



February 26, 2007

Introducing the Railway Budget 2007-2008**Mr Speaker Sir,**

Presenting my fourth consecutive Railway Budget, I have a tremendous sense of pride and gratitude. Pride in the fact that without imposing undue burden on the common man, the Railways are poised to create history by generating a cash surplus before Dividend of Rs 20,000 cr as against Rs 14,700 cr in the previous year. This is the same Railway that defaulted on payment of Dividend and whose fund balances dipped to Rs 359 cr in 2001. I express heartfelt gratitude towards 14 lakh railway employees who in the face of stiff competition have conquered all odds with an indomitable spirit displaying matchless zeal, vigour and teamwork. Sir, Lord Krishna was acclaimed as Giridhar when in a moment of crisis he lifted Mount Govardhan on his finger. However, he did this with the supporting hands of thousands of fellow villagers. Even though people are giving me the credit for the turnaround of the Railways, with all humility I would like to share with the august House that this miracle has been brought about through the tireless efforts of 14 lakh railway employees and unbounded affection and support of my country men. Sir, I would just say:

**Navajis hai sabki, karam hai sabhi ka,
Bade fakhra se ham bulandi par aaye.
Tarakki ke sare mayaron se aage,
Naye dhang laaye, nayee soch laaye.**

2 By rendering an unprecedented surplus inspite of the reduction in passenger fares, we have disproved the myth that Railways were sinking in to a financial crisis due to social obligations. Our turnaround strategy based on a perfect blend of commercial wisdom and empathy for the people has made the Railways a centre of attraction for the world :

**Maana ki badi-badi baaten karna hamen nahin aaya,
Magar dil par badi kaarigari se naam likhte hain.**

Financial Performance during the Current Year

3 Railways have turned in a record breaking performance during the first nine months of the current year. Our Passenger earnings have increased by 14 per cent and Other coaching earnings by 48 per cent during the first nine months. A historic increase of 17 per cent was registered in both freight earnings and gross traffic earnings up to December. Based on the growth registered so far, the revised estimates for Passenger, Other coaching, Freight and Gross Traffic Earnings have been kept at Rs.17,400, 1,726, 42,299 and 63,120 cr respectively. Gross Traffic Earnings are likely to go up by 16 per cent in comparison with last year and exceed Budget Estimates by 5.5 per cent.

4 Ordinary Working Expenses have been contained in spite of increase in the price of diesel and payment of bonus at higher rates by effecting economy in expenditure. Under the accounting reforms process, losses on operation of strategic lines, receiveable as a subsidy from the Ministry of Finance, have been reflected as a deduction from Ordinary Working Expenses. Accordingly, in Revised Estimates these have been increased by Rs 64 cr and are pegged at Rs.38,091 cr. After providing for Rs.4,108 cr and Rs.7,416cr towards DRF and Pension Fund respectively in the Revised Estimates, the Total Working Expenditure is likely to be Rs. 49,615cr. Interest received on Railways fund balances has been included in Miscellaneous Receipts. Thus Railways' Cash Surplus before Dividend is expected to be Rs.20,063 crore; Net Revenue Rs 14,870 cr and Surplus, after payment of Dividend of Rs.3,579 crore and deferred Dividend of Rs.663 crore, is expected to be Rs. 10,627 crore. In 2006-07 the Railways are poised to achieve an operating ratio of 78.7 per cent. Sir, this is perhaps the first occasion in the glorious history of 150 years of Indian Railways when our fund balances would reach Rs. 16,000 crores and the Net Revenue to Capital ratio, an historic



level, of 20 per cent. Indian Railways' name would thus be included in the select club of Railways in the world, having an operating ratio of less than 80 per cent. However, we should not be complacent with this achievement. Imbued with a new zeal and enthusiasm, Railway employees are eager to write a new saga of development:

**Jitna ab tak dekh chuke ho, ye to bas shuruat hai.
Khel tamasha aage dekho, dariya dil saudagar ka.**

Quantum jump in Freight Business

5. Our freight performance has been outstanding for the third consecutive year and incremental loading this year is likely to be about 60 MT. Thus the incremental loading of about 170 MT achieved in the three years of the UPA Government would exceed the total incremental loading of the 1990's by 120 per cent. To maintain this rate of growth, we have on the one hand, taken several steps to improve the availability of trains and on the other, have adapted our policies to the needs of the market and customers.

Cement and Steel - Mission 200 Million Tonnes

6. Sir, since introduction of the New Economic Policy in the year 1991, Railways have been constantly losing share in cement and steel traffic. As a result Railways' share in transportation of these commodities has declined from two thirds in 1991 to one third. I am glad to inform the House that in the first nine months of this year we have increased our share in transportation of cement and steel by five to seven percent. While the cement and steel industry registered a growth rate of ten percent this year, our cement and steel traffic have increased by twenty to thirty percent. This is the result of market and customer oriented policies. Now we are focused on Mission 200 Million Tonnes. We are hopeful that by the year 2011-12, Railways traffic from cement and steel industry will increase to 200 MT each.

Container Traffic - Mission 100 Million Tonnes

7. Sir, 15 licenses have been issued for the running of container trains in the last two years. All out efforts will be made to increase our container traffic to 100 million tones by 2011-12, from the present 20 million tonnes. We are confident that over the next five years, investment worth several thousand crores of rupees will flow in for the development of container wagons, terminals and other related rail infrastructure.

A high level working group has been constituted to achieve these two Missions, which will establish dialogue with the cement and steel industry and container operators with a view to develop and implement packages suited to customer requirements.

Triple Stack Container Train

8. Sir, after successful experimentation of running double stack container trains on diesel route, double stack container trains are now running between Pipavav and Jaipur. In 2007-08, efforts will be made to run triple stack container trains with low height container on diesel routes and double stack container trains on electrified routes on pilot basis. Such containers would be useful for loading of motor vehicles.

Long Term Service Level Agreements

9. We have recently, signed a 30 year long term Service Level Agreement (SLA) for transportation of coal. Several new cement, steel and mega power plants are being set up in the country. We will provide necessary support services for laying new lines up to their facilities, enhancing capacity of existing lines, making available wagons designed to suit their specific requirements, formulation of pricing policy and in developing loading and unloading terminals. We invite all entrepreneurs to enter into long term SLA s with the Railways.



Merry Go Round System For Coal

10. Several companies, including NTPC, are operating their own MGR Systems. New power plants are also planning setting up of MGR systems. Railways has domain expertise in running these systems more efficiently and economically. Therefore, we invite all existing and new companies to enter into SLAs with the Railways for the running of MGR s. We would like to assure them that the Railways will transport their coal at costs that are lower than their existing costs.

Development of Freight Terminals

11. There has been a significant increase in Railways traffic with the commissioning of the warehouse complex in the Bangalore Goods shed. We have therefore decided to develop all basic facilities at freight terminals handling more than 15 rakes per month, over the next three years. A new Plan sub head is being opened for expenditure on development and upgradation of freight terminals to ensure adequate provision of funds for these works. Various options will be explored to implement these projects including entrusting these works to IRCON, KRCL or through Public Private Partnership.

Improvement of NTKM to GTKM Ratio

12. Sir, for a payload of one tonne, Railways carry a tare weight of a little less than a tonne. An improvement of one percent in this ratio would yield an additional earning per annum of Rs 1500 cr. A multi pronged strategy of increasing the payload and reducing the tare weight of trains, running trains loaded in both directions and minimizing empty running of trains for maintenance and examination and other such measures would have to be simultaneously adopted over the next few years to effect a 5 per cent improvement in this ratio. All types of vacuum brake rolling stock will be eliminated in two stages. Wagon examination and maintenance centres will be reorganized to minimize empty running of trains. Several trains have wagons that run empty in both the directions. After implementation of FOIS, the numbers and location of such wagons will be monitored to detach them for repair at the nearest depot.

Higher Axle Load Goods Trains

13. I am happy to inform the House that the pilot project of introducing of 22.3 and 22.9 Tonne axle load trains has yielded good results. Recently, 25 T Axle load trains have also been run on pilot basis. In 2007-08 we will extend running of 22.9 tonne axle load trains on several routes and 25 tonne axle load trains on select other routes.

Wagons with better payload to tare weight ratio

14. Sir, Wagons are the bread winning horses of the Railways. An increase of 10% in wagon productivity would lead to an annual incremental earnings of Rs.4000 crore for the Railways. We have earned several thousand crores by improving the wagon turnaround time and enhancing per wagon payload. RDSO has designed new covered and open wagons with a pay load to tare weight ratio of 3 and above, fit for 22.9 T axle load. The carrying capacity of freight trains comprising of such open and covered wagons will improve by 10 and 30% respectively, compared with existing trains. We have therefore decided to stop procurement of open and covered wagons of old design from 2007-08. Production of 25 T axle load wagons and 22.9 T axle load wagons of new design will commence in 2007-08. Similarly, 22.9 T and 25 T Axle load wagons suitable for steel and petroleum products will also be manufactured.

