

**Speech of Shri Bansi Lal
(Minister of Transport)
Introducing the Railway Budget
for 1986-87, on 26th February 1986**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for 1985-86 and the Budget Estimates for 1986-87 of the Indian Railways.

Performance In The Previous Year 1984-85

2. Let me briefly refer to the performance during the last year. As I had indicated while presenting the Revised Estimates for 1984-85, there were several factors beyond the control of the Railways which had affected the Railways' performance like shortfalls in traffic offering and disturbed civil conditions in some areas. In spite of these factors, the Railways were able to clear about 236 million tonnes of revenue earning traffic, compared to 230 million tonnes in 1983-84. The year ended with a net revenue of Rs. 270.10 crores as against Rs. 209 crores anticipated.

Performance In The Current 1985-86

3. We started this financial year soon after the new Government took over. The leadership of our Prime Minister, Shri Rajiv Gandhi evoked a new enthusiasm and zest throughout the length and breadth of our country. Railwaymen too, felt inspired and put their shoulder to the task with an added sense of dedication and purpose. The results are there for all to see. There has been a quantum jump in the traffic cleared by the Railways in spite of our wagon fleet remaining more or less the same. The leading Efficiency Indicator, the Net Tonne Kilometres per Wagon per Day has broken all previous records. All Railway Production Units in the country have either achieved or exceeded their targets. Track renewals have touched a new high. A number of innovative passenger amenities have been introduced in the areas of computerised reservation, railway catering and simplification of refund rules. We are also confident of excellent financial results, with full payment of dividend, and an enhanced contribution to Depreciation Reserve Fund. We hope to earn a higher net surplus than anticipated, in spite of absorbing all post-budgetary increases in costs of inputs in the additional earnings. This has been achieved, amongst other things, due to strict financial discipline.

3.1 I am happy to inform the House that although in the current year 1985-86 there was a sharp increase of about 14 million tonnes in the target set for clearance of freight traffic by the Railways as compared to 1984-85 the freight loading in the first 9 months of the current year has been about 16 million tonnes more than in the corresponding period of last year and 4 million tonnes above the target set for this period in the current year. I am confident that the Railways will end the year ahead of the target of 250 million tonnes for revenue earning originating tonnage and of 277 million tonnes for the total originating tonnage (including Railways' own traffic of coal and other material). The transport output as measured in Net Tonne Kilometres in the first nine months of 1985-86 has increased by 14% over the corresponding period of the previous year 1984-85. The Efficiency Indicator, Net Tonne Kilometres per Wagon per Day (Broad Gauge) improved by 10.5% from 1,104 in April-December 1984 to 1,220 in April-December 1985, a new all-time record.

3.2 The Gross Traffic Receipts of the Railways during the year 1985-86 are expected to go above the budgeted level by about Rs. 188 crores. The Working Expenses are likely to go up by Rs. 178 crores over the budgeted level largely on account of post-budgetary factors such as payment of second instalment of interim relief, higher cost of diesel and coal, revision in electricity tariffs and payment of additional amounts for Productivity Linked Bonus resulting from Government's decisions in regard to ceiling limits on salary and coverage.

3.3 The Revised Estimates for the current year provide for a net surplus of Rs. 85, crores, a little above the budgeted figure of Rs. 74 crores, after meeting the full dividend liability of Rs. 520 crores to the General Revenues. Apart from other measures of expenditure control, strict economy in manpower employment was exercised. During the year 1985-86, by better management, the Traffic Output, that is, Freight Tonne Kilometres plus Passenger Kilometres, per employee is expected to increase to 2.66 lakhs Traffic Units as compared to 2.55 lakhs Traffic Units in 1984-85.

3.4 The annual plan outlay for the Railways during the current year is Rs. 2,050 crores comprising Rs. 1,061 crores (52%) as contribution by Railways from their own internal resources and Rs. 989 crores (48%) as budgetary support. We expect to maintain our contribution at this high level. The contribution to

Depreciation Reserve Fund is also expected to be at Rs. 920 crores as provided in the Budget Estimates as against Rs. 850 crores in 1984-85.

