting judge of Punjab and Haryana High Court, Justice G.C.Garg, is being constituted to enquire into the Khanna accident.

8. There is no doubt that, inspite of a significant increase in passenger and goods traffic in the last 50 years, statistically the number of accidents have come down. However, we cannot afford to be complacent, and in view of the increasing pressure on existing assets, we are taking special steps. I would now like to mention some of the important ones.

- (i) This year, the drivers and guards of trains running on all "A" and "B" routes have been given walkie talkie' sets for making emergency contacts. Since this effort has proved to be very successful and useful, it has been decided that this facility will be made available in all passenger trains by 31st March 1999. It will be provided in the goods trains in the second phase, next year.
- (ii) To prevent accidents due to human failure, track circuiting is being provided carried out every year in a planned manner, and almost 600 stations are getting covered every year. Track circuiting will be completed from 'Fouling Mark' to 'Fouling Mark' on 'A', 'B' & 'C' routes by 31st March, 1999.
- (iii) To prevent overshooting of signal by the driver by mistake, a pilot project of a Radio-based Automatic Train Control System in Delhi-Mathura section has been included in the Budget. After a successful trial, this will be further extended.
- (iv) Several accidents have occurred due to rail fractures and weld failures. In order to reduce this, intensive checking is being done with the help of Ultra Sonic Flaw Detectors (USFD). It has also been decided to purchase two high speed Self-propelled Ultrasonic Rail Testing (SPURT) cars. Further, pressure is being exerted on the rail manufacturers to ensure quality in steel and correct manufacturing process.
- (v) Two professorial chairs have been set up at the University of Roorkee to provide a new direction to safety and to carry out independent studies.
- (vi) A "Railway Safety Review Committee" under the Chairmanship of Shri H.R.Khanna, retired Justice of Supreme Court is already functioning to conduct a detailed review of the existing safety measures and to suggest ways for making them more effective.

Accidents at Level Crossings

9. In the last decade, there has been no significant reduction in the number of accidents taking place at level crossings. Most of these accidents are due to the carelessness of the road users. This problem can be solved only by providing road overbridges/underbridges. However, the situation can also be improved if unmanned level crossings are converted into manned level crossings. Out of a total of 40,517 level crossings, 24,359 are unmanned. Rs. 2,200 cr are required to convert all these level crossings to manned level crossings. Although it is essential to have road overbridges/ underbridges at busy level crossings, this would involve enormous resources, as generally Rs. 8 cr to Rs. 10 cr are required for constructing one road overbridge and more than 1,000 such bridges would be required as per the norms. State Governments are also required to

share the cost of these works. However, resources of this magnitude are neither available with the Indian Railways nor with the State Governments. Hon'ble Members will surely appreciate the enormity of the problem. Railway Ministry have decided to create a Fund for converting unmanned level crossings to manned level crossings and for construction of road overbridges/underbridges at busy level crossings. A separate Plan Head will also be created in order to focus attention on the funding for such works and monitoring their progress. Adequate funds will be contributed so that maximum number of level crossings can be converted in a planned manner in future.

10. To strengthen safety in this area, I also seek the assistance of Hon'ble Members. They can now recommend conversion of unmanned level crossings to manned level crossings under "Member of Parliament Local Area Development Scheme". This has been approved by the Ministry of Programme Implementation. Railways have decided that they will convert as many unmanned level crossings to manned level crossings as are done through funds provided by the Hon'ble Members in their constituencies.

Railway Recruitment Board

11. Action has already been taken on all the announcements made regarding Railway Recruitment Boards in the last Budget. The recruitment process has been made transparent and the possibility of corrupt practices has been eliminated. Experience shows that in the selection procedure, there was possibility of favouritism during interviews. In order to eliminate even the slightest possibility of favouritism, I have decided that for most of the categories, the system of interviews after the written examination will be done away with. Based on the results of this change, we will continue with our endeavour to further improve the process of selection so that selection of meritorious candidates for the Indian Railways is ensured.

Group 'D' Recruitment in Railways

12. After the success of our efforts made in the selection procedure of Group 'C', we will now endeavour to improve the Group 'D' selection procedure. Presently, the direct recruitment of Group 'D' staff in Railways is done only through interviews. To streamline the recruitment procedure and make it more transparent, I have decided that selection of Group 'D' (unskilled) category should be through an objective written test of appropriate standard. In this procedure there will be no interviews and selection will be done on the basis of marks obtained in the written examination, subject to candidates being physically fit. It has also been decided that this recruitment will be done by a unit of the Railway Recruitment Board, which will be headed by a senior railway official. I am confident that with this modified procedure, direct recruitment of Group 'D' will become fully impartial and provide suitable and capable employees to the railways.

Upgradation of Technology

13. It has been the endeavour of Indian Railways to constantly upgrade its technology. Recently a state-of-the-art 3-phase 6000 HP electric locomotive has been manufactured at Chittranjan Locomotive Works, which is an unprecedented achievement amongst the developing countries.

Contribution to improvement in Environment

14. Railways are alive to environmental issues and to show our commitment in this direction, it has been decided that the sale of cigarettes/bidis in railway platforms and passenger trains will be banned from 5th June, 1999, the "Environment Day".

