

**Speech of Shri Madhavrao Scindia  
Introducing the Railway Budget  
for 1987-88, on 25<sup>th</sup> February 1987**

Mr. Speaker,

Sir, I rise to present the Revised Estimates for the year 1986-87 and the Budget Estimates for the year 1987-88 for the Indian Railways.

Introduction

2. I am happy to inform the House that the performance of the Indian Railways both in 1985-86, and in the nine months so far of the current year, has been one of continued improvement. The zest and enthusiasm evoked in 1985 continues to inspire Railwaymen through the length and breadth of our country. I would like to record my appreciation for the way they have responded to the challenges of their tasks, establishing new records and crossing new milestones. There has been a tremendous increase in the productivity of both man and machine. In fact, so great was the improvement in transport efficiency that it is a matter of pride for me to state that the Indian Railways are amongst the leaders in the world in freight capacity utilisation leaving behind almost all railways even of the developed world. The Net Tonne Kilometres per Wagon per Day (B.G.), which is the most comprehensive efficiency indicator for railway freight operations, soared to 1296 in 1985-86 from 1150 in 1984-85, an improvement of as much as 12.7% in one single year. It was because of this, that in spite of no increase in the net wagon fleet, we managed to move as much as 21.6 million tonnes more as compared to the previous year, surpassing our target by 9.4 million tonnes and recording a total transport output of 206 billion net tonne kilometres, thereby, crossing for the first time, the landmark figure of 200 billion. I may add, that each month of the year 1985-86 was an all-time record for freight loading for that particular month in the history of the Indian Railways. It is a matter of satisfaction, that due to the understanding, support, and encouragement that we continue to receive from Hon'ble Members from all sections of the House, and the cooperation from rail users all over the country, the nine months of the current year 1986-87, have once again surpassed the record milestones achieved in 1985-86 for each of those particular months.

**Financial Results 1985-86**

3. As far as our financial performance in 1985-86 is concerned, we were, perhaps, amongst the very few Railways in the world, which managed to earn a surplus. This is in spite of the fact that we subsidised amongst other things, passenger traffic and the movement of some essential commodities to the extent of over Rs. 1100 crores. Through strict financial management and greater revenue effort, the Indian Railways reversed the trend of the previous two years, earning a surplus of about Rs. 179 crores, in contrast to the deficit of about Rs. 45 crores in 1983-84, and Rs. 196 crores in 1984-85. This surplus, was Rs. 105 crores more than what was envisaged at the time of the Budget presentation in March 1985. It has been arrived at after payment of full dividend of Rs. 507 crores to General Revenues, along with a substantially enhanced contribution to the Depreciation Reserve Fund at Rs. 920 crores, amounting to as much as 10% of the capital-at-charge.

**Freight Performance 1986-87**

4. In freight operations, in spite of just a marginal increase in the wagon fleet, the Railways have been able to load 220 million tonnes up to the end of December 1986, which is nearly 13 million tonnes higher than in the corresponding period of last year. I am very hopeful that, for the first time, we will touch the 300 million tonne mark at the close of the year, surpassing the target set, by 6 million tonnes. It would be pertinent to mention that this higher tonnage has been carried over a longer lead, with the result that the overall transport output measured in terms of Net Tonne Kilometres, which is the real index of transport effort, has recorded an increase of about 10 billion by December 1986 over the corresponding period of last year, an improvement of 6.7%. The general efficiency indicator i.e. the Net Tonne Kilometres per Wagon per Day (B.G.) has touched an all time high of 1321 in the nine months of the current year compared to 1255 recorded in the corresponding period of last year. These figures, Sir, demonstrate clear and continued improvement in the productivity of the system.