Manufacture of new design wagons by Wagon Manufacturers

15. Railways procure wagons based on RDSO' s designs. We have decided to bring about a total change in this system. Now, wagon manufacturers will be permitted to supply wagons of their own designs, with RDSO recommended bogies, coupler, draft and brake gear. RDSO will certify and approve the new designs of wagons from the safety angle



within 9 months. Sir, these higher pay load lower tare weight wagons with new technology would be costlier compared to old wagons. To encourage the development of such new technology wagons, a suitable freight discounts policy will be evolved so that benefits of the new technology are shared by the Railways and investors. Detailed guidelines in this regard will be issued early.

Arrangement of rolling stock maintenance

16. Sir, we have improved our loading with available resources through better utilization of existing rolling stock. Through rationalization of driver and loco links over the last two years, we have been able to spare more than 250 engines for running other trains. World class facilities will be provided at all train examination points where more than 5 goods trains are examined per day. The target for 2007-08 would be to cover most air brake trains under the system of premium CC or premium end to end examination. We have decided to make unit exchange spares based maintenance arrangements for all types of rolling stock. This would bring about significant improvement in the productivity of rolling stock.

Throughput enhancement works

17. Sir, speedy expansion of capacity on the 20,000 kms long high-density network is imperative to maintain the present rate of growth. An integrated approach of route-wise planning and implementation will be undertaken to obtain full benefits from investment on these routes. This network will be made capable for running 23T axle load trains and mineral routes would be upgraded for running of 25T axle load trains. Need based enhancement in line capacity of such routes will be undertaken by constructing second, third or fourth lines. Distance between two sections will be reduced by installing IBS and automatic signaling will be provided at both ends of busy junction stations to enhance line capacity. For seamless and faster rail movement, flyovers and by-passes etc. will be constructed at busy junction stations and yard designs will be modified to avoid cross movement of the trains. High speed turnouts with a speed of 30 km per hour will be laid on such routes. In 2007-08, 200 each diesel and electric locomotives and 11,000 wagons will be produced. Adequate funds provision would be made for throughput enhancement works.

Complaint Redressal Mechanism

18. Sir, most rail customers complain more about the quality of our service rather than our tariff. We have therefore decided that on every Zonal Railway one SAG Officer will be nominated to attend to customer grievances and directions will be given for disposal of all customer complaints within three months. At my level too, I have constituted a Freight Customers Co-ordination Consultative Committee for all freight customers.

Market Surveys

19. Railways earns ninety per cent of its freight business from transportation of a few select commodities. With a view to broad base our business and improve stability in the growth rate we would like to diversify and increase the mix of carried commodities. Every zonal railway will engage an independent market survey agency to identify new traffic streams.

Passenger Business

20. Sir, increasing passenger fares does not necessarily imply a corresponding increase in earnings from trains, though earnings from individual passengers may go up. In the current year by inducting 700 additional coaches in popular trains, we have facilitated travel of more people and increased the earnings of the Railways. Our policy of licensing of parcel and catering services through open tender has also borne good results. In 2006-07, there has been an increase of 48% in other coaching earnings and it is likely that earnings from catering license fee will increase to Rs. 120 cr. It is for these reasons that despite reduction in fares, the losses in coaching business are likely to decrease by several



hundred crores in the current year. Sir, we have shown that one can earn even while serving the common people, by playing the volume game. Continuing this approach in 2007-08 we will add another 800 coaches in popular trains.

Provision of cushioned seats in unreserved passenger coaches

21. Sir, I am well acquainted with the travails and difficulties faced by passengers traveling in unreserved second class coaches. Presently, unreserved second class coaches in mail/express and ordinary passenger trains are mostly provided with wooden seats without cushion. This causes inconvenience to the passengers in sitting. Therefore, we have decided that from 2007-08, production of wooden seats will be stopped. In future, cushioned seats will be manufactured for unreserved second class coaches as is the case for sleeper coaches. Sir,

**Baat main kaayade ki karta hun, desh ke fayade ki karta hun.
Jis tarah ped saya deta hai, har musafir ka dhyan rakhta hun.**

Provision of additional ordinary general coaches

22. The common people have to travel in suffocating crowds due to paucity of unreserved second class coaches. Therefore, we have decided that from this year in every newly introduced train, in place of four, six unreserved second class coaches will be introduced. Alongside, excluding fully air-conditioned AC and Jan Shatabdi trains, in existing trains also wherever possible, efforts will be made to increase the number of unreserved second class coaches.

Facility of reservation of lower berth for senior citizens and ladies

23. Senior citizens and ladies face considerable inconvenience when they are allotted upper or middle berths. Therefore, I have decided that a quota of adequate lower berths will be provided in AC and Sleeper classes for senior citizens and women above the age of 45, traveling alone.

Concession for students

24 Sir, while presenting the budget 2004-05 and 2005-06, I had announced concessions for unemployed youth appearing for interviews for jobs in Central and State Government exams. It is now proposed to give 50% concession to students appearing in the main written examination conducted by Union Public Service Commission and Central Staff Selection Commissions.

Special coaches for handicapped passengers

25. We have manufactured SLRD and SRD coaches for the convenience of handicapped passengers. These specially designed coaches are equipped with wider doors, wider cushioned seats, more aisle passage and specially designed toilets for passengers on wheel-chair. So far we have manufactured 1250 such coaches and it is planned to introduce such coaches in all Mail and Express trains over the next 2 years.

Introduction of Vendors' Coaches

26. Milk and vegetable vendors and other retail sellers transport milk, fruits and vegetables by trains. Due to absence of earmarked space in the passenger trains, these vendors carry their milk cans and baskets hanging from the windows. Vendor coaches will be provided on sections where transportation of these commodities through passenger trains is common.



Introduction of train enquiry call centre

27. From June to September 2007, train enquiry call centres will start functioning in all four regions of the country. By dialing the telephone number 139, passengers will be able to obtain information about arrival and departure of trains, seat availability etc. at local call rates from any part of the country. Sir, in these call centres international level facilities like SMS alert will be provided. In future call centres will provide several services like Railway Ticketing, Taxi Booking, Hotel Booking etc.

Provision of Hand held Computer Terminals for TTE

28 Under the existing PRS system, reservation charts are taken out a few hours before the departure of trains. Often, due to unforeseen circumstances, several passengers with reservations do not travel. As a result many berths remain vacant. Since this information is not fed into the PRS system, passengers on board the trains or waitlisted passengers at ensuing stations are not aware of the vacancy position. Therefore we have proposed to provide hand held computer terminals to TTEs, in reserved coaches. The TTE will feed in the current vacancy position, coach wise and berth wise in to these hand held terminals. These terminals will be directly linked to the PRS system to transmit the berth reservation position from running trains to the PRS system. Based on this information the PRS will allot vacant berths to waitlisted passengers at ensuing stations. Hand held terminals will be made available to the TTEs as a pilot project on four pairs of trains next year. These would include three Shatabdi Express Trains running between New Delhi-Amritsar, New Delhi-Dehradun and New Delhi-Ajmer and Golden Temple Express.

Distribution of Reserved Tickets

29 More than 5 lakhs reserved tickets are issued every day from 3000 PRS counters in nearly 1300 reservation centres. PRS facility will be made available at all Group D stations and some Group E stations through PRS counters or PRS-cum UTS counters over the next two years. PRS counters will also be provided in premises of Post Offices and Defence organizations to be operated by them. The scheme of booking reserved rail tickets on the internet has become extremely popular. To expand the outreach of reserved railway ticketing in all parts of the country, e-tickets will be issued through e-seva of State Governments, Post Offices, petrol pumps and ATMs of Banks.

Unreserved Ticket Distribution

30. At present there are nearly 2200 computerised UTS counters in the country. Over the next two years the number of such counters will be increased to 8000. Further, 6000 automatic ticket vending machines will be installed in major cities and connected with the UTS terminals over the next two years. Ticket would be available at the press of a button by using smart cards or currency coins. The coupon ticketing system introduced for suburban passengers in Mumbai, has gained popularity. We will try to introduce this system in Chennai and Kolkata also. In order to make the scheme of MST renewal through internet popular, it has been decided to provide this service free of cost. In the next year, Central Railway will undertake a pilot project of issuing tickets through multi-purpose smart cards. Under this scheme customers will have the facility to obtain MST as well as daily ticket on the same smart card. This card could be bought and recharged from different places in the city. These cards would be readable on touch, by the hand held terminals of TTEs. The scheme will be expanded after the success of the pilot projects.