15. Afforestation drive on railway land will be started with zeal. This will ensure proper utilisation of available land and also prevent encroachment. It will apart from meeting the need of wooden sleepers, also benefit Railways financially in future.

Commercial utilisation of Land

16. Mumbai Rail Vikas Corporation has got the necessary approvals for commercial utilisation of land and air space for mobilising resources. We are hopeful that through such efforts we will be able to mop up sufficient resources for developmental works in other parts of the country.

Operating and Financial Performance in 1997-98

17. Now I would like to briefly describe the operating performance of Indian Railways in the last financial year, 1997-98. The Railways have moved 429.30 million tonnes of originating revenue earning traffic which is almost equal to the target of 430 million tonnes. In 1997-98, Railways financial performance was also satisfactory. Gross Traffic Receipts of the Railways recorded a growth of 17.6%, from Rs. 24,319 cr in 1996-97 to Rs. 28,589 cr in 1997-98. Total Working Expenses increased from Rs. 21,001 cr to Rs. 25,876 cr, mainly due to the implementation of the recommendations of the Fifth Central Pay Commission. After accounting for some reliefs relating to the previous years, based on the recommendation of the Railway Convention Committee,

Railways paid a dividend of Rs. 1,489 cr to the General Revenues. Railway's Operating Ratio also improved from the revised estimate target of 91% to 90.9%. Fund balances of the Railways increased by Rs. 194.67 cr and became Rs. 3,565 cr. Along with market borrowings, Plan outlay was Rs. 8,239 cr, which was marginally short of the Revised Estimate of Rs. 8,403 cr.

Revised Estimates, 1998-99

18. Sir, unlike 1997-98, the current financial year has not been very favourable. While the loading of Petroleum products, Fertilisers and "Other Goods" is higher than the budgetary target as well as the actuals of last year for the first nine months, the reduced demand of core sector commodities such as Coal, Food-grains, Iron & Steel, Cement and Iron Ore etc. has affected the railways' freight traffic. Against the budgetary forecast of 450 million tonnes, it is expected that Railways will achieve a loading of around 424 million tonnes. However, our efforts to increase loading in the remaining part of the year will continue. With the drop in freight traffic, it is expected that there will be a shortfall of Rs. 1,056 cr in the earnings as compared to the target for the year, despite increase in Passenger, Other Coaching and Sundry earnings. The budgeted target of clearing Rs. 260 cr from Traffic Suspense has been maintained in the Revised Estimates. Gross Traffic Receipts have been scaled down from the Budget Estimates of Rs. 31,472 cr to Rs. 30,416 cr.

19. At the same time, as a result of the recommendations of the Fifth Central Pay Commission, an increase of Rs. 1,530 cr is expected in the payment of pensionary dues, which has now increased to Rs. 3,830 cr from Rs. 2,300 cr. To meet the shortfall in earnings, a saving of Rs. 345 cr has been effected in non-plan expenditure. Plan expenditure has also been re-assessed and kept at Rs. 8,755 cr as against the budgeted outlay of Rs. 9,500 cr. It is proposed to withdraw Rs. 1,313 cr from the Railway Fund balances to meet the additional pensionary liabilities. With this, the Fund balances are estimated to be Rs. 2,252 cr. A provision of Rs. 1,752 cr has been made for payment of dividend.

20. I would like to assure the Hon'ble Members that the Plan expenditure has been regulated in such a manner as to ensure that the progress of safety and other targeted works is not allowed to suffer. However, to achieve this, additional market borrowing of Rs.180 cr by the Indian Railway Finance Corporation would be necessary. With this the total market borrowings will increase from Rs. 2,900 cr to Rs. 3,080 cr.

Steps taken by Railways to increase Revenues

21. Sir, the freight loading in the current year has been a matter of concern despite various efforts made. Only recently some signs of recovery have been noticed and we hope that the coming year will be more favourable. Innovative marketing efforts are being made to increase loading on the railways and we hope to increase loading of 'Other Goods' traffic rather than depend only on core traffic like Coal, Iron & Steel, raw material for steel plants etc. Now I would like to elaborate the various steps taken by Railways to increase revenue :-

- (i) Ministry of Railways have reduced the classification of some commodities and have also given 'Volume Discount', so that we become more competitive. In addition, the facility of two-point rake loading has been provided at some stations and supply of rakes is being made in less than 48 hours.
- (ii) A special package has been prepared for the Steel sector to attract traffic to railways.
- (iii) Container Corporation is running trains at 100 kmph with wagons of new and advanced technology between Delhi and Jawahar Lal Nehru Port (JNPT) in Mumbai. This has reduced the transit time between Delhi and Mumbai from 95 hours to 48 hours. CONCOR also plans to run 40 CONTRACK trains per month to provide guaranteed transit services for expensive goods such as television, refrigerators, air-conditioners etc.
- (iv) Full powers have been given to the General Managers to quote station-to-station rates so as to provide requisite impetus to the marketing efforts.