**Financial Performance 1986-87**

5. The ordinary working expenses in the current financial year 1986-87 are now estimated at Rs. 5392 crores, which is an increase of Rs. 692 crores over the budget estimates. The major component

of this increase is the post-budget rise in the wage bill to the tune of Rs. 563 crores, in which the effect of implementation of Pay Commission's recommendations alone accounts for Rs. 462 crores, the balance being additional DA and Productivity Linked Bonus. After taking into account appropriation of Rs. 1250 crores for the Depreciation Reserve Fund and Rs. 350 crores for the Pension Fund, the revised estimates for the total working expenses are Rs. 6992 crores. I would like to bring to the notice of the House that the allocation of Rs. 1250 crores for the Depreciation Reserve Fund represents an increase of as much as 36% over the Rs. 920 crores allocated in the year 1985-86. This contribution to Depreciation Reserve Fund has risen from around 3% of the capital-at-charge 10 years ago, to 10% last year, and to a healthy 12% in the current year. From these figures, the House will be able to well appreciate that this essential contribution had been quite inadequate in earlier years, and has been the major contributory factor leading to the huge backlog of replacements and the slow pace of modernisation. We will now be able to provide, to a much larger extent, the need-based requirements for overdue replacements. Viewed both from the aspects of safety, and from those of operational needs, the increased allocation will undoubtedly be of an immense benefit for the system efficiency, not only now, but, even more so in the coming years.

### **Gross Receipts 1986-87**

5.1 As far as the gross traffic receipts are concerned, these are now placed at Rs. 7503 crores against the budget estimates of Rs. 6819 crores and last year's actuals of Rs. 6428 crores, an increase of Rs. 684 crores and Rs. 1075 crores respectively.

### **Net Financial Results 1986-87**

5.2 The House will recall that the post-budget increases in the staff costs, mainly arising out of the implementation of the Pay Commission's recommendations, had compelled me to seek the approval of the House to Supplementary Demands for Grants in November 1986. I had anticipated a short fall of Rs. 95 crores at that time. I had, however, in my speech assured the House, (and I quote), "It will be our constant endeavour during the course of the year to bridge this gap to the maximum extent possible through further intensification of the traffic effort" (unquote). This challenge was taken up by the Railway team located in every nook and corner of our vast country. The House will be glad to know that, due to this effort at revenue maximisation, not only do we expect to fully cover the projected deficit of Rs. 95 crores, but also end with a small surplus of Rs. 11 crores, after payment of full dividend of Rs. 570 crores to General Revenues.

### **Passenger Services**

6. The twin objectives of the Indian Railways are, on the one hand, to provide a reasonably priced means of transport for the people of this country, and on the other, to measure up to the freight transport demands, thereby strengthening the economic super-structure of the country. With the obvious limitations of capacity and resources, it is our endeavour to strike a judicious balance between the two. As far as passenger services are concerned we are involved in an effort similar to that in the freight sector. Without any appreciable increase in the coaching fleet, we have managed to introduce additional train facilities through greatly improved utilisation, by adopting various measures like rationalising the rake links, minimising the lie over period, decreasing the vehicle ineffectives, increasing the Periodic Overhaul (POH) output, and establishing computerised coaching cabinets.

6.1 During 1985-86, the Railways introduced 8 additional passenger trains, extended the run of 42, increased the frequency of 3 pairs, and speeded up 358 trains. In the suburban sections, 65 new trains were introduced and 15 extended. In the current year 1986-87 also, we have been able to introduce 9 pairs of new mail/express services and 40 new suburban trains, increase the frequency of 10 trains, extend the run of another 10 pairs, augment the load of 27 pairs, and speed up 409 trains.

### **Additional Passenger train facilities in 1987-88**

6.2 I am happy to inform the Hon'ble Members that this effort at providing better and additional train facilities is being given a further fillip in the ensuing year 1987-88. I have decided to provide a number of new passenger facilities in the time table to come into force with effect from 1-4-1987.

6.2.1 Several new trains will be introduced. These will be :

A superfast train (bi-weekly) between Bombay V.T. and Cochin.

- An Express train (weekly) between Patna and Madras via Itarsi and Jabalpur.
- A superfast train (weekly) between Hyderabad and Cochin.
- A superfast train (weekly) between Hyderabad and Ahmedabad.
- A superfast train (weekly) between Ahmedabad and Cochin.
- A superfast train (tri-weekly) between Lucknow and Bombay.
- A superfast train (weekly) between Guwahati and Cochin.
- A train (MG) between Samdari and Raniwara.