Passenger Services

4. In view of the limited overall allocation of resources to the Railways and the consequent limited availability of vehicles and locomotives coupled with the priority required to be given to safety-oriented rehabilitation works like track renewal and the works required for creation of additional capacity for freight traffic, in the interests of the national economy, it will be difficult for some more time, for the Railways to create any substantial additional capacity for movement of passenger traffic. We have, however, already sanctioned a Rs. 180 crore project for setting up a new Rail Coach Factory at Kapurthala which will, in due course, improve the availability of passenger coaches of which there is great shortage at present.

4.1 Nevertheless, several efforts have been made to improve the passenger services through rationalisation of links, reduction in lie-over periods and better time-tabling. For example, the timings of Tamil Nadu Express have been rationalised so that the passengers travelling between New Delhi and Madras now spend two nights and one day, thus saving one full working day on the journey. About 350 trains have also been speeded up during the current year.

4.2 Major steps have been taken towards facilitating the booking and reservation arrangements so as to reduce, to the maximum extent possible, difficulties of the passengers despite a situation of shortage. Computerisation of railway reservation arrangements has been taken up in a big way. Beginning with New Delhi, 2nd class reservations on 30 trains and AC Sleeper & Chair Car reservations on the two Rajdhani Expresses have already been put on the computer, and by March this year, we hope to complete the computerisation of reservation arrangements in respect of almost all trains originating from New Delhi. Plans have also been drawn up for a phase-wise introduction of computerised passenger reservation in other Metropolitan cities during the Seventh Plan Period, with arrangements at Calcutta and Bombay being taken up in 1986-87 and Madras a year later.

4.3 To minimise the evil of ticketless travel, ticket-checking activity has been intensified by conducting special massive checks, incognito checks and concentrated surprise checks. In the first seven months of the current year, the Railways nabbed, on an average, four lakh passengers per month who were travelling without tickets or with improper tickets, an increase of 14.2% over last year. Educative propaganda against ticketless travel is also being carried out among the travelling public to seek their cooperation in effectively combating this national menace.

4.4 I had been receiving a large number of representations about the irksome procedure for refund of unused or partially used tickets. We have simplified the rules so as to facilitate quick refunds of unused tickets at the station itself. Now, refund on return journey tickets can be arranged at both ends and partially used reserved tickets can be refunded by the station staff.

4.5 The supply of hot and hygienic meals in disposable aluminium casseroles, introduced this year, has proved popular with the passengers and the service is being closely monitored.

4.6 Punctuality of trains continues to receive my special attention. The punctuality of over 200 mail/express trains is being monitored round the clock by a special cell in the Railway Board. With the recent enhancement of penalties for unauthorised alarm-chain pulling and hose-pipe disconnection, along with our sustained efforts and the cooperation rendered by the State Governments, there has been some drop in such incidents.

Safety

5 The safe transit of passengers and goods continues to be a matter of great priority on the Railways. I am happy to inform the House that the number of train accidents declined from 592 between April and December 1984 to 576 during the same period in the current year despite an increase in train kilometres from 362 millions to 381 millions.

5.1 It is our endeavour to improve the quality of the human element through various measures including training, counselling, publicity, group discussions, safety camps etc., to continuously keep the safetyconsciousness amongst the staff at a high level. At the same time we are trying to reduce the role of the human element by greater mechanisation and provision of safety devices like track circuiting, axle counters, greater and more sophisticated inter-locking arrangements, especially at level crossings, ultrasonic testing of rails, Auxiliary Warning System which includes the provision for stoppage of trains passing signals at danger. These measures are being undertaken by us on a programmed basis with high priority being

accorded in the allocation of resources.

Investment Planning

6. The Seventh Five Year Plan provides an outlay of about Rs. 12,334 crores for the Railways. The plan envisages more than 50% of the resources being generated internally by the Railways, against an average of about 42% in the Sixth Plan. During the plan it is programmed to procure 96,000 wagons, 6,970 passenger coaches, 950 Electrical Multiple Units and 1,235 diesel/electric locomotives, undertake approximately 20,000 kilometres of track renewal, and electrify 3,400 route kilometres.