22. Sir, along with steps taken to increase freight loading, we have also decided to initiate certain other new measures to increase revenues in 1999-2000 :-

- (i) Leasing of front brakevan in all passenger trains for parcel traffic
- (ii) Recommence manufacture of parcel vans with a view to increasing parcel traffic
- (iii) Running of special parcel trains between important stations and trading centres in which some space will be available on lease
- (iv) To bring transparency and competitiveness in catering contracts for Pantry Cars and Refreshment Rooms, two-packet system is being introduced. Provision for minimum licence fee is being made more than double the existing licence fees. Further, the security deposit by the contractors is being sufficiently increased to contain the tendency of malpractices.
- (v) It is proposed to increase minimum penalty for ticketless travel from Rs. 50/- to Rs. 250/-. While increasing revenues, this will reduce inconvenience to the genuine passengers.

- (vi) The rates for commercial advertisements at railway stations, which are presently quite low, will be increased.
- (vii) A separate Directorate is being created by RITES to offer consultancy services as well as provide implementation packages to our major freight customers. Making available a single window interface with the railways will enable our customers to reduce their total logistic cost in using the rail mode of transportation.

Passenger Services

23. Sir, people's representatives and the public often make requests to either start new trains, increase the frequency of trains, extend the run of trains or provide additional halts. Much as I would like to, it is not always possible to fulfill such demands due to limitation of resources and other technical reasons. However, within the available resources, it is proposed to provide the following 14 new train services :-

- Chennai - Tirupati Shatabdi Express
- Shalimar - Haldia Intercity Express
- Secunderabad - Machhilipatnam Express
- Mumbai - Sawantwadi - Madgaon Intercity Express
- Kurla - Patna Superfast Express (Biweekly)
- Amritsar - Dharbanga Express via Narkatiaganj (Biweekly)
- Jaipur - Bangalore Express via Secunderabad (Biweekly)
- Guwahati - Chennai Express (Biweekly)
- Delhi - Gandhidham Express (Biweekly)
- Delhi - Coimbatore Express (Weekly)
- Pune - Ernakulam Express (Weekly)
- Raichur - Gulbarga Intercity Service
- Kamakhya - New Bongaigaon Passenger
- Patna - Mughalsarai Passenger via Gaya

24. The frequency of the following trains will be increased :-

- 8017/8018 Howrah - Purulia Express from 6 days a week to daily
- 8463/8464 Bangalore - Visakhapatnam Express from 2 days a week to 4 days a week
- 1095/1096 Pune - Ahmedabad Ahimsa Express from 3 days a week to 4 days a week
- 2101/2102 Kurla - Howrah Super Deluxe Express from weekly to 3 days a week

25. The run of the following trains will be extended :-

- 4047/4048 Delhi - Gorakhpur Express to Raxaul via Narkatiaganj
- 5207/5208 Amritsar - Barauni Express to Katihar
- 4737/4738 Bikaner - Jaipur Express to Ajmer (M.G.)
- 5741/5742 Alipurduar - Siliguri Intercity Express to New Jalpaiguri (M.G.)
- 471/472 Vijayawada - Vizianagaram passenger to Rayagada
- 1555/1556 Guna - Khajuri service to Gwalior
- 1143/1144 Gwalior - Chhapra Mail to Barauni
- 8301/8302 Sambalpur - Nizamuddin Hirakud Triweekly Express to Bhubaneswar via Talcher Road
- 2407/2408 Nizamuddin - Nagpur Gondwana Express on 2 days a week to Bhusaval
- 6343/6344 Ernakulam - Nizamuddin Swarnajayanti weekly Express to Tiruvananthapuram

26. 2307/2308 Jodhpur-Howrah Express (daily) running via Grand Chord will run via Main Line one day in a week.

27. On completion of gauge conversion, the following improved broad gauge services shall be provided:

- Four pairs of passenger services on Narkatiaganj-Gorakhpur section
- Three pairs of passenger services on Indara - Phephna section
- Three pairs of passenger services on Lalkuan - Kashipur section

28. MEMU, DMU and Rail Bus services shall be introduced on the following sections :-

MEMU Services

- Jhajha - Kiul section

- Vijayawada - Kakinada section
- Kakinada - Visakhapatnam section
- Durg - Raipur- Bilaspur section

DMU Services

- Anand - Khambhat (B.G)
- Vijayawada - Bhimavaram - Narsapur (B.G.)
- Delhi - Shamli (B.G.)
- Mehasana - Tarangahill (M.G.)

Rail Bus Services

- Bangarapet - Kolar (B.G.)
- Tiruturaipundi - Agastiampalli (M.G.)
- Banmankhi - Bihariganj (M.G.)

Security

29. Security on Railways has been a matter of concern and Hon'ble Members have also been expressing their dissatisfaction in this regard. Although the subject of law and order on the railways falls under the purview of the State Governments, we have been constantly striving to improve the coordination between the Government Railway Police (GRP) and Railway Protection Force (RPF). In this regard, I had also convened a high level meeting of Home Secretaries of State Governments, Heads of GRP and the officers of the RPF in August 1998. With these coordination efforts, the situation is likely to improve.

30. Improvements are also being made in the functioning of the RPF and necessary action has been initiated to give more investigative powers to the officers of RPF. Approval has already been given for setting up two additional battalions for the Railway Protection Special Force (RPSF) and it is proposed to add another two battalions in future.

Association of Railway Protection Force

31. Hon'ble Members may recall that the Railway Protection Force, for quite some time, has been requesting recognition of their association. This issue has also been raised in this House. I am glad to inform that recognition to Railway Protection Force Association has been restored.