6.2.2 The frequency of a number of trains will be increased. These are 59/60 Hyderabad-Madras Charminar Express from 3 days to 4 days a week.

- 159/160 Sarnath Express between Varanasi and Durg from 2 days to 3 days a week.
- 127/128 Karnataka Express from 2 days to 4 days a week. On the additional days the train will run as 927/928 via Vijayawada.
- 121/122 Tamil Nadu Express from 4 days to 5 days a week.

6.2.3 The runs of a number of existing trains will be extended :

- 265/266 Jodhpur-Bhildi Express (MG) will be extended to Ahmedabad.
- 109/110 Chitrakoot Express between Lucknow and Manikpur will be extended to Jabalpur.
- 107/108 Bundelkhand Express will be extended to Gwalior.
- 105/106 Howrah-Samastipur Express (weekly) will be extended to Muzaffarpur.

6.2.4 Some important long distance trains will be speeded up. These will include :

- 925/926 Bilaspur-Bhopal Mahanadi Express.
- 915/916 Puri-New Delhi Express.
- 509 Guwahati-New Delhi Avadh Assam Express.

### **Passenger Amenities**

7. Apart from providing additional train services, we are taking a closer look at areas where passenger amenities could be improved.

### **Computerised Reservation**

7.1 As I have earlier stated in the House, passenger reservations in the entire, Delhi area, i.e. Delhi, New Delhi and Hazrat Nizamuddin alongwith four outlying terminals in the city, will be on by the end of March 1987. Similar systems have been planned in Bombay and Calcutta where the first phase will be completed by December 1987. In 1987-88, work will commence on five more projects at Madras, Bangalore, Secunderabad, Bhopal and Lucknow.

### **Model Stations**

7.2 We have selected 67 stations to be developed as Model stations. These stations would be trend setters in terms of aesthetic design and passenger amenities.

### **Cushions in second class coaches**

7.3 With a view to improving travel comfort in second class, a programme has been taken in hand to ensure that all old second class sleeper coaches are also provided with cushions. We hope to complete this task within the next three years.

### **Catering**

7.4 The response to hot and hygienic meals in disposable aluminium casseroles

continues to be encouraging, and this service has been extended from 2 trains in June 1985 to 53 by December 1986. Sale of meals on these trains has recorded a 31 % increase over the corresponding period of last year. Several base kitchens are being fully modernised, both in layout and in equipment, to further improve the quality of the meals served.

### **Punctuality**

8. Punctuality continues to engage my special attention. Besides the regular monitoring at the divisional and zonal headquarters, 200 important trains are monitored round the-clock by a special cell in the Railway Board. Sometimes, trains do run late on account of track and equipment failure, accidents, local agitation and the activities of miscreants who indulge in alarm chain pulling and disconnection of hose-pipes. We do our best to minimise such failures. The cooperation of the travelling public is, however, of great importance. Since the law and order situation prevailing in the area has a direct bearing on the punctuality performance, a close coordination is also maintained with the State Governments.

### **Redressal of Public Grievances**

9. The Railways are according a high priority to redressal of public grievances, and have geared up the machinery at all levels. Our effort is not only to improve our services to the millions of rail users but also to look into their complaints and suggestions sympathetically and promptly. As part of the improvement in service to the customer, the drive to minimise the incidence of loss and damage claims has yielded good results. In 1985-86, the number of new claims dropped by 7 per cent. In the first nine months of the current financial year, there has been a further decline of 5.5% in registration of new claims, despite increase in traffic.