6.1 The initial annual plan outlay of Rs. 1,650 crores for the current year was highly inadequate and the need for increasing the allocation for the Railways was recognised. The House will recall that in December, 1985 a Supplementary Grant was voted by them taking the total plan outlay for the Railways during 1985-86 to Rs. 2,050 crores. I would like to take this opportunity to express my gratitude to the Honourable Members of Parliament from all parts of the country, for the whole-hearted support given by them to greater allocation of resources to the Indian Railways.

6.2 The Railways have been allocated a plan outlay of Rs. 2,650 crores in 1986-87. Of this, Rs. 1,370 crores will be met by the Railways from their internal resource generation. It is also contemplated to raise Rs. 250 crores through public borrowings.

6.3 During the ensuing year, the programme for acquisition of new wagons is proposed to be stepped up to 20,000 four-wheeler units as against about 12,500 four-wheeler units in 1985-86. This will enable us to enhance the carrying capacity of the system to meet the growing traffic. Emphasis will continue to be placed on renewal and replacement of the over-aged assets, for which I propose to allocate Rs. 1,250 crores next year compared to about Rs. 970 crores in the current year.

7. The New Lines completed during the current year are

New Lines	1.	Tirunelveli-Milavittan, 53 kms., and
	2.	Koraput-Machiliguda, 20 kms.

Besides,	1.	Dharmanagar-Pechartal, 22 kms., and
	2.	Nagothana-Roha 15 kms

are likely to be completed shortly.

62 kilometres of New Lines are expected to be completed during 1986-87, including the Motumari-Jaggayapet line.

Railway Electrification

8. Electrification of about 430 route kilometres is likely to be completed during the current year. About 730 route kilometers are expected to be energised in 1986-87.

Surveys

9. There were 32 on-going surveys for construction of new lines in progress as on April 1, 1985. During 1985-86 one of the important surveys approved relates to up-dating and final location survey of sections on West Coast Line between Madgaon and Roha. The Survey from Mangalore to Udupi has been completed. Further survey beyond Udupi towards Madgaon from the southern end and from Roha towards Madgaon from the northern end is in progress. Another important survey proposed to be included in 1986-87 is for developing high-speed corridors between New Delhi and Agra, and between New Delhi and Kanpur.

Production Units

10. I am happy to inform the House that as a result of sustained efforts the out-turn of all the Production Units on Indian Railways during the current year is either up to or above the targets set.

10.1 The Integral Coach Factory is expected to produce 825 coaches during the current year and the production is proposed to be stepped up to 850 coaches in 1986-87.

10.2 The Chittaranjan Locomotive Works is expected to produce 79 locos for Railways during the current year, including 52 electric locomotives. The programme for 1986-87 envisages an out-turn of 106 locomotives including 70 electric locomotives.

10.3 The Diesel Locomotive Works is expected to turn out 120 locomotives for Railways in the current year. In the ensuing year the target is 135 locomotives.

10.4 The Wheel and Axle Plant, commissioned in September 1984 has been making commendable progress. In the year 1985-86, it is expected to produce 10,000 wheel sets and in 1986-87 it is expected to reach a production level of about 20,000 wheel sets.

10.5 As the House are aware, Phase I of Diesel Component Works at Patiala was included in the Railway Budget for the year 1980-81. Phase II of this project has been sanctioned as an out-of-turn work during the current year at an estimated cost of Rs. 46 crores.

10.6 The foundation stone for the new Rail Coach Factory at Kapurthala was laid by the Honourable Prime Minister on August 17, 1985. This factory will have a capacity to manufacture 1,000 coaches per year. We have been given a challenging target of two years to complete this project and we hope to achieve this. The factory is targeted to enter the initial stream of production within two years of the acquisition of land, that is by March, 1988.