Annual Plan 1999-2000

32. The Plan outlay for 1999-2000 has been kept at Rs. 9,700 cr. This implies an increase of Rs. 945 cr over the Revised Estimate of last year. This increase in plan outlay has been possible due to increase in Capital from the General Exchequer to the level of Rs. 2,540 cr as against Rs. 2,200 cr in the previous year. In percentage terms, this is 26% of Plan outlay which is the highest since 1993-94. I would like to thank the Hon'ble Prime Minister, the Finance Minister and the Planning Commission for this increase in Capital Support from the General Exchequer. However, I would earnestly request the Finance Minister to increase this support by another Rs. 200 cr so that, in this "Passenger year", we are in a position to serve the passengers in still better ways. I do hope that the Finance Minister will accede to my request. I am sure the passengers will also join me in thanking the Finance Minister.

33. As far as internal resource generation by the Railways is concerned, I mentioned earlier that the working expenses of Railways have increased after acceptance of the recommendations of the Fifth Central Pay Commission. The working expenses in 1999-2000 cannot remain unaffected by this. Moreover, the trend of growth of freight traffic has also slowed down. This has resulted in reduced generation of internal resources which are not sufficient to meet the plan requirement. I therefore propose to withdraw Rs. 1,000 cr from the Railways' Fund balances. As in previous years, extra budgetary resources, mainly through market borrowings by the Indian Railway Finance Corporation, will provide the balance requirements for the Plan.

34. Sir, the thrust of this Annual Plan is on Safety. The outlay on Track Renewal Plan Head has been increased to Rs. 1500 cr which is 19 % over Revised Estimates, 1998-99. Maintaining the trend of last year to expedite track circuiting and other safety related works, allocation under Signal & Telecommunication Plan Head has been increased from previous year's Revised Estimate of Rs. 325 cr to Rs. 375 cr. In view of the importance of doubling of track for increasing line capacity, the allocation for this Plan Head has been raised from Rs. 472 cr to Rs. 625 cr which is an increase of 32%. To improve passenger amenities, the allocation under Passenger Amenities Plan Head has been increased by 45% as compared to the Revised Estimates. For speedier progress of metropolitan transport projects in Calcutta, Chennai and Mumbai, allocation of Rs. 300 cr has been made, representing an increase of 52% over the previous year.

35. To extend rail network to new areas of the country, Rs. 600 cr have been allocated under the Plan Head New Lines, representing an increase of 59% over the Revised Estimates. In the beginning of the current decade, project 'Unigauge' was launched. Under this scheme, 8,363 km track has been converted to broad

gauge till 1998-99. A provision of Rs. 645 cr has been made for gauge conversion in the next year.

New Projects

36. As you are aware, at present Indian Railways have pending projects involving outlay of about Rs. 34,000 cr, out of which new line projects and gauge conversion projects are about Rs. 20,000 cr and Rs. 9,000 cr respectively. Keeping this in view, recently Railway Ministry has, after the approval of Cabinet, determined the priorities of projects. The allocation of funds for various projects has been made not only on the basis of operational requirement but also keeping in view the development of backward areas. As far as possible, regional balance has also been kept in view.

37. Last year, when I took charge of the Railway Ministry, the Railways had a large number of projects which did not have necessary approvals. I am happy to inform the House that during the year, necessary clearances have been received for many projects. These are as follows :-

New Lines

- Koderma to Giridih
- Macherla to Nalgonda
- Angamali to Sabarmati via Erumeli
- Lalitpur to Satna, Rewa-Singrauli and Khajuraho-Mahoba
- Diphu to Karong
- Ranchi to Koderma via Hazaribagh
- Dharmavaram to Penukonda via Puttaparthi
- Chandigarh to Ludhiana
- Taran Taran to Goindwal
- Kalka to Parvanoo
- Bishrampur to Ambikapur
- Baramati to Lonand
- Bangalore to Satyamangalam
- Bidar to Gulbarga
- Gadwal to Raichur
- Dumka to Baidyanathdham

Gauge Conversion

- Jaynagar-Darbhanga-Narkatiaganj
- Madurai-Rameswaram
- Quilon-Tirunelveli-Trichendur-Tenkasi-Virudunagar
- Katakhal-Bhairabi
- New Jalpaiguri-Siliguri-New Bongaigaon
- Bankura-Damodar Railway Line

Doubling

- Yeshwantpur-Tumkur

Railway Electrification

- Lucknow-Kanpur
- Kusunda-Jamunia Tand
- Ludhiana-Amritsar

38. Hon'ble Members would recall that during the Budget discussions last year, the dilemma faced by Railways, whether in view of shortage of resources the railways should continue to satisfy the demands for new works or they should consolidate the rail infrastructure and give greater priority to safety and modernisation was discussed. A policy level decision on this subject has now become essential. In the "Status Paper" and "White Paper" also, it has been brought out that even now we have a large number of old pending projects. Possibly, there cannot be an easy solution for this dilemma because the development of backward areas is necessary and new demands keep coming. However, in this Budget we are making an effort that first we strengthen our existing railway system so that safety is improved, railway operation becomes effective and we are able to technologically upgrade and modernise the railways. Despite this, wherever possible we have tried to meet new demands also.