### **Safety**

10. One aspect of Railway working where we are not prepared to strike any compromise is in the area of safety. The year 1985-86 recorded the lowest ever figure for accidents on the Indian Railways, a reduction of 11 % as compared to the previous year. I am glad to state that during the current year in the period April December 1986, a further improvement of 12.7% over the same period last year, has been effected. Significantly, this reduction was achieved in spite of more kilometrage traversed by the more than 11,000 trains that run daily. This is clearly reflected in the Accidents per Million Train Kilometres, the correct index of safety performance, which dropped to about 1.15 during the first nine months of the current year, an improvement of 15.4% over the same period last year. In spite of the resource constraints, more and more level crossing gates are being provided with interlocking arrangements and new equipment, and 2092 out of 2597 important stations have been provided with track circuiting. The installation of the auxiliary warning system on the Bombay suburban section of the Western Railway is likely to be completed in 1987-88. A similar work is, in progress on the Central Railway. It is also proposed to install such a system on the Rajdhani routes between Bombay and Delhi, and Delhi and Mughalsarai, in the next financial year.

10.1 Because of the priority we are giving to the safety aspect, I am proposing to double the allocation to the Accident Compensation, Safety and Passenger Amenities Fund from Rs. 30 crores to about Rs. 60 crores.

### **Future Plans**

11. Sir, I now propose to share with the Hon'ble Members some of our thoughts and perceptions about the future planning on the Indian Railways, to ensure that our system remains not just the second largest in the world under one single management, but also becomes one of the most modern.

### **Rehabilitation and Modernisation**

11.1 In the first phase, it is absolutely essential to devote a large part of our resources to wipe out the accumulated backlog in essential areas like track renewal, and to also identify and revitalise certain neglected areas; in other words, a comprehensive rehabilitation and modernisation programme. This process is now well in hand. For instance, track renewal and electrification targets in 1986-87 have been increased over 1984-85 by as much as 38% and 67% respectively, with 31 % of the plan outlay in 1985-86 and 1986-87 being spent under these two heads. Similarly, 32% of the plan outlay of the first two years of the 7th Plan has been spent on rolling stock. With enhanced allocations

under two other vital areas, viz., signalling and tele-communications, and workshops, as much as 74% of the Plan outlay has been spent on rehabilitation and modernisation.

### **Technology Upgradation**

11.2 Sir, as I said earlier, the Indian Railways in the last two years have achieved unprecedented levels in the utilisation of the existing infrastructure. At the same time, the pattern of our economy is such that there is an ever increasing demand for rail transport. These two basic factors make it absolutely essential that the Indian Railways should, at this point of time, initiate measures towards a quantum jump in technology upgradation. Our plans for the future, therefore, include not only a further improvement in the productivity or utilisation but also a substantial upgradation of technology in various segments of the railway infrastructure. Measures have been initiated for improving the design, reliability and the speed capability of the track structure by using heavier rails of higher tensile strength on heavy density routes, long and continuous welded rail lengths, head-hardened rails, pre-stressed concrete sleepers, and mechanised laying and maintenance of track. In Signalling, the plans include use of electronics based equipment, solid state interlocking technology and train describer system to be introduced as a pilot project in the Delhi area. Another pilot project for the introduction of optical fibre communication has been initiated on the Churchgate-Virar suburban section-of the Western Railway. A similar work is proposed in the next financial year for Bombay VT-Kalyan section on the Central Railway. In the area of motive power, measures have been initiated to update the present 3900 HP Electric Locomotive to a 6000 HP energy efficient locomotive and to update the present- 2600 HP Diesel Locomotive to a 4000 HP fuel efficient one. Similarly, we plan to manufacture high-speed light-weight coaches with latest technological features, in the new Rail Coach Factory at Kapurthala as well as in the Integral Coach Factory (ICF), Perambur. Another important part of our future planning is the development of a better bogie for the freight wagons, which will combine a high degree of end-to-end, trouble-free running, with minimum impact on the rail and wheels. In the process of development of the future motive power and rolling stock on the Indian Railways, efforts will be made to take into account the best features available in the 'state of the art' technology the world over, as well as the work done in the past and continuing to be done, in the Indian Railways' own research and development centres like the RDSO, Lucknow, the Production Units and the Railway Workshops.