These measures undertaken over the next two years would alleviate to a large extent the problem of long queues at ticket counters.



Increase in capacity of passenger coaches

31 Sir, Innovation is not only an invention or discovery. Using new methodologies in daily processes is also innovation. We have designed coaches with new layouts, having significantly higher capacity than the previous coaches. The capacity of sleeper coaches has been increased from 72 to 84, AC Chair Car from 67 to 102, AC 3 Tier from 64 to 81, AC 2 Tier from 46 to 48 and AC 1st from 18 to 22. I have myself visited the Rail Coach Factory, Kapurthala and inspected these newly designed coaches. These coaches will be convenient and comfortable for the passengers. We have, therefore, decided to start the production of these new design coaches from 2007-08.

Rakes with standard composition

32 Due to absence of standard composition for passenger trains, several trains reach the destination in the morning and remain standing till night. To ensure better utilization of the rake links, we have decided to increase the number of passenger trains having standard rake composition. Last year, on a pilot basis, through revision in maintenance practices, BPC of passenger trains was given for 3500 kms in place of 2500 kms. This system would be expanded further in 2007-08. These two decisions will result in considerable increase in availability of coaches.

Passenger Amenities at Stations

33 Sir, last year I had announced that within the next two years people will observe a perceptible improvement in the get-up and facilities available at all major stations. According to this announcement, we had started the work of developing five railway stations as model stations in each division. I am happy to inform the House that this work will be completed at 225 such stations by March 2007. Taking this programme further we will similarly develop another 300 stations this year.

Cleanliness Year- 2007

34 Sir, celebrating the year 2006 as the year of customer service with a smile we have tried to improve passenger amenities at stations. The year 2007-08 will be observed as 'Cleanliness Year'. During this year, a special campaign will be launched to ensure cleanliness and hygiene at station premises, in passenger trains, railway lines, waiting rooms etc.

Railways' New Profile - 11th Five year plan

35 The year 2007-08 is the first year of the 11th Five year plan. Sir:

**Ho izaazat to karun bayan dil apna
Sanjon rakkha hai maine rail ka ek sapna.**

36 The Railways are targeting a freight loading of 1100 million tonnes and passenger traffic of 840 cr by the terminal year of the 11th Five year plan. In order to make this unprecedented growth a reality, it is absolutely essential that in the next few years the Railways' transport capacity be expanded and doubled, unit cost be brought down by playing the volume game and customers be provided world-class services.

The quantum jump in Investment

37 During the 11th Five Year Plan, we will invest many times more as compared to earlier plans. There is no readymade investment policy for a vast network like the Indian Railways. The growing demand for transportation can only be met through a harmonious blend of short term and long term policies. Our short term policy of investing in low cost high return projects has been successful in eliminating network bottlenecks and in ensuring effective utilization of



rolling stock. Alongside a twin mid-term and long-term investment strategy will be adopted to enhance productivity through, modernization and technological upgradation on the one hand and enhancement of capacity of the network and rolling stock on the other.

38. Construction of the Eastern and Western Dedicated Freight Corridors will start in the year 2007-08. These will be completed during the 11th Five Year Plan at a cost of about Rs. 30,000 crores. Even though the Golden Quadrilateral and its diagonals constitute 16% of the rail network, more than 50% of the traffic moves on these routes. As these routes are super-saturated, I have given directions for conducting of pre-feasibility surveys for construction of East-West, East-South, North-South and South-South corridors. My dream is to construct these corridors in a manner that they develop into efficient and economical trunk routes for speedier, longer, heavy-haul trains. After completion of the freight corridors, the problem of passenger and goods trains running on the same network at different speeds will be solved and most of the level crossings would be converted into ROBs. Where possible ordinary passenger trains running on these routes will be replaced by MEMU and DEMU trains. This will facilitate increase in the speed of passenger trains.

Gauge Conversion

39. Sir, on account of partial gauge conversion on various routes of the Railway network, the remaining metre and narrow gauges have become like islands. Cut off from the main network, these lines give the Railways less than 1 per cent freight traffic whereas they still constitute 20 per cent of the total network. As a result Railways are losing thousands of crores of rupees annually. Even freight traffic has become a losing proposition on these lines. Therefore we will make all efforts to convert the majority of the metre gauge lines to broad gauge during the 11th Five Year Plan. Priority will be given to accord approval for execution of projects which will serve as alternate routes on the network; significant among these are Udaipur-Ahmedabad, Lucknow-Sitapur-Pilibhit-Shahjehanpur, Dhasa-Jetalsar, Jaipur-Sikar-Churu-Jhunjhunu, Ratlam-Khandwa-Akola, Chhindwara-Nainpur and Ahmedabad-Botad. Projects where the State Governments contribute 50 per cent of the total cost would also be given priority in sanction and implementation. Gauge conversion will facilitate integrating the remote and far-flung areas of the country with the national mainstream. Integration with the unigauge network and consequent increase in traffic and reduction in unit cost of these lines will reduce losses being incurred on these lines.

Construction of High Speed Passenger Corridor

40. Sir, India is today seen as a rising power in the world. The rapid growth of the economy, rising industrialization and urbanization and unprecedented growth in intercity travel, has opened infinite possibilities for developing high speed passenger corridors. Hon'ble Prime Minister while laying the foundation of the Western Dedicated Freight Corridor had expressed the hope that the Indian Railways would also develop world class passenger systems. Therefore, we have decided to conduct pre-feasibility studies for construction of high speed passenger corridors, equipped with state of the art signaling and train control systems, for running high speed trains at speeds of 300 to 350 kms per hour; one each in the Northern, Western, Southern and Eastern regions of the country. These trains will cover distances of up to 600 kms in two to three hours. All alternatives including Private Public Partnership will be considered for implementation of these corridors. Global warming and changing climatic conditions are a world wide concern today. These energy efficient and environment friendly systems would go a long way in alleviating these concerns.

Suburban Services

41. Suburban services are the lifeline of our nation's commercial capital Mumbai. To mitigate the overcrowding of Mumbai's trains, enhancement in capacity of these services will have to be undertaken during the 11th Five Year Plan. During this plan period MUTP-Phase I will be completed. The work on Phase II costing Rs.5,000 crore is also proposed to be started. Financing of the Rs.5,000 crore MUTP Phase II project will be done with the participation of



Railways, State Governments and multi-lateral funding institutions. All out efforts will be made to complete both these phases within the 11th Five Year Plan so that suburban services and long distance trains are completely segregated. This will enhance their capacity by 56 per cent. Ongoing works on suburban services in Kolkata and Chennai will also be completed on priority basis. During the 11th Five Year Plan efforts will be made to introduce air-conditioned class services in suburban trains in Mumbai, Chennai and Kolkata and escalators at major stations.

Rolling Stock Modernization and Capacity Augmentation

42 In view of the demands of growing traffic, along with expansion of network, availability of rolling stock will be increased through effective utilisation of available rolling stock, technical upgradation and modernisation and by setting up new production units. During the 11th Five Year Plan production of rolling stock will be doubled as compared with the previous Plan. Capacity of existing rail coach and loco production units will be enhanced through expansion of these units. High horse power, energy efficient locomotives with new technology will also be produced. During this plan, production of MEMU, DEMU and EMU coaches will also be stepped up. One new factory each for rail coaches, diesel locomotives, electric locomotives and wheels will also be established. The locomotives to be manufactured in these units will be equipped with state of the art technology and will be capable of hauling longer, heavier high axle load trains. The new Rail Coach Factory will produce high capacity, modern and comfortable coaches. Similarly production of 32 tonne axle load, higher pay load lower tare weight and track friendly wagons will start for the new Dedicated Freight Corridors.

Use of IT in the Railway services

43 In the XI five year plan, investment in IT projects will be increased to several thousand crore rupees to harness the immense possibilities offered by IT in the interest of Indian Railways. IT applications will be deployed to increase passenger and freight earnings, improve the image of the Railways in the eyes of the customer, reduce operating costs, ensure effective utilization of human and physical resources and to help the top management in arriving at long-term policy decisions by developing MIS & LRDSS. A commercial portal will be developed in the next 3 years for yield management, specially to attract traffic for returning empties and filling up vacant seats. All modules of FOIS including rolling stock maintenance and examination, revenue apportionment, crew management, control charting COIS etc. will be integrated and implemented in a time bound manner for completion by 2010. Alongside ERP packages will be implemented in workshops, production units and selected zonal railways. A common website integrating the more than 50 different web-sites of Railways will be developed with built in facilities like e-payment and e-tendering. For an integrated approach in IT, CRIS will be entrusted with coordination of all IT applications of the Railways and for development of a comprehensive vision on IT. CRIS will be developed as an autonomous and empowered organization, drawing officers from various Railways services. Indian IT companies have hoisted the national flag all over the world. We invite these companies to take part in various IT projects of the Railways under public private partnership.