New Lines

39. I am happy to state that the Railways, despite limited resources, have completed construction of the 174 km Talcher-Sambalpur line. Along with this, we have completed the Panihar-Khajuri section of Guna-Etawah line completing the link between Gwalior and Guna.

40. However, the work on the Goalpara-Guwahati line which was targeted for completion in this financial year has been affected by the adverse law and order situation and will now be completed in the coming

financial year.

41. New line projects, included in the 1999-2000 Budget are :-

- New Line project from Agra to Etawah via Fatehabad and Bah
- Kakinada to Pithapuram new line, to be taken up after obtaining the requisite clearances.

42. During the year 1999-2000, the railways expect to complete the following sections of new line projects :-

Section	Km
➤ Kashinagar-Kakdweep	3
➤ Bongaon-Petrapole	8
➤ Goalpara-Kamakhya	124
➤ Peddpally-Karimnagar	35
➤ Jaruri-Banspani	11
➤ Kapadvanj-Modasa	60
➤ Total	241

43. In order to expedite progress on the Qazigund-Baramulla line in the State of Jammu and Kashmir, it has been decided, with the approval of the Cabinet Committee on Economic Affairs (CCEA), to get the work executed through M/s IRCON International.

Gauge Conversion

44. In 1998-99, the Railways have completed the gauge conversion of the following sections :-

- Tambaram-Tiruchchirappalli
- Tiruchchirappalli-Dindigul
- Shivsagar-Moranhat
- Mariani-Jorhat

45. Further, during the remaining part of the financial year, we hope to complete the gauge conversion of following sections:

- Narkatiaganj-Gorakhpur
- Babupet-Balarshah
- Solapur-Hotgi
- Indara-Phephana

46. During the year 1999-2000, the railways expect to complete 541 km of gauge conversion projects as detailed below :-

Section	Km
➤ Pandharpur-Kurduwadi	52
➤ Nonera-Seoni	27
➤ Kashipur-Lalkuan	60
➤ Mudkhed-Adilabad	162
➤ Arakkonam-Chengalpattu	63
➤ Yellahanka-Yeshwantpur	17
➤ Lakshman Tirtha bridge diversion on Mysore-Hassan line	1
➤ Morbi to Maliya-Miyana and Dahisara to Navlakhi	68
➤ Dharangdhara-Kuda	33
➤ Gandhidham-Bhuj	58
Total	541

47. Sir, it is proposed to take up the gauge conversion of the following sections, the work on which would be started after obtaining the requisite clearances :-

- Kaptanganj-Thave-Sivan-Chapra
- Salem-Viddhachelam-Cuddalore

Doubling

48. In 1998-99, the Railways will complete about 280 km of doubling projects. In 1999-2000, another 290 km on various sections of on-going works are likely to be doubled.

49. Hon'ble Members will be happy to know that in order to improve the flow of the growing traffic and to

generate additional capacity on some saturated sections, the following new doubling works have been included in the Budget :-

- Mathura-Bhuteswar (Third line)
- Punpun to Taregana
- Amroha-Moradabad
- Dayabasti, Grade Separator
- Chapra-Hajipur
- Karpurigram-Siho
- Ernakulam Jn-Ernakulam marshalling yard
- Rajatgarh to Barang
- Diva-Kalyan (Fifth and Sixth line)
- Attipattu-Korukakkupettai (Third line)

Suburban Transport Projects

50 I am happy to inform the House, that our efforts with regard to Mumbai Metropolitan Transport Project have succeeded and we have received the approval of the Cabinet for setting up of the Mumbai Rail Vikas Corporation (MRVC).

51 As far as the on-going projects are concerned, in New Mumbai the doubling of Belapur-Panvel line and construction of Thane-Turbhe-Nerul-Vashi Suburban corridor are progressing satisfactorily. In Mumbai, the work of Santacruz-Borivali fifth line is also progressing well. The work of second phase of the fifth and sixth lines between Kurla-Thane will be started as soon as necessary clearances are received.

52 It gives me pleasure to inform the House, that in the metropolitan city of Calcutta, we have decided to extend the construction of Metro Rail from Tolleyganj to Garia. In addition, we have included in this Budget the single line connection of Princep Ghat to Majerhat, thus completing the full ring of Calcutta Circular Railway. A survey has also been undertaken for doubling and electrification of this route. The work of electrification of Dum Dum to Tala is already in progress.

53 As regards Chennai, the work of Mass Rapid Transit System, Phase II, between Thirumailai and Velacheri is progressing satisfactorily. In the metropolitan city of Delhi, the Delhi Metro Rail Corporation has started work on Phase I of Mass Rapid Transit System.

Railway Electrification

54 In the 9th Five Year Plan, the Railways have planned Electrification of 2300 route km out of which 445 route km have been completed in 1997-98 and we hope to complete another 500 route km in the current financial year. In the year 1999-2000, an outlay of Rs. 350 cr has been provided for Railway Electrification and a target of electrifying 500 route km has been kept.

55 Sir, I am happy to inform the House that the following sections have been included in the Budget for taking up Electrification. The work on these projects would be taken up after obtaining the requisite clearances.

- Ernakulam-Tiruvananthapuram
- Mughalsarai-Zafraabad (as the first phase of Mughalsarai-Lucknow via Sultanpur)
- Patna-Gaya
- Tambaram-Chengalpattu-Villupuram
- Chengalpattu-Arakkonam

Surveys

56 On the basis of the requests received from the Hon'ble Members and State Governments, I have decided to take up several surveys in the Budget for 1999-2000.