### **Computerisation of Freight Operations**

11.3 In the area of new technologies, a major project that Railways have embarked upon, is that of a Computerised Freight Operations Information System. It is conceived as a mix of a Central Computerised Computer, integrated with several Zonal Computers, through dedicated high-speed digital, communication links. The Centre for Railway "Information Systems (CRIS), a registered Society sponsored by the Ministry of Railways, has been given the responsibility of implementing the project in phases.

### **Annual Plan Allocations 1986-87 and 1987-88**

12. The Railway Plan for the current year envisaged an investment of Rs. 2650 crores at the time of the Budget. The outlay is now proposed to be enhanced to Rs. 2,675 crores, with an increase of Rs. 25 crores in the budgetary support to meet part of the contribution to the equity capital of the newly constituted Indian Railway Finance Corporation (IRFC). In the current year, this Corporation proposes to float bonds of Rs. 250 crores which will help finance part of the annual plan of Rs. 2675 crores.

12.1 For the financial year 1987-88, the Railways have been given a plan size of Rs. 2980 crores. Out of this outlay, a sum of Rs. 300 crores is proposed to be raised through market borrowings by IRFC.

12.2 An important feature in the financing of the Railway investment in the 7th Five Year Plan has been a considerably higher internal resource generation by the Railways themselves. This contribution which stood at 25% in the 5th Plan and was raised to 42% in the 6th Plan, has now gone up to well above 50% in the year 1985-86. If we take into account the investments that will be undertaken by the Indian Railway Finance- Corporation, on behalf of the Railways, from funds to be raised from market borrowings, the investment from the Railways' own contribution to the Plan, would rise to above 58% both in 1986-87, and again in 1987-88.

### **New Lines**

13. There is a very heavy demand from all parts of the country for new lines. At present, there

are 35 on-going new line projects involving a total route length of 2940 kilometres. The throw-forward of funds required to complete these projects is approximately Rs. 1700 crores. The House will bear with me, when I say, that it would take some years to complete these in view of the restricted availability of funds. In spite of these financial limitations, I am glad to inform the House that during the current financial year, the Broad Gauge line from Milavittan to Tuticorin Harbour (1.1 kms.) was completed in June, 1986. We also expect to complete Talgaria-Tupkadih (33 kms.) and Motumari-Jaggayyapet Town (26 kms.), shortly. New line projects from Miryalguda to Nadikude (39 kms.), the Bhatinda Byepass (8 kms.) and from Jagtayyapet Town to Jaggayyapet (6 kms.), have been targeted for completion in the next financial year. Amongst the new schemes on which construction work is now being taken up are the Tamluk-Digha (87 kms.) and the Satna-Rewa (50 kms.) lines. In addition, a final location survey is under progress for taking up the Lakshmikantapur-Namkhana line in the next financial year. It has also been proposed to construct a new line from Trichur to Guruvayur (24 kms.).

### **Gauge Conversions**

14. There are 11 on-going gauge conversion projects which cover a length of 2013 kms. The balance of funds required to complete these projects is about Rs. 700 crores. Because of the financial constraints, the progress of these works is admittedly slow. However, in the next financial year, two important gauge conversion projects are likely to be commissioned. These are Suratgarh-Bikaner (178 kms.), and Moradabad-Kashipur (51 kms.). Further work on the Kashipur-Ramnagar section can then be taken up.

### **Surveys**

15. During the year 1986-87, four surveys for new lines have been approved. These are-
- (i) Bahadurgarh-Jhajjar
  - (ii) Jind-Rohtak/Hansi/Hissar.
  - (iii) Udampur-Qazigund.
  - (iv) Goindwal-Beas (Re-appraisal survey)

The survey work on the West Coast Line between Mangalore and Roha is likely to be completed by March 1988.

### **Road over-Bridges/Under-Bridges**

16. Within the overall constraint of funds, Railways have been sanctioning more and more road under-bridges and over-bridges. As many as 23 new bridges were sanctioned in 1986-87 and almost an equal number has been proposed for the next financial year. The outlay on these works is proposed to be increased from about Rs. 12 crores in the current year to about Rs. 17 crores in the next financial year.