Railway Electrification

44. The electrified network will be extended over the Golden Quadrilateral and its diagonals, and in all directions from Kashmir to Kanniya Kumari and Guwahati to Amritsar by the end of the 11th Five Year Plan. Electrification of Thiruvananthapuram-Kanniya Kumari, Thrichur-Guruvayur, Tiruchirapalli-Madurai, Barabanki-Gorakhpur-Barauni-Katihar-Guwahati and Jalandhar to Baramullah sections will be completed during the 11th Five Year Plan. In the first phase, electrification of Jalandhar -Jammu, Barabanki-Gorakhpur-Barauni and Tiruchirapalli-Madurai sections are proposed to be taken up in 2007-08. Similarly, doubling and electrification of Pune-Wadi-Guntkal and electrification of Daitari-Banspani, Haridaspur-Paradeep new lines will be undertaken by Indian Railways' Public Enterprise RVNL in the coming years.



Public Private Partnership Schemes

45. Investments at a much larger scale will be required for the above mentioned capacity and expansion network as compared with the provision made in the Tenth Five Year Plan. The funding of this plan of several lakh crores would require multi-source approach based upon deployment of internal resources, market borrowing, public private partnership and budgetary support. The improved financial performance of the Railways will enable a large share of the financing to be met from internal and external budgetary resources. I am not in favour of blind privatisation of the Railways nor is PPP a compulsion or fashion for us. We are seeking partnership with the private sector on the terms that are in the interest of Railways and our customers. For example, by leasing out catering and parcel services we have reduced our catering and parcel losses of more than a thousand crores. We have enhanced our capacity by attracting private investments in the wagon investment schemes and siding liberalization schemes etc. Even while retaining the core activity of train operations, we have awarded licenses to private parties for running container trains, which is likely to attract investment of thousands of crores in wagons and construction of terminals over the next few years. We want to have many more such PPP Schemes where one and one make eleven and not two. Public Private Partnership options will be explored with the aim of modernization of metro and mini-metro stations with world class passenger amenities, development of agro retail outlets and supply chains, construction of multi-modal logistic parks, warehouses and budget hotels and expansion of network and increase in production capacity. We have constituted a PPP Cell which will develop the policy framework to provide non-discriminatory level playing field to investors, prepare the bankable documents and set up the procedure for awarding partnerships through open tendering system.

Railway Safety

46. Railway safety is our prime concern. I am glad to inform the House that funds for replacement of overaged Railway assets are now provided as soon as the assets become due for replacement. Sir, we have allocated Rs.5,500 crore towards Depreciation Reserve Fund for the year 2007-08 as compared to Rs.2,100 crore provided in 2001-02. This has had a direct impact on Railways' safety record. Although the gross traffic volume has increased from 724 Million train kilometres in 2001-02 to 825 Million train kilometres in 2005-06, the number of accidents is expected to be less than 200 in 2006-07 against 473 in the year 2001.

47. Of the Rs.17,000 crore Special Railway Safety Fund, most of the works of renewal of overaged tracks, bridges, track circuiting and rolling stock will be completed by March 2007 and all remaining works will be completed by March 2008. Sir, as per our Corporate Safety Plan, the testing of Anti-Collision Device on North East Frontier Railway is in its last phase and is likely to be completed by March 2007. Besides this, the General Managers of the Zonal Railways have been delegated the powers to approve construction of subways costing upto Rs, 50 lacs, to reduce accidents at unmanned level crossings. The production of better crash worthy coaches has commenced. In future, the number of such coaches will be further increased to ensure safety of passengers.

Railway Security

48. In view of the serious bomb blasts which occurred last week on 18th February in train number 4001 Delhi-Attari Link Express near Panipat and in July 2006 in Mumbai Suburban Services, we have taken several steps to strengthen and modernize the security arrangements. In order to provide necessary equipments and other resources for Railways security works, adequate funds are being made available from Passenger Amenity and Machinery & Plant Plan heads. The allocations for these works will be enhanced substantially and I would like to assure the House that funds will not be a constraint for these works. Besides increasing the number of trained dogs in the existing dog squads, in many sensitive divisions of the country explosive detection devices, door frames and hand held metal detectors are being installed to provide better security for trains and passengers. In addition, equipments like CCTV and smart video cameras have been installed at sensitive stations. In consultation with security experts, an integrated extensive security and surveillance system will be developed for Mumbai Suburban Services which will be equipped with high quality security equipments. Railway Protection Force is escorting 1,450 trains everyday. 8,000 vacant posts in Railway



Protection Special Force will be filled up shortly on an all India basis. Intensive training is being imparted to Railway Protection Force, in order to increase their professional expertise and efficiency. Recently, Jagjivan Ram Railway Protection Force Academy, Lucknow has been given the status of a Centralized Training Institute.

Achievement of Railways in Sports

49. As always, Railways have, registered important achievements in sports at National and International level this year too. In the Commonwealth Games held in Melbourne, Indian Railways' athletes contributed by winning two gold and six silver medals. In the recently concluded Asian Games held at Doha, athletes from Indian Railways made a major contribution by winning two gold, two silver and nine bronze medals. In 2006-07, teams from Indian Railways have participated in 33 team championships and won 19 out of them. Former National Badminton Champion Ms. Madhumita Bisht has been awarded with Padma Shree for her outstanding contribution and three Sports persons Ms. Dola Banerjee for Archery, Shri Akhil Kumar for Boxing and Shri Sushil Kumar for Wrestling have been decorated with Arjuna Awards.

International Cooperation

50 Indian Railways have signed a memorandum of understanding with Italy, Germany, Russia and South Africa to promote bilateral cooperation. The Railways are playing an important role in promoting the 'Look East' policy of the Government. The programme for training of Railway personnel BIMSTEC and Mekong Ganga countries launched by Indian Railways has been widely acclaimed. Taking this initiative further, the Railways has extended this facility of free training to the railway personnel of African countries in the current financial year. Chairman Railway Board has been elected first chairman of Asian Railway Association. Indian Railways is playing an important role in the functioning of the UIC (International Railways Union). The Chairman Railway Board has already been elected as the first non European President of UIC.

Staff Welfare

51 Sir, 14 lakhs employees have brought about the financial transformation of the Railways by showing incomparable passion and commitment.

Jisne Pahunchaya Bulandi Par Usey Sammaan Den, Karee Mehnat Ko Unki Milkar Maan Den.

52 Railways' contribution to the Staff Benefit Fund is proposed to be increased from Rs.30 per person to Rs.35 per person. Out of this additional contribution Rs.3 will be utilised to give immediate relief in times of crisis arising out of natural calamities and Rs. 2 will be utilised to provide training for developing occupational skills of physically challenged children especially girls, of Railway employees.

53 In order to bring about fundamental improvement in the condition of staff colonies, various alternatives for their development and maintenance through IRWO or through Public Private Partnership will be explored. Decision on this subject will be taken after arriving at a general consensus and taking the staff federations into confidence. In order to provide accommodation to the relatives of indoor patients admitted in large hospitals in metropolitan cities, rest houses with 50 rooms each will be constructed near the hospitals in 4 large cities, namely Delhi, Mumbai, Kolkata and Chennai. The railway employees will be provided accommodation in these rest houses at nominal charges.

54 An extensive programme of training to develop market and customer friendly attitude amongst frontline staff, who are in constant contact with the customers, will be organized at selected stations. Upon the success of this programme, it would be extended throughout the country.



55 With a view to improve the promotional prospects of Group 'D' employees, a committee has been constituted to make an in-depth study of all matters relating to the subject and to submit its report within 6 months. We have decided that ex-servicemen and Central Government employees recruited in the Railways will be eligible for post retirement complimentary passes by giving a weightage equivalent to half of their prior service while calculating their eligibility based on length of service in the Railways.

Organizational and Human Resource Development

56 Railways will have to develop a strong management team in which players play, not for themselves, but for the success of the team to tackle complex situations of the competitive market and to fulfill the growing expectations of its customers. A decision in the matter would be taken by December 2007, after evolving a consensus through dialogue with representatives of all Railway services and based upon recommendations of different expert groups constituted so far. The institutions of GMs, DRMs and CAO (Construction) would be strengthened and developed as profit centre, business unit and project unit respectively by suitable empowerment.

57 Sir, Railway employees and officers require training at periodical intervals in view of rapid changes in the underlying economic and competitive environment. We have, therefore decided that Railway officials will be sent on training to reputed national institutions once every five years and for foreign training every ten years. Officers would have to undergo a mandatory training before promotion to JA, SA and HA grade.