57 The following surveys for New Lines are being taken up :-

- To bring Talcher station on Cuttack-Talcher-Sambalpur line
- Agartala to Akhaura
- Almatti to Yadgir
- Anupgarh to Bikaner
- Badlaghat-Alamnagar-Bhawanipur-Purnea-Dalkhola
- Bakreshwar to Siuri
- Bisrampur to Jabalpur
- Chatra to Tori
- Dahanu road to Nasik
- Gaya to Daltanganj via Guraru, Gurva, Sherghat and Imamganj
- Jabalpur to Panna via Damoh

- Jaisalmer to Kandla
- Punalur to Erumeli
- Khandwa to Nardana via Khargone, Sendhwa
- Murshidabad to Kandi via Khagrahat and Behrampur
- Nagapattinam to Velankani
- Ramganj Mandi to Bhopal via Jhalawar, Aklera, Khilchipur, Rajgarh, Biavra, Narsingarh
- Rohtak to Hissar via Meham and Hansi
- Tindivanam to Cuddalore via Pondicherry
- Patna By-pass line
- Kovvur-Bhadrachalam Road
- Parli Vaijnath to Ghatandur (for regrading)
- Umrer to Nagpur via Khaperkeda and Koradi
- Makum to Saikhova Ghat

58 Surveys for gauge conversion of the following lines are being taken up :-

- Bardhaman-Katwa
- Aunrihar-Jaunpur
- Mehasana-Taranga Hill
- Pilibhit-Sahajahanpur
- Wansjalia-Jetalsar
- Tiruchirapalli-Karaikudi-Manamadurai

59 Surveys for doubling the following lines are being taken up :-

- Lalgola-Krishnanagar with electrification
- Renigunta to Tirupati
- Baruipur-Lakshmikanthpur
- Daund-Manmad with electrification
- Seoraphuli-Tarakeswar

Konkan Railway Corporation

60 Konkan Railway Corporation (KRC) is operating seven pairs of passenger trains including the Kurla-Mangalore Express and the Trivandrum Rajdhani Express. Freight operations, however, have been on a somewhat lower level than what the KRC can handle. The overall depression in freight movement on the Indian Railways has affected Konkan Railway also. Consequently, the financial results forecast of Konkan Railway for the current year are less than expected. KRC is, however, exploring every means of augmenting its services and revenues. In this context they have planned to introduce "Konkan Star Service" with modern facilities for passengers and "Roll-on-Roll-off" freight services, under which loaded goods trucks are carried to destinations.

61 Any new line project has to take a reasonable time for realising its full potential. In the case of new lines funded by the General Exchequer, the payment of dividend is deferred for a period up to five years after opening. Konkan Railway Corporation has been built mostly with funds borrowed from the market and has to discharge its debt service obligations from the beginning. The organisation, therefore, definitely needs help. I would like to assure the House that the Ministry of Railways would provide adequate assistance to Konkan Railway, operationally and financially, so that it can grow as a strong limb of the Railway network.

Production Units

62 During 1997-98 all production units have achieved their targets. Chittaranjan Locomotive Works and Diesel Locomotive Works, Varanasi, manufactured 165 electric and 164 diesel locomotives respectively. Integral Coach Factory, Perumbur manufactured 1,010 coaches. Rail Coach Factory, Kapurthala, manufactured 1,031 coaches. Diesel Component Works, Patiala, rebuilt 74 locomotives and Wheel and Axle Plant, Bangalore, manufactured 92,015 wheels and 52,249 axles, which is an all time record.

63 During 1998-99, the work is going on smoothly in all Production Units and it is expected that they would be able to achieve their targets.

Public Sector Undertakings

64 Hon'ble Members will be happy to know that the performance of the Public Sector Undertakings had been satisfactory during the year 1997-98. IRCON International Ltd. (IRCON), earned a profit of Rs. 50.30 cr along with foreign exchange earnings of Rs. 43.40 cr. The company has completed projects in Malaysia, Bangladesh and Nepal. Container Corporation of India Ltd. (CONCOR) had a turnover of Rs. 627 cr. and earned a net profit of Rs.115 cr. In November, 1998, Government of India earned Rs. 225 cr by selling 90 lakh

shares of CONCOR. Indian Railway Finance Corporation Ltd. (IRFC) earned a net profit of Rs. 167 cr. It mobilised a total of Rs. 2,558 cr in domestic and international markets in 1997-98 to supplement the plan resources of Indian Railways. Rail India Technical & Economics Services Ltd. (RITES) achieved a turnover of Rs. 133 cr with a net profit of Rs. 14.55 cr. Indian Railways received a total dividend of around Rs. 60 cr in 1997-98 from all its Public Sector Undertakings.

Research, Designs and Standards Organisation (RDSO)

65 RDSO is the research and designs wing of the Indian Railways. It functions as the consultant to the Indian Railways in technical matters. RDSO have developed the cost effective "Universal Emergency Communication System (UECS)" to enhance safety, which will provide instant communication between the driver, guard and the nearest station. Apart from this, they have developed a dual voltage three-phase drive EMU design to maintain uninterrupted EMU services in Mumbai area, during conversion of traction system from 1500 volt DC to 25 KV AC.