Calcutta Metro Rail Project

11. As the House are aware, two parts of the Metro Railway at Calcutta, that is the section from Esplanade to Bhowanipur (3.5 Kms) and the section between Dum Dum and Belgachia (2.2 Kms) were opened for traffic during 1984-85. It is proposed to extend the service towards South up to Tollyganj in early 1986 thereby opening a continuous length of 7.7 Kms between Esplanade and Tollyganj.

International Container Traffic

12. The container traffic on Indian Railways showed a dramatic increase in the current year, with nearly 15,600 TEUs handled during the first nine months as against only about 7,000 TEUs in the corresponding period last year. The Indian Railways now operate six Inland Container Depots including the latest addition at Amingaon which was commissioned on 14th November, 1985.

12.1 In view of the fast developing container traffic, particularly at Bangalore and New Delhi, it has been decided to establish full-fledged Inland Container Depots at Whitefield and Tughlakabad. The feasibility of setting up similar Depots at other centres is being explored.

Technological Improvements

13. It is our endeavour to modernise the equipment as well as the operational practices and in this context we have initiated action in several directions. These include (a) new design of freight bogies; (b) high-speed light-weight coaches with latest features in suspension, braking, corrosion prevention and passenger comforts; (c) thyristor chopper control equipment on Electrical Multiple Units; (d) high horse-power diesel and electric locomotives; (e) digital radio equipment and fibre optic cables; (f) heavier rail sections with concrete sleepers, elastic fastenings and continuous/long welding of rails; and (g) micro-processor based track monitoring.

Computerisation

14. Apart from the computerised passenger reservation systems being introduced in Metropolitan cities, the House are aware that an ambitious plan for computerisation of freight operations has been taken up at an estimated cost of Rs. 520 crores. International experience has shown that the introduction of such systems enables substantial improvement in wagon productivity. Steps are being taken to implement the system ahead of the target date of December, 1993.

Staff Matters

15. The industrial relations on the Railways continued to remain cordial and harmonious. Regular meetings were held with the organised labour under the Permanent Negotiating Machinery and Joint Consultative Machinery schemes. Regular meetings of the Corporate Enterprise Groups were also held at various levels to provide opportunity for labour participation in management and decision making.

15.1 With a view to improving the promotional prospects of the employees, cadre reviews were continued. About 1.8 lakh employees of various categories have been benefited during the current year. Productivity Linked Bonus equal to 33 days wages was paid to the employees in 1985-86.

15.2 The Railways have an excellent network of 107 hospitals and 623 health units to look after the

health of railway employees and their families. The Railways are progressively introducing in their hospitals the latest and the most advanced equipment for better diagnosis and treatment. Family welfare programme on the Indian Railways is implemented through 62 Family Welfare Centres and 38 sub-centres. Sustained and untiring efforts are being made to improve the programme further.

15.3 The Railways constructed about 5,000 staff quarters in 1984-85, thereby increasing the total number of staff quarters on the Indian Railways to over 6 lakhs. In 1985-86 another 5,000 staff quarters are expected to be completed.

15.4 The commendable performance of the Railways during the current year would not have been achieved but for the whole-hearted cooperation and a sense of dedication displayed by all my railwaymen to whom I am greatly indebted. In recognition of this performance and as a token of appreciation, I propose to provide a special step-up in the allocation for the plan head "Staff Quarters" from Rs. 13 crores in 1985-86 to Rs. 25 crores in 1986-87, and in the plan head "Staff Amenities" from Rs. 9 crores in 1985-86 to Rs. 17 crores in 1986-87. These represent an increase of nearly 100%, although the overall outlay for the Railways in 1986-87 as compared to 1985-86 is only 29% higher.

Sports

16. Railways continued to give excellent performance in the field of sports, both at home and abroad. In the World Railways Athletic Meet in Czechoslovakia in 1985, an Indian Railway Athlete was declared the Best Athlete of the Meet. In the Commonwealth Weight Lifting Championship in Western Samoa, the Railway Weight Lifters bagged 7 out of the 9 medals won by the Indian Team.