58 The Railway Staff College Building in Vadodara will be renovated in consultation with renowned architects in such a way that its old elegance and splendour is retained even while it is equipped with all modern amenities. Rail Bhawan would be made centrally air-conditioned and a building equipped with modern facilities.

Establishment of Railway Chair at IIM, Ahmedabad

59 It has been decided to set up a Chair at IIM Ahmedabad to encourage research in Railway infrastructure and management.

Recruitment Drive for Scheduled Castes and Scheduled Tribes

60 Ninety five per cent of the vacancies for Scheduled Castes and Scheduled Tribes have been filled up by launching special drives. Similarly seventy five per cent of the backlog in filling up vacancies in the promotional quotas has been successfully cleared.

Recruitment of candidates from backward class

61 Action is being taken for the recruitment of candidates from backward classes on all the Zonal Railway against the reservation quota of 27 per cent.

Public Sector Undertakings

62 During the year 2005-06, 9 public sector undertakings of the Ministry of Railways have put up a good performance and achieved a combined turn over of Rs.7,034 crore and earned net profit of Rs.818 crore. They have made a combined dividend payment of Rs.274 crore to the Railways. Container Corporation of India Limited registered a turnover of Rs.2,489 crore and have earned a net profit of Rs.526 crore. IRFC has registered a turnover of Rs.2,020 crore and a net profit of Rs.334 crore. IRCON International Limited achieved its highest turnover so far, of Rs.1,113 crore and earned a net profit of Rs.81 crore in 2005-06. On the basis of its excellent performance, this company has been given a Schedule "A" status. RITES has registered a turnover of Rs.426 crore and a net profit of Rs.99 crore.



RVNL

63. RVNL is executing 46 projects at a cost of about Rs.12,000 crore to expand the capacity on high density network of which 14 would be completed by the end of 2006-07. Construction of 544 kilometre Broad Gauge line is likely to be completed in the year 2007-08. Out of the remaining 24 projects, 16 projects will be completed in 2008-09 and the rest in 2009-10. In addition, new projects would be handed over to RVNL for implementation. As per the extant practice, public private partnership projects for expansion of network are being executed by SPVs constituted on the basis of MOU. It has been decided that in future all options for award of Public Private Partnership projects including awarding the project through open competitive bidding would be explored. While awarding the projects which are linked to a particular port or factory to an SPV, the concession period of each project would be fixed with a view to ensure reasonable rate of return on investment, rather than having a pre-determined concession period for all the projects.

Passenger Services

64 We operate more than 9,000 passenger trains everyday. In view of the increasing demand of the passengers, I propose to introduce the following services from the year 2007-08.

65 New Trains :-

1. Shri Chhatrapati Sahu Maharaj Terminus, Kolhapur-Ahmedabad Express (Weekly)
2. Howrah-Rampurhat Express (Daily)
3. Jhansi-Kanpur Express (Daily)
4. Pune-Gorakhpur Express (Weekly)
5. Delhi-Shamli DEMU (Daily)
6. Bapudham Motihari-Varanasi (3 Days a week)
7. Bikaner-Jaisalmer Express (Two pairs) (Via Kolayat) (Daily)
8. Mumbai-Aurangabad Janshatabdi Express (6 Days in a Week)
9. Bhagalpur-New Delhi Express (Weekly)
10. Bijapur-Bagalkot Express (6 Days in a Week)
11. Allahabad-Mathura Express (Daily)
12. Nasik-Pune Express (Daily)
13. Coimbatore-Nagercoil Express via Madurai (Daily)
14. Bhubaneswar-Rameswaram Express (Weekly) (After Gauge Conversion)
15. Gorakhpur-Yesvantpur Express (Weekly)
16. Yesvantpur-Chennai Express (Weekly)
17. Farrukhabad-Kasganj Express (Two pairs) (Daily) (After Gauge Conversion)
18. Indore-Amritsar Express (Weekly)
19. Chennai Egmore-Nagore Express (Daily) (After Gauge Conversion)
20. Rewa-Jabalpur Intercity Express (Daily)
21. New Delhi-Sahibabad EMU Service (Daily)
22. Banka-Bhagalpur Passenger (6 Days in a week)
23. Chennai Egmore-Rameswaram Express (6 Days in a week) (After Gauge Conversion)
24. Chhapra- Chhatrapati Shivaji Terminus(Mumbai) Jansadharan Express via Siwan, Gorakhpur (Weekly)
25. Mumbai-Ajmer/Udaipur Express (3 Days in a week) (After Gauge Conversion)
26. Solapur-Bagalkot Express (6 days in a week)
27. Ajmer-Ratlam Express (Daily 2 pairs) (After Gauge Conversion)
28. Vadodara-Bhilad Express (Daily)
29. Patna-Dehri-on-Sone Intercity Express (Daily)
30. Gandhidham-Palanpur Express (Daily)
31. Lucknow Jn-Saharanpur Express (Daily) (In lieu of Lucknow-Saharanpur Link Express)



32. Jabalpur-Delhi via Itarsi (2 Days in a week)

Garib Rath

66 While introducing the Garib Rath last year, I had announced that in the coming years, all the State capitals will be linked with Garib Rath trains. Pursuant to this announcement, I propose to introduce following new Garib Rath trains :-

1. Secunderabad-Yesvantpur Garib Rath Express (3 days in a week)
2. Jaipur-Bandra (Terminus) via Ahmedabad Garib Rath (3 days in a week)
3. Kolkata-Patna Garib Rath Express (3 days in a week)
4. Bhubaneswar-Ranchi Garib Rath Express (3 days in a week)
5. Thiruvananthapuram-Lokmanya Tilak (Terminus) Garib Rath Express (2 days in a week)
6. Kolkata-Guwahati Garib Rath Express (2 days in a week)
7. New Delhi-Dehradun Garib Rath Express (3 days in a week)
8. Raipur-Lucknow Jn. Garib Rath Express (2 days in a week)

Extension of trains

67 I am glad to announce the extension of run of the following services :-

1. 4517/4518 Allahabad-Ambala Cantt. Unchahar Express upto Chandigarh
 2. 207/208 Tirupati-Guntakal Passenger upto Hubli
 3. 2315/2316 Sealdah-Ajmer Ananya Express upto Udaipur
 4. 2105/2106 Mumbai-Nagpur Vidarbha Express upto Gondia
 5. 1103/1104 Agra Cantt.-Nizamuddin Intercity Express upto New Delhi
 6. 9165/9166 Ahmedabad-Faizabad Sabarmati Express upto Varanasi
 7. 4649/4650 Amritsar-Darbhanga Saryu Yamuna Express upto Jai Nagar (After Gauge Conversion)
 8. 2705/2706 Secunderabad-Vijayawada Express upto Guntur
 9. Shikohabad-Farrukhabad Passenger upto Kasganj (After Gauge Conversion)
 10. 3185/3186 Sealdah-Darbhanga Gangasagar Express upto Jai Nagar (After Gauge Conversion)
 11. 364 Kottayam-Thiruvananthapuram Passenger upto Nagarcoil
 12. 571/572 Manduadih-Mau Passenger upto Azamgarh
 13. 209/210 Howrah-Darbhanga Passenger upto Jai Nagar (After Gauge Conversion)
 14. 5037/5038 Kanpur-Farrukhabad Express upto Kasganj (After Gauge Conversion)
 15. 6509/6510 Ajmer-Bangalore Express upto Mysore
 16. 4673/4674 Amritsar-Darbhanga Shaheed Express upto Jai Nagar (After Gauge Conversion)
 17. 531A/532A Parli-Latur Passenger upto Osmanabad (After Gauge Conversion)
 18. 2413/2414 Jammu Tawi-Jaipur Express upto Ajmer
 19. 5107/5108 Lucknow-Kanpur Utsarg Express upto Kanpur Anwarganj
 20. 469/470 Lucknow-Farrukhabad Passenger upto Kasganj (After Gauge Conversion)
 21. 5309/5310 Aishbagh-Bareilly Rohilkhand Express upto Kasganj
 22. 2465/2466 Jodhpur-Sawai Madhopur Express upto Indore
- Gaya-Kiul Passenger upto Jhajha (1 pair)

Increase in frequency

68 Hon'ble Members will be happy to know that it is proposed to increase the frequency of the following trains :-

1. 9311/9312 Indore-Pune Express (from 2 days in a week to 3 days in a week)
2. 1561/1562 Miraj-Belgaum Passenger (from 6 days in a week to daily)
3. 2149/2150 Pune-Patna Express (from 2 days in a week to 4 days in a week)
4. 2843/2844 Puri-Ahmedabad Express (from 3 days in a week to 4 days in a week)
5. 2345/2346 Howrah-Guwahati Saraighat Express (from 5 days in a week to daily)