Medical facilities

66 The health of Railway employees and their families, who are a part of the world's largest industrial organisation, is being looked after by the Medical Department of Indian Railways. They have made special contribution towards Pulse Polio Vaccine, AIDS Control and family welfare. It is worth mentioning that the birth rate in the families of railwaymen is 14 per thousand whereas, the national average is 18 per thousand.

Industrial Relations

67 Permanent Negotiating Machinery (PNM), Joint Consultative Machinery (JCM), and Participation of Railway Employees in Management (PREM) are working satisfactorily and the industrial relations on the Indian Railways are cordial and peaceful.

Scheduled Castes and Scheduled Tribes and Other Backward Classes

68 As per statutory provisions, adequate protection and reservation are being provided to the scheduled castes and scheduled tribes as well as other backward classes. Under this, reservation cells are working at every level so that their complaints can be disposed of quickly.

Sports

69 I am happy to inform the Hon'ble Members that the Railway Sports Control Board has been renamed as Rail Sports Promotion Board to reflect the new orientation of its purpose. In last Budget, I had mentioned that to bring about greater transparency, the recruitment against sports quota would be made through open advertisements of promising sportspersons. Procedure for recruitment has since been modified and 70% of the vacancies in the Sports quota are being filled through open advertisements.

70 As in the past, Railways have maintained their position in the forefront this year also in the sphere of sports. In the recently concluded Asian Games in Bangkok, Railways have given outstanding performance. I take pride in mentioning that out of seven gold medals won by India, five Gold Medals were bagged by Railway athletes. I am confident that with the measures being taken to promote sports in Railways our sportspersons would continue to give outstanding performance in the future also and bring laurels for the country.

Special Announcements

Concessions for Handicapped Persons

71 The Orthopaedically handicapped and paraplegic persons with their escorts presently get a concession of 75% in First Class, Second Class, and Sleeper Class. I have decided that in future this concession will also be available in Air-Conditioned 3 tier and Air Conditioned Chair Car. In addition 50% concession will be given in other Air-Conditioned classes.

Concessions to Press Correspondents

72 Press correspondents accredited to the headquarters of Government of India and State Governments/Union Territories and District headquarters are issued coupon books at 25% concession in First Class fares and 50% concession in Second/Sleeper Class fares for journeys up to 2,500 km per month. I am happy to inform the House that with these coupon books they can themselves avail of 50% concession in all classes for journeys up to 30,000 km in a year.

Concessions to the Winners of President's Police Medal

73 As our recognition of the contribution made by the recipients of President's Police Medal for distinguished service, it is proposed to provide them the facility of 30% concession for travel in all classes and by

all trains, including Shatabdi and Rajdhani services, after they attain the age of 60 years.

Concession for licensed porters

74 Acknowledging the significance of the services of licensed porters in making the journey of rail passengers comfortable, they have already been given the facility of one second class pass for self from their place of work to any station in India once a year. It has been decided that in future the licensed porters will also be extended the facility of one set of Privilege Ticket Order in second class every year for self and spouse for travel from the station of working to any station in India. With this facility, he/she will be able to travel with spouse by paying one-third fare.

Passenger Reservation Terminals

75 It is now proposed to provide PRS terminals on an experimental basis to travel agents authorised under the Rail Tourist Agents Scheme and Rail Travellers Service Agents Scheme of the Railways at their cost and with suitable safeguards, etc. in order to facilitate rail reservation for common man.

Budget Estimates, 1999-2000

76 Sir, I shall now deal with the Budget Estimates for 1999-2000.

77 I think there are reasons to believe that the growth of the economy, which has been below our expectations in the current year, will accelerate next year. Relying upon that assumption, the freight traffic projection for 1999-2000 has been made at the level of 450 million tonnes. As regards passenger traffic, I expect a somewhat faster growth than in previous years. This forecast is based on the proposed augmentation of load of popular trains and other improvements in the pattern of train services. A growth of 8.5% over the current year is being taken. Other Coaching and Sundry Other earnings are expected to increase by 5% over the current year. On this basis, Gross Traffic Receipts are estimated at Rs. 32,411 cr including realisation of Rs. 200 cr of outstanding dues.

78 Ordinary Working Expenses of the Railways have been estimated at Rs. 25,740 cr which is higher than the Revised Estimates of the current year, of Rs. 23,375 cr, by 10.1%. This increase of Rs. 2,365 cr provides for higher levels of expenditure on materials and contractual payments required for maintenance purposes with due regard to safety. Expenditure on Security has also been enhanced. The estimates also provide for normal increases such as for staff increments, dearness allowance, lease charges on account of market borrowings, fuel etc.

79 The pensionary liability in 1999-2000 is estimated at Rs. 3,300 cr. It has reached a higher level after the year 1996-97 consequent upon liberalisation of benefits to more than ten lakh Railway pensioners following the recommendations of the Fifth Central Pay Commission. Appropriation to the Pension Fund from Revenue is proposed to be made to the extent of Rs. 2,954 cr as compared to Rs. 3,425 cr in Revised Estimates of 1998-99. It is also necessary to withdraw an amount of Rs. 200 cr from the balance in the Fund.