Aforestation

17. Indian Railways have been contributing their mite to the national efforts to improve the ecological and environmental balance of the country through plantation of trees. In pursuance of this Plan, the Railways have planted 52 lakh trees in 1982, 107 lakhs in 1983, 132 lakhs in 1984 and 145 lakhs in 1985. In 1986-87, we propose to plant about 160 lakh trees.

Re-Enactment Indian Railways Act

18. From time to time, Hon'ble Members have pointed out the need for a comprehensive review and revision of Indian Railways Act, 1890. I am happy to inform the House that this review has been almost completed and a Bill for re-enactment of Indian Railways Act will shortly be introduced in the House.

Public Sector Undertakings

19 The two Public Sector Undertakings under the administrative control of the Department of Railways, namely, Rail India Technical and Economic Services Limited (RITES) and the Indian Railway Construction Company Limited (IRCON) continue to maintain an impressive record of turn over and profitability. RITES earned a profit of Rs. 5.6 crores before tax and a net foreign exchange of Rs. 7.06 crores during 1984-85. IRCON achieved a turn over of Rs. 198.4 crores in 1984-85 and has recorded profits for the eighth year in succession, the profit before tax being Rs. 20.55 crores. This Company also earned for the country a handsome amount of Rs. 24.9 crores in foreign exchange. During the year 1984-85, this Company completed the prestigious Rs. 398 crores Samawa Railway Construction Project in Iraq.

Budget Estimates

20. I shall now deal with the Budget Estimates for 1986-87. The Railways are well poised to lift 294 million tonnes of freight traffic including 267 million tonnes of revenue earning traffic. With an average lead of about 680 kilometres we hope to achieve another milestone of 200 billion tonne kilometres of goods traffic in 1986-87. A growth of 4% to 5% in suburban and nonsuburban passenger traffic is also envisaged during the Budget Year.

20.1 The Gross Traffic Receipts at the existing level of fares and freight rates for the Budget Year are estimated at Rs. 6,743 crores. These receipts are higher than those anticipated for the current year by Rs. 404 crores.

20.2 The Ordinary Working Expenses are estimated at Rs. 4,700 crores for the year 1986-87, an increase of Rs. 87 crores over the revised estimates for the current year, to provide, among other factors, for expenditure arising out of increased activity in carrying more traffic. We hope to restrict the increase in Working Expenses to the bare minimum through determined efforts which the Railways will be making in achieving further economies and in enhancing the productivity of the system through efficient management

of manpower and other resources.

20.3 It is proposed to step-up the contribution to Depreciation Reserve Fund from Rs. 920 crores in 1985-86 to Rs. 1,250 crores in 1986-87. The additional funds thus made available for renewals and replacements will enable a faster clearance of the backlog of arrears of track renewal, signalling and telecommunication equipment, overaged rolling stock and contribute towards safer and faster running of trains.

20.4 The Railway Convention Committee, 1985, have commenced their deliberations. The provisional recommendations of the Committee, placed before the Parliament, are under examination. Meanwhile, provision for dividend has been made on the same rate as was adopted in the financial year 1985-86. Such changes as may be necessary in regard to dividend and other matters will be duly made when the final recommendations of the Committee are approved by the Parliament.

20.5 With the increase in Ordinary Working Expenses, contributions to Depreciation Reserve Fund, and to the Pension Fund, the total Working Expenses add up to Rs. 6,230 crores, leaving a net revenue of Rs. 583 crores. This level of net revenue would not be sufficient to meet the dividend liability of Rs. 590 crores and to finance works chargeable to Development Fund.

20.6 I now come to the proposals for revision in fares and freight.

Objectives

21. Our effort must be to ensure that the results of greater efficiency and improved capacity utilisation are made truly meaningful in the national context. And this can only be achieved if the benefits of this performance are passed on in good measure to the country and its economy. Under the constructive guidance of the Prime Minister, the Railways are determined to play their role in the national effort towards price stability. At the same time, it is also essential that we endeavour to lessen the burden on the economically weaker sections of society who depend on us to provide them a relatively inexpensive means of transport. It is this two pronged thrust which is uppermost in my mind; on the one hand to contribute to the national economic effort in terms of growth with price stability, and on the other, alleviation of the burden of the common man through reasonable passenger tariffs.