### **Road Bridge Across Brahmaputra River**

17. It gives me great pleasure to inform the House that the Rs. 73 crore, three kilometre long Road-Bridge across the Brahmaputra River at Tezpur a prestigious and colossal project entrusted to us by the North Eastern Council is likely to be completed next month, well before the target.

### **Track Renewals**

18. In the year 1985-86, the pace of track renewals was greatly accelerated and 3578 kms. of track was replaced. The targets for the current and the next year have been fixed at 3800 kms. and 4200 kms. respectively.

### **Railway Electrification**

19. As far as electrification is concerned, we have programmed to electrify another 3400 kms. in the 7th Plan, at an outlay of about Rs. 830 crores. Priority is being given to the major trunk routes, between, Delhi-Bombay (through both the Western and Central Railway systems), Delhi-Madras, Bombay Howrah via Nagpur, and some other sections where heavy movements of coal and iron-ore traffic are taking place. During 1985-86, 461 route kms. were energised. In the current year, we expect to energise another 560 route kms, and the target for the year 1987-88 has been raised to 670 route kms. Hon'ble Members will be happy to know that the electrification of the entire trunk route from Delhi to Bombay on the Western Railway is expected to be completed in 1987-88.

### **Metropolitan Projects**

20. In the area of suburban transport, it is my considered opinion that the investment needs of

the Metropolitan Rail Projects are of such a magnitude that no single agency can provide for them in a meaningful manner. Moreover, most suburban services in the Metropolitan cities are highly subsidised, causing heavy losses to the Railways, which in 1986-87, are estimated to be about Rs. 97 crores. With the further extension of suburban facilities, the operating losses are bound to increase. Keeping in view this, and the fact that urban transport is primarily the responsibility of the city authorities the world over, it is important that the State Governments and city administrations come forward with a cost sharing arrangement, both for the initial capital, and for the recurring expenditure.

20.1 The House is aware that about 10 kilometres of Metro Railway, Calcutta have already been commissioned for commercial operations and is operating satisfactorily. Work is continuing on the remaining sections, and the overall progress till December 1986 was 62%. On the Calcutta Circular Railway, the Princep Ghat to Ultadanga Road section has already been completed and commissioned, and the work from Ultadanga Road to Dum Dum is in progress.

20.2 In Bombay, we have taken up the construction of the extension of the Railway line from Mankhurd to Belapur (18 kms.). The Maharashtra Government have agreed to bear 67% of the cost of this project and the remaining 33% will be provided by the Railways. The most critical activity of this project is the construction of a 2 km. bridge across Thane Creek, the contract for which has already been awarded.

20.3 In Madras, the Madras Beach-Luz, Rapid Transit System project, is presently under execution. The question of cost sharing of this project on the same pattern as in the case of the Mankhurd-Belapur line, is being pursued by us.

### **Production Units**

21. The performance of the Railway Production Units has also been very satisfactory. On the basis of this performance, I have been encouraged to raise their production targets for the next year, except in the case of Diesel Locomotive Works, Varanasi which will continue to maintain production at the level of its present full capacity. The capacity, and consequently the target, for Chittaranjan Locomotive Works has been raised from 106 locomotives this year to 121 next year, the electric locomotive production increasing from 70 to 81. The Integral Coach Factory, Perambur, which is being modernised and expanded for a capacity of 1000 coaches per year at a cost of Rs. 37 crores, is targeted to produce 900 next year, as against 850 in the current year. The Wheel and Axle Plant at Bangalore is expected to exceed its current year's target of 20,000 wheelsets and to reach a production level of 23,000 next year. The construction of the Rail Coach Factory at Kapurthala is on target.