80 The Appropriation to the Depreciation Reserve Fund from Revenue is proposed to be made to the extent of Rs. 1,589 cr as compared to Rs. 1,600 cr in the current year's Revised Estimates. In this case also a drawdown from the Fund balance is required, to the extent of Rs. 600 cr.

81 The Total Working Expenses will thus amount to Rs. 30,283 cr, leading to Net Traffic Receipts of Rs. 2,128 cr. Net Miscellaneous Receipts are estimated at Rs. 430 cr and thus a Net Revenue of Rs. 2,558 cr is reached. Payment of dividend to the General Revenues has been computed at Rs. 1,914 cr as compared to Rs. 1,752 cr in the Revised Estimate of the current year based upon recommendations of the Railway Convention Committee (1996) in their Report relating to the year 1997-98. Necessary adjustment, if any required, will be made on receipt of the recommendations of the Railway Convention Committee (1998) to whom an interim memorandum is being submitted in respect of the year 1999-2000. The 'Excess' in the financial results works out only to Rs. 644 cr which falls very much short of the segments of Plan expenditure to be met from the Development Fund and the Capital Fund together totalling Rs. 1765 cr.

82 There is thus an additional requirement of Rs. 1,121 cr for financing the works chargeable to these two Funds. A part of this requirement is proposed to be met by drawdown from the balance in the Capital Fund to the extent of Rs. 200 cr and the interest on the Fund amounting to Rs. 21 cr. Thus an amount of Rs. 900 cr is to be mobilised additionally.

83 There was generally no increase in the freight rates in the last Railway Budget. But the cost of operations is increasing and they have to be met. Keeping this in view, I propose to make a minor increase of 4% uniformly on the freight rates of all commodities. The increase is less than the general inflation in prices. Minor adjustments in the classification for charge are also proposed to be made for Washed Coal and Caustic Soda Liquor. The increase in each case is by one step only.

84 I have been receiving representations from the trade to reduce the burden of idle freight on short lead traffic, which is charged for minimum 100 km. I have, therefore, decided to allow a concession of 25% in the freight rate for traffic hauled for distances up to 50 km.

85 Sir, there is a growing demand for improvement in passenger services. As I mentioned earlier in my speech, Railways have brought about improvements in the current year and have plans for strengthening it still further. The results have been gratifying and our esteemed customers have responded by providing buoyancy in passenger revenue. In deference to this, we have decided to give a respite to a bulk of rail passengers. In this "Passenger Year", as a special gift to about 90 % of the passengers, who travel by second class, no increase is being effected in Second Class fares, both of Mail/Express and ordinary trains. Second Class Season ticket fare will also remain unchanged. While in the "Passenger Year" we are giving better facilities to the bonafide passengers, we shall intensify our campaign against ticketless travel.

86 Those who take the Sleeper Class and the upper classes, however, are provided with much higher level of comfort and I think it would be reasonable to expect them to pay a little more for their journeys. I propose to introduce a rationalisation that takes into account the difference in the levels of comfort as between sleeping accommodation and sitting accommodation, as also the superior comfort of travel in air-conditioned classes. Thus keeping the fares of Second class Mail/Express as the base, the fares of other classes on Mail/Express trains are proposed to be rationalised as :-

- Sleeper Class - 1.55 times;
- AC Chair Car - 3 times;
- AC 3-tier Sleeper - 4.5 times;
- First Class - 5.25 times;
- AC-2 tier Sleeper - 7.2 times; and
- AC First Class - 14.4 times.

87 Likewise, in the ordinary passenger trains, the fares for Sleeper Class and First Class will be respectively 1.55 times and 5.25 times of the Second Class (Ordinary) fare.

88 However, the existing fares of higher classes happen to be more than the fares that would be determined by this approach in some distance ranges. These are not being changed.

89 The fares of Rajdhani/Shatabdi Express trains are also proposed to be revised by making suitable adjustments in the existing fare structure.

90 The minimum distance for charge for travel in upper classes of mail and express trains is proposed to be revised to a uniform figure of 100 km for all the upper classes.

91 The minimum distance for charge in the Sleeper Class, which is 200 km, will not hereafter apply to travel in certain sections where Railways have declared sleeper coaches to be unreserved on certain trains; normal Sleeper Class fares only will be levied in such cases.

92 As in the case of freight rates, an increase of 4% is proposed to be applied on all parcel and luggage scales.

93 These proposals will come into effect from 1.4.1999. They are expected to yield an additional revenue of Rs. 900 cr during the full year. This is made up of Rs. 700 cr from freight traffic and Rs. 200 cr from Coaching Traffic, which includes Passengers, Parcel and Luggage.

94 The year 1998-99 has been a year of struggle in respect of operating and financial performance. However, that has not discouraged us and we have continued to contribute to the industrial and economic development of the nation. We have been able to achieve this with the guidance of the Hon'ble Prime Minister. He has encouraged us during moments of difficulty and has provided constructive help. The entire railway family is obliged to him for his constructive help.

95 I would like to thank all the railwaymen for their hard work and dedication to duty which has helped railways in achieving their task successfully. Our thanks are due to passengers and users of the railways whose cooperation we have always been getting and I am confident that this cooperation will be forthcoming in future too.

96 Sir, with these words I commend the Railway Budget 1999-2000 to the House.