Freight Tariffs, Second Class Ordinary, Monthly Season Tickets

22. With these two objectives in view, I am glad to inform the House that I do not propose to raise tariffs on the carriage of goods and parcels of any commodity whatsoever. The House would also be happy to know that with the low income groups and commuters in mind, I do not propose any raise in the fares of Second Class Ordinary or in that of Monthly Season Tickets. Hon'ble Members, this exempts about 90 per cent of the total number of passengers travelling on Indian Railways from any increase in the fares.

Need For Additional Resources

23. However, to make up the marginal shortfall and to provide for works chargeable to the Development Fund, I propose to make a modest increase in the passenger fares of Second Class Mail and Express only, and of Upper Classes, which will take effect from 1-4-1986.

Second Class Mail And Express

23.1 Fares of Second Class Mail and Express will be increased by 7.5 per cent upto 250 Kms., but only by 5 per cent on distances beyond 250 Kms., subject to a minimum increase of Rupee one per ticket. A higher increase in the fares upto 250 kms. and, a lower increase beyond in Mail and Express trains has been proposed on the consideration that as an integrated transport policy, the short distance passenger traffic should normally move either by road or by ordinary trains leaving more room on fast Mail and Express trains for long distance passengers. We hope that this will somewhat reduce the inconvenience experienced by them due to over-crowding.

Second Class Sleeper Surcharge

23.2 As far as surcharge on Second Class Sleeper berths is concerned, at present it is Rs. 10/- per journey irrespective of the distance or the number of nights involved. While the same rate of Rs. 10/- will continue upto a distance of 500 kms., I propose to raise it to Rs. 15/- per journey when the distance is more than 500 kms.

Upper Classes

23.3 As my thrust is towards alleviating the burden on the low income groups, and as Upper Class passengers have the capacity to pay a little more, I propose to raise the fares of Air Conditioned Chair Car, First Class, A.C. Two Tier Sleeper and AirConditioned First Class, by 12.5 per cent. The same rate of increase will apply to the special fares of all classes in Rajdhani Express trains, which provide a high speed inter-city service with better amenities and more travel comfort.

Surcharge on A.C. Two tier sleeper

23.4 In addition to the above, I propose to raise the existing surcharge on A.C. Two Tier Sleeper as follows:

- For distances from 1 to 500 kms., by Rs. 5/-,
- for distances from 501 to 1000 kms., by Rs. 10/-,
- for distances from 1001 to 1500 kms., by Rs. 15/-; and
- for distances from 1501 kms. and beyond, by Rs. 20/-.

Additional Revenue

24. All these proposals taken together are likely to yield additional revenue of Rs. 76 crores during 1986-87, which Hon'ble Members, amounts to only 1.2 per cent of the total earnings of the Indian Railways.

Concession For Youth

25. The House may recall that in my last Budget Speech, I had given a concession to youth in Second Class during the International Year of the Youth, 1985. Eventhough the International Year of the Youth is formally over, I have decided that during the next financial year also, concession of 25 per cent in passenger fares in Second Class be given to youth of the age group of 13 to 33 years, on satisfactory proof of age, while travelling in groups of a minimum of ten, for distances over 1000 kms. This is to enable young people to see different parts of our vast country and to strengthen in them the sense of national integration.

Future Challenges

26. Hon'ble Members, the challenges in the ensuing year are going to be more than ever before. We are involved in an exercise which envisages rapid development and modernisation. However, due to the constraint of resources, this exercise can only be achieved successfully through striving for even greater efficiency. We seek your support, your understanding and your encouragement, which will undoubtedly spur us on to overcome the stiff challenges, and achieve even greater heights. I have great faith in the talents and in the ability of railwaymen, and I am confident that they will prove equal to what the nation expects of them.

27. With these words, I now commend to the House, the Railway Budget 1986-87.