6. 1563/1564 Miraj-Belgaum Passenger (from 6 days in a week to daily)
7. 2309/2310 New Delhi-Patna Rajdhani Express (from 2 days in a week to daily)
8. 6603/6604 Thiruvananthapuram-Mangalore Express (from 3 days in a week to daily)
9. 2835/2836 Hatia-Yesvantpur Express (from weekly to 2 days)
10. 209/210 Machilipatnam-Tirupati Passenger (from 3 days to daily)
11. 6595/6596 Patna-Bangalore Express (from 2 days in a week to 6 days in a week)
12. 2419/2420 New Delhi-Lucknow Gomti Express (from 6 days in a week to daily)
13. 6527/6528 Yesvantpur-Kannur Express (from weekly to 3 days in a week)
14. 6315/6316 Bangalore-Kochuvelli Express (from weekly to 3 days in a week)

Annual Plan 2007-08

69 Sir, the outlay of Annual Plan for the year 2007-08 is proposed at Rs.31,000 crore. This is the largest Annual Plan for the Railways so far and exceeds the plan outlay for the current year by 32 per cent. The outlays of the Annual Plans over the last three years have increased by about two and a half times. It is a matter of pride that three fourths of the plan outlay will be sourced from internal and extra budgetary resources and the share of internal resources alone would be 56 per cent. Deployment of internal resources is projected at Rs.17,323 crore; 61 per cent more than last year. Extra budgetary resources will include Rs.5,000 crore for leasing of rolling stock through IRFC, loan of Rs.240 crore to be raised by RVNL and investment of Rs.500 crore under the Wagon Investment Scheme. The total budgetary support to be received from General Exchequer of Rs.7,611 crore includes Rs.1,165 crore for SRSF, Rs.725 crore from Central Road Fund and Rs.5, 721 crore for the remaining projects.

70 The thrust of the Annual Plan is maintaining the high growth rate through early completion of throughput enhancement works, traffic facilities and works related to network expansion and development of high traffic density routes. The outlay for traffic facilities plan head has been increased by 30 per cent to Rs.800 crore. In order to remove impediments to better operation and better turnaround of wagons, upgradation and development of goods sheds, construction of flyovers/bypass, IBS and other traffic facility works have been given highest priority. The proposed outlay for doubling has been increased almost two fold at Rs.2,000 crore to expedite execution of doubling projects. Besides this Rs.1,358 crore will be spent on projects to be executed by RVNL. The allotment of Dedicated Freight Corridor has been proposed at Rs.1,330 crore.

71 Outlay for the four other major planheads have been kept at Rs.5,036 crore. Provision of Rs.1,610 crore has been made for New Lines, Rs.2,404 crore for Gauge Conversion, Rs.300 crore for Electrification and Rs.722 crore for Metropolitan Transport Projects. The outlay for safety related plan heads includes Rs.3,360 crore for Track Renewal, Rs.597 crore for Bridge Works, Rs.1,597 crore for Signal And Telecom works, Rs.551 crore for construction of Road Over/Under Bridges and Rs.500 crore for manning of unmanned level crossings. Additional fund of Rs.2,725 crore have been sought from Ministry of Finance for the national projects of Jammu and Kashmir and North Eastern Region, namely Udampur-Srinagar-Baramulla, Jiribam-Imphal Road (Tupul) and Kumarghat-Agartala new line and Lumding-Silchar-Jiribam gauge conversion projects.

Ongoing Projects

72 In the current year, construction of about 2000 kilometres of broad gauge lines is likely to be completed. This has been possible because of Railways' financial turn around and decentralization of powers to field units. Railways are executing the ongoing National projects in Jammu and Kashmir and the North Eastern Region in all earnestness. The construction of new line between Kakapore and Budgam in the Kashmir Valley is almost complete and will be opened for passenger traffic operations shortly. I express my gratitude to the Hon'ble Prime Minister for declaring the construction of Bogibeel Bridge on river Brahmaputra, Rangiya-Murkongselek gauge conversion and Azra-Byrnihat and Dimapur-Kohima New Line projects as "National Projects".



New Lines

73 It gives me a great pleasure to inform that construction of new lines from Kolayat to Phalodi, Daitari-Banspani and Gandhinagar-Kalol has already been completed. Karimnagar-Jagityal section of Pedapalli-Karimnagar-Nizamabad is nearing completion.

74 The target for construction of new lines in 2007-08 has been fixed at 500 kilometres. The sections include:

1. Puntamba-Shirdi
2. Mahoba-Khajuraho
3. Qazigund-Kakapore and Budgam-Baramulla
4. Jaggyapet-Malachervu
5. Kottur-Harpanhalli

On completion of these sections, work on Puntamba-Shirdi and Jaggyapet-Malachervu new line projects will be completed.

Gauge Conversion

75 Gauge conversions of Neemuch-Ratlam, Samakhlyali-Gandhidham of Gandhidham-Palanpur, Latur-Osmanabad of Miraj-Latur, Trichy-Puddukottai of Trichy-Manamadurai, Khagaria-Hasanpur of Khagaria-Samastipur, Kinwat-Mudkhed of Adilabad-Mudkhed and Basvanna Bagewadi-Bagalkot of Solapur-Gadag have already been completed. Besides this, works on Ajmer-Chittaurgarh, Puddukottai-Karaikkudi of Trichy-Manamadurai, Vriddhachalam-Salem of Cuddalore-Salem, Manamadurai-Rameshwaram, Sonamukhi-Rainagar of Bankura-Damodar railway line and Hasanpur-Samastipur gauge conversion projects are likely to be completed shortly.

76 After completion of gauge conversion works on these sections, the projects of Neemuch-Ratlam, Gandhidham-Palanpur, Ajmer-Chittaurgarh-Udaipur, Khagaria-Samastipur, Adilabad-Mudkhed, Cuddalore-Salem and Madurai-Rameshwaram will be completed. During 2007-08, a target of completion of about 1,800 km of following gauge conversion works has been fixed:

1. Kurduwadi-Osmanabad of Miraj-Latur
2. Saharsa-Dauram Madhepura of Mansi-Saharsa-Purnea
3. Phulera-Ringus-Rewari of Ajmer-Ringus-Rewari
4. Pipar Road-Bilara
5. Darbhanga-Sitamarhi of Jayanagar-Darbhanga-Narkatiaganj
6. Akola-Purna
7. Pratapnagar-Bodeli of Pratapnagar-Chhota Udepur
8. Pakala-Madanapalli of Dharmavaram-Pakala
9. Kaptanganj-Thawe of Kaptanganj-Thawe-Chhapra
10. Bagalkot-Gadag of Solapur-Gadag
11. Mathura-Kasganj of Kanpur-Kasganj-Mathura
12. Katihar-Jogbani
13. Guntakal-Kalluru of Guntur-Guntakal-Kalluru
14. Vellore-Thiruvannamalai of Villupuram-Katapadi
15. Karaikkudi-Manamadurai of Trichi-Manamadurai
16. Mehsana-Patan
17. Shimoga-Anandapuram of Shimoga Talguppa

With the completion of these sections, Trichy-Manamadurai, Katihar-Jogbani, Akola-Purna, Solapur-Gadag, Pipar Road-Bilara, Guntur-Guntakal-Kalluru, projects would be completed. Gauge conversion of Sakri-Nirmali and Jhanjharpur-Laukaha Bazar have been targeted for completion in 2008-09.



Doubling

77 During 2006-07, doubling of 450 km is expected to be completed, while about 700 km has been targeted for the year 2007-08.

New projects

78 I feel great pleasure in informing the House that gauge conversion of Bardhaman-Katwa, Sadulpur-Bikaner and Ratangarh-Degana, Mailaduturai-Karaikkudi and Thiruturaipundi-Agastiyampalli have been included in the Budget. Dahod-Indore via Jhabua and Deoband (Muzaffarnagar)-Roorkee new line construction works have been included in the Budget. Doubling works of Pen-Roha, Mau-Indara, Kukrana-Panipat, Bimlagarh-Dumitra (Part), Barabanki-Burhwal, New Guwahati-Digaru, Alwar-Harsauli, Samalkot-Kakinada, Kalumna-Nagpur, Barbil-Badajamda, Adra-Joychandipahar, Kuruppantara-Chingavanam, Ramanagram-Mysore, Ambalapuzha-Haripad, Arasikere-Birur, Titlagarh-Raipur, Gokulpur-Midnapore and Mahananda Bridge between Malda and Old Malda have been given approval. Gauge conversion work of Bhojipura-Pilibhit-Tanakpur and new lines between Chhota Udepur-Dhar, Bihta-Aurangabad, Rayadurg-Tumkur, Bariarpur-Mananpur, Chandigarh-Baddi and Sultanganj-Katuria have been given in principle approval. Doubling of Pune-Guntakal which includes Bhigwan-Mahol is being processed for seeking approvals. Action on Wardha-Nanded via Yavatmal-Pusad new line will be taken after the receipt of approval from Government of Maharashtra on the cost sharing of the project. Further action regarding new line between Masrakh-Rewa Ghat via Taraiya-Amnour, Damoh-Kundalpur and Araria-Supaul and doubling of Muzaffarpur-Bettiah-Narkatiaganj-Valmikinagar will be taken after receiving the survey reports. For some of these projects the Governments of Uttarakhand, Karnataka and West Bengal have given their consent for sharing a part of the total cost. The Government of Andhra Pradesh has requested for construction of new lines between Cuddappah-Bangalore on 50:50 cost sharing basis. All such proposals will be considered on highest priority while seeking necessary approvals. I would once again like to request all the State Governments to co-operate by sharing the cost of new and ongoing projects on 50:50 basis.

Surveys

79 On the demand of the Hon'ble Members the following survey works are proposed to be taken up:

New lines :

1. Karad-Chiplun
2. Aligarh-Kasganj
3. Rupai-Parshuramkund
4. Gudur-Durgarajapatnam
5. Shri Satya Sai Prashanthi Nilayam-Kadiri via Nallamada
6. Morappur-Dharmapuri
7. Madurai-Karaikkudi
8. Gaya-Natesar
9. Needmangalam-Puddukottai
10. Nanjangud-Nilambur
11. Tellichery-Mysore
12. Dindigul-Kumuli via Bodinayakkanur
13. Tumkur-Davangere
14. Dharwad-Bayalahongal-Belgaum
15. Ratlam-Banswara
16. Markapur-Shrisailem
17. Chakia-Bairgania via Madhubani, Phenhara, Piprahi
18. Kinwat-Mahur

**Gauge conversion**

1. Chhindwara-Nainpur
2. Himmatnagar-Khedbrahma including extension upto Abu Road
3. Indara-Dohrighat

Doubling

1. Rajkharaswan-Adityapur third line
2. Sambalpur-Talcher
3. Mudkhed-Parbhani
4. Secunderabad-Bhongir third line
5. Jirat-Katwa
6. Adra-Gardhubeshwar
7. Khurda Road-Puri

Rail Flyovers

1. Dongaposi
2. Dum Dum
3. Itarsi
4. Katni.

Establishment of New Electric Loco Works at Madhepura

80 In order to meet the demands of growing rail traffic and in spite of an annual increase in the production capacity of Chittaranjan- Locomotive Works from 150 to 200 engines per year, setting up of a new electrical locomotive workshop has become inescapable. Therefore a new Electric Locomotive Factory at a cost of about Rs.1,300 crore will be set up at Madhepura. This will help in all round development of the backward areas of North Eastern region and North Bihar.

Modern Signalling Arrangement

81 Track circuiting at more than 96 per cent places on A,B,C routes, multi-aspect colour light signaling system on A and C routes and other upgradation works from Special Railway Safety Fund have been completed at 1,036 stations. All other works taken up under this fund are targeted to be completed by March 2008. To bring about qualitative improvement in reliability of signaling systems, an integrated plan will be prepared and executed during 2007-08. Sir, till now signalling has been mainly used for Railway safety, whereas modern signaling systems have possibilities to effect improvement in line capacity. Therefore we have decided that the average distance between two block sections on high density networks will be reduced from 12 kilometres to 8 kilometres by using the IBS system. Certain junction stations having heavy traffic will be provided with Automatic Block Signaling System on their approaches.

Joint Venture with Kerala Government

82 Sir, in view of the rapidly growing passenger services there is going to be a requirement of additional passenger coaches in future. At present, Railways have a limited capacity to manufacture ICF design fabricated bogies for passenger coaches. Railways will try to make good this shortfall by setting up a joint venture company with Steel Industries Kerala Limited, Alleppey, a public sector undertaking of the Government of Kerala.

Setting up of Wagon, Bogie Complex at Dalmianagar

83 The new Dedicated Freight Corridor is being constructed to operate 32.5 tonne axle load goods trains and double stack container trains. At present only 22.9 tonne axle load wagons are being manufactured in the country. To manufacture higher axle load wagons, production of new technology bogies, couplers, draft gears, would be necessary,



for which an industrial complex will be developed at Dalmianagar. To achieve this objective all alternatives, including execution through public private partnership, would be considered.

Suburban Services

84 In keeping with the announcement made in the last Budget for Mumbai suburban services, three additional rakes have been provided on Western Railway and the fourth rake will be made available by March 2007. On Central Railway also one additional rake has been added in Thane-Turbhe area and another will be available by March 2007. I am happy to inform the House that work of DC to AC conversion has been completed on Kasara to Titawala section. The quadrupling work from Borivili to Virar is likely to be completed soon and induction of new rakes through MRVC will also start early. With the help rakes, 150 new Suburban trains are proposed to be introduced, by making suitable adjustments in the time table on Western and Central Railways. I hope these efforts will bring substantial improvement in Railway services.

85 Four additional EMU rakes have been provided in the current year for Kolkata resulting in increase in the suburban services from 1,039 to 1,050. Five more rakes will be added in the next few months. In Chennai five new EMU rakes have been provided in the current year, as a result of which there has been an increase in suburban services by 30. Besides composition of 27 rakes have been increased from 8 to 9 coaches and four other rakes from 3 to 6 coaches. In the next few months 6 more rakes will be added, which will fulfill the increased requirement of MRTS and other services.

PART II

Budget Estimates 2007-08

86 Sir, I shall now deal with the Budget Estimates for 2007-08.

87 The target for freight loading for the year 2007-08 has been kept at 785 MT and for freight output at 516 billion tonne kms. Maintaining the double digit growth rate, the Budget Estimates for Freight, Passenger and other Coaching Earnings have been kept at Rs.46,943 crore, Rs 20,075 crore and Rs 2,200 crore respectively. Gross Traffic Earnings have been projected as Rs 71,218 crore, reflecting an increase of Rs.7,248 crore on the Revised Estimates for the current year.

88 Sir, provision for Ordinary Working Expenses for 2007-08 has been kept at Rs.42,687 crore, which is 12 per cent more than the Revised Estimates for 2006-07. Provision for Depreciation Reserve Fund has been pegged at Rs.5,496 crore and Pension Fund at Rs.8,683 crore. Thus total Working Expenses will be Rs.56,687 crore and Net Traffic Receipts Rs.14,631 crore. While Railways' cash surplus before dividend is projected at Rs.21,578 crore, the targeted Operating Ratio is 79.6 per cent. Fund balances to end of the next financial year are estimated at Rs.16,170 crore. The memorandum on rate of dividend payable to General Revenues for 2007-08 has been submitted for consideration of the Railway Convention Committee. Dividend payable for 2007-08, assessed on the basis of the rate of dividend for 2006-07, is estimated at Rs.3,909 crore. In 2007-08, the Railways will not only meet this liability but will also discharge entire remaining deferred dividend liability of Rs.664 crore. In the Plan outlay for the next year, Rs.17,323 crore will be provided from internal resources.



Dynamic Pricing and Commercial Policy

89 The dynamic pricing policy for freight traffic introduced in the year 2006-07, has yielded encouraging results. Therefore, this year we have made a policy for reducing fares at varying rates, for all services of AC Ist class and AC II tier class and new design coaches for AC III tier and AC Chair Car, during peak and non-peak seasons, in popular and unpopular trains. Similarly commercial policy for freight transportation has also been made dynamic and different wharfage rates have been prescribed for busy and non busy goods terminals.

Passenger Services

90 Sir, I had announced a reduction of one rupee per passenger in the fares of second class in August 2005. Despite reduction in fares, there has been a growth of 14% in passenger earnings. The boundless affection and patronage of the people has helped Railways stage a turnaround. In recognition of this I announce a reduction of one rupee per passenger in the daily ticket fares of non suburban ordinary passenger and non superfast mail-express trains. Sir,

Daur-e- mehngai mein bhi rail sasti rakhi, par kamai mein koi kamee na rakhi

91 Last year we had increased the speed of some trains and upgraded them to super fast trains. On popular demand, I have decided that the super fast surcharge levied on second class tickets for super fast trains shall be reduced by 20 per cent.

92 Sir, we have designed new Sleeper class, AC Chair Car and AC 3 tier Coaches. From 2007-08, only these high capacity coaches will be manufactured. We have decided to share a portion of the benefits of this enhanced capacity with our customers. In the newly designed sleeper class coach there will be a general reduction in fare by 4 per cent. This reduction will be applicable during both lean and peak seasons. The fares for the newly designed AC-3 tier and AC chair car coaches would be reduced by 8 per cent in lean season and 4 per cent in peak season. In popular trains, this reduction will be uniformly 4 per cent, throughout the year.

93 Fares for AC I class will be reduced by 6 per cent in the lean season and 3 per cent in the peak season. The fare will be reduced uniformly throughout the year by 3 per cent in popular trains.

94 Fares for AC-2 tier class will be reduced by 2 per cent during the peak season and 4 per cent during the lean season. The fares will be reduced uniformly throughout the year by 2 per cent in popular trains.

95 Sir, thousands of people come to Mumbai from outside for tourism and various other purposes For the benefit of such people, we have decided to issue tourist tickets valid for, one, three and five days on the Mumbai Suburban Service, as a pilot project. Such ticket holders will be able to travel any number of times, from any station to any station on the suburban sections of Central and Western Railways of Mumbai. As a result of this, passengers will not have to stand in a queue again and again to buy tickets.

96 The scheme of booking e-ticket through internet from home has become very popular. To further encourage e-ticket usage, we have decided to reduce the per e-ticket charge for Sleeper class and AC classes e-tickets from Rs.25 to Rs.15 and Rs.40 to Rs.20 respectively. Besides this minimum charge there will be an additional charge of Rs.5 per passenger for booking of every additional passenger subject to the maximum charges for one ticket being Rs.25 in sleeper class and Rs.40 for AC classes.



Parcel and Luggage Services

97 Sir, the policy to lease brake vans and parcel vans, through open tenders, at scheduled or lower rates, has borne good results. However, there are several trains in which, during last year, less than 60 per cent of SLR capacity was utilized and where SLRs could not be leased at scheduled or higher parcel rates in spite of inviting open tenders. Taking the rationalization process further, we have decided that the scheduled parcel rates for all such trains will be downgraded to the next lower class. If any train is leased out at scheduled rates in one direction but no lease offer is received, even after inviting open tenders, in the return direction, and its utilization is less than 60% of its capacity, then its class will be downgraded to the next lower class in that direction. This will bring about a reduction in parcel booking rates in less popular trains. A review of parcel and luggage rates will be completed in the first two months of each financial year i.e. 31st May.

98 Sir, under the present luggage rates structure, luggage rates for all trains are 20 per cent higher than the parcel rates applicable for Rajdhani trains. It is worth mentioning that the parcel rates for Rajdhani Express trains are three times the parcel rates for ordinary passenger trains. Rationalizing these luggage rates, we have decided that in trains where in spite of calling open tenders at scheduled rates, offers for leasing of SLRs have not been received and where utilization of capacity is less than 60 per cent, the luggage and parcel booking rates will be the same. As a result of this decision luggage rates in ordinary passenger and less popular mail and express trains will be reduced up to 60 per cent.

Freight Business

99 Sir, to maintain the unprecedented growth in freight transportation, I announce the following reduction and discount schemes:-

100 Sir, last year I had reduced the classification for diesel and petrol from class 240 to 220 thereby reducing the tariff by about 9 per cent. Taking the rationalization process further, I propose to reduce the highest class from 220 to 210. This will bring down the freight for diesel, petrol and ammonia etc, by about 5 per cent.

101 On the demand of mineral based industries like steel, cement etc., freight rates for transportation of all minerals including iron ore and limestone will be charged at Class 160 in place of 170. This will reduce the freight rates for these commodities by about 6 percent.

Empty Flow Direction Freight Discount Scheme

102 Our goods trains run loaded in one direction and mostly run empty in the return direction. The percentage of empty running is worse in the case of open wagons. Last year we had announced a freight discount of 30 per cent during lean season and 20 per cent during peak season on incremental loading in the empty flow direction. We have made several important changes to make this policy more effective. Since railways face the problem of empty running of wagons throughout the year, we have decided that in place of 20%, empty flow discount of 30%, will be given during the peak season also. This discount will apply to both open and covered wagons in both peak and lean season for traffic with a lead of more than 700 kms. General Managers of Zonal Railways will be delegated powers to offer this discount on traffic with a lead of less than 700 kms also, under certain conditions.

103 Presently, bagged consignments of wheat, fertilizers and cement loaded in open wagons are given a discount of 20, 30 and 15 per cent respectively. This discount is given in both loaded and empty flow directions. We have now decided that in cases of incremental loading of bagged consignments in open wagons in empty flow directions an additional Empty Flow discount at the rate of 30 per cent will be given but after giving both these discounts, the minimum charges payable will not be lower than freight payable at Class LR-3. Thus the discount for incremental loading of cement, wheat and fertilizers in bags, in empty flow direction will increase up to about 40 percent. I am confident that



by giving a such a heavy discount we will be able to attract FCI and various fertilizers and cement companies to load in open wagons returning empty. The calculation of incremental loading will be done on the basis of type of wagon.

104 In empty flow direction, in addition to block rake loading, facility will be given for loading of less than train load traffic. In open wagon rakes 20 per cent discount will be given for loading 31 to 57 wagons and 10 per cent discount will be given for loading 20 to 30 wagons. In covered wagon rakes 20% discount will be given for loading of 31 to 39 wagons and 10% discount will be given for loading 20 to 30 wagons. Permission to load less than 20 wagons will not be given during the peak season. However in the non-peak season from July to September facility to load 15 to 19 wagons would be available but no discount would be given.

105 At present this discount is not available on transportation of coal, coke and all types of raw material meant for steel plants. With a view point of making this discount more broad based it is proposed to extend this discount to all commodities except coal, coke and iron ore.

Two Leg Freight Discount Scheme

106 It has also been decided that if train load traffic is offered in covered wagons for both up and down directions, then, a discount of 20 per cent in lean season and 15 per cent in peak season would be given for traffic in both directions. This discount will not be available for commodities placed in LR-1 or lower classes.

Incremental Freight Discount Scheme for Non-peak Season

107 We have been successful in tackling effectively the stabling of empty trains during the lean season due to the 15 per cent incremental freight discount. Further liberalizing this scheme, we have decided that this discount shall be available on all commodities except for all types of coal, coke, iron ore and commodities placed in class 120 or below during the lean season. The maximum distance between two unloading points will be increased from 200 to 400 kms for the immensely popular two point rake scheme during lean season.

Commodity Based Freight Policy

108 Requirements and expectations of customers for specific commodities are different. Therefore, we have decided to develop a commodity based tariff policy to better address the needs of our customers for major commodities transported by rail and to provide a stronger base to railway's competitive capabilities. We will introduce this new policy on an experimental basis from 1st April through an exclusive package for cement.

Dynamic Commercial Policy

109 Last year, I had announced a dynamic pricing policy for freight loading which has yielded the expected results. Taking this process further, we have decided to make the commercial policy also dynamic.

Dynamic Wharfage Rate

110 At present the wharfage rates and free time are the same at all terminals whether small or big, busy or unused. We have decided to increase free time allowed for loading and unloading and to reduce wharfage rates at under utilized small terminals.

Dynamic Demurrage Rate

111 Currently demurrage rates are uniform throughout the year though utilization of wagons is more during the peak season and less during non-peak season. We have, therefore, decided that during non-peak period on an experimental basis, at a few terminals, one hour extra free time will be given depending on the state of usage of the terminals.



Tariff Policy based on Traffic Route

112 More than half of the Railways traffic runs on high density routes. Due to lack of traffic, two-thirds of Railways network is being utilized at far less than its capacity. Therefore, we have decided that goods traffic originating and terminating on these underutilized routes will be given a discount on normal freight rates. Detailed guidelines in this regard will be issued shortly.

Liberalization of Wagon Investment Scheme

113 At present customers subscribing to wagon investment scheme and container train licensees have to buy their own wagons. It is proposed to allow any person to avail the benefit of these schemes by procuring or leasing wagons or containers. Currently wagon investment scheme is limited to open and covered wagons. In order to expand the scope of the scheme, we have decided to extend the benefits of the wagon investment scheme for all types of general purpose wagon as well as special purpose wagons suitable for specific commodities. Proposals of charging of freight, on the basis of per train kilometre instead of per tonne kilometre, for wagons meant for lighter commodities like motor vehicles will also be considered.

Conclusion

114 Sir, the Railways is fast emerging as a dynamic and vibrant entity. The guidance, encouragement and support of the Hon'ble Prime Minister has helped the Railways grow from strength to strength. The unstinted support given by the members of the House to our policies and the faith they have expressed in the railway family has boosted our morale and self confidence.

**Har saal nayaa saal tarakki ka, pragati ka,
Aapka hai saath to phir ye safar jaari rahega.**

115 With these words, Sir, I commend the Railway Budget 2007-08.

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