### **Research, Designs and Standards organisation**

22. Research and Development on Indian Railways is engaging my close attention. In order to give further thrust to the research activities of Research, Designs and Standards Organisation (RDSO), I have already introduced, a separate Plan head in the Railway Plan for investment allocable to Research. I propose to enhance the investment under this head from Rs. 1 crore in 1986-87 to Rs. 10 crores in the next year. This allocation would be in addition to a sum of Rs. 19 crores earmarked for the organisation from Railway Revenues. I have also instructed the Production Units to independently set up their own R&D cells, so that RDSO can be relieved from the lighter areas of research and development, and devote their full attention to the more important programmes.

### **Public Sector Undertakings**

23. I have already informed the Hon'ble Members that the Railways were contemplating the raising of Rs.250 crores through public borrowings in the current year. The Indian Railway Finance Corporation, a Company with an authorised Capital of Rs. 200 crores and an initial paid-up Capital of Rs.50 crores has been set up under the administrative control of the Ministry of Railways. The first Bond issue of this Corporation is proposed to be offered for subscription by the public in this financial year.

23.1 This new Corporation will be the third Public Sector venture of the Indian Railways, the first two being the Rail India Technical and Economic Services (RITES) and the Indian Railway Construction Company (IRCON), both of whom have had an excellent track record of efficiency and profitability. RITES, a consultancy organisation, earned a before-tax profit of Rs. 5.9 crores in 1985-86, and is fulfilling international contracts in Algeria, Iraq, Jordan, Zimbabwe, Zambia, Sri Lanka, Ghana, Mozambique, Ethiopia and Bangladesh. This Corporation earned foreign exchange worth Rs. 6.5 crores

in 1985-86.

23.2 IRCON, the Construction Wing of the Railways in the Public Sector, earned a pre-tax profit of Rs. 21.87 crores in 1985-86, and has been amongst the quickest growing companies in India. They too, have successfully secured and completed several prestigious international contracts in Iraq, Algeria, Saudi Arabia, Jordan, Nepal and Bangladesh. The foreign exchange earned by IRCON in 1985-86 was Rs. 23.5 crores.

### **Industrial Relations**

24. Industrial relations on the Railways during 1986-87 remained cordial and harmonious. Regular meetings were held with the organised labour under the Permanent Negotiating Machinery and the Joint Consultative Machinery Schemes, and all problems relating to staff matters were settled amicably through these forums. Corporate Enterprise Groups also met periodically at various levels, providing a forum for exchange of views and suggestions.

### **Staff Matters**

25. It has been my concern to provide suitable working conditions and amenities to our vast railway family, so as to maintain a high morale. The Railway Administration does care for its employees, and it is my endeavour, within the resource constraints, to cater to their needs to the maximum extent feasible.

### **Staff Quarters**

25.1 During the current year, 7000 staff quarters are expected to be completed and almost an equal number in the next financial year.

### **Medicare**

25.2 Similarly, a comprehensive and systematic medical plan, envisaging the phased extension of medical facilities, has been drawn up for implementation in the next three years. We already have a network of 107 hospitals and 635 health units with 12,245 beds. During the current year, a new Hospital has been provided at Patiala and an Orthopaedic Centre at Ajmer.

### **Staff Benefit Fund**

25.3 The House is aware that the Indian Railways have a Staff Benefit Fund whose main objectives are to provide additional amenities to employees and their families in the spheres of education, recreation, relief to the distressed, financial assistance during sickness, and development of sports and scouting activities. In appreciation of the dedication and devotion with which the Railwaymen have applied themselves to the national effort, I have decided to enhance the contribution to this Fund by 37%.

### **Pension Adalats**

25.4 Sir, it is my firm belief that in order to keep, our existing workforce fully motivated, it is essential not only to provide them and their families adequate welfare and amenities during their service, but also enable them to lead a reasonably carefree life when they have left the organisation, after long and dedicated years of service. One of the major steps taken by us in this direction has been the introduction, in cooperation with the Department of Personnel, of a system of holding Pension Adalats all over the country, in zonal as well as in divisional headquarters of the Indian Railways. This provides an opportunity to the Railway senior citizens to resolve their pension problems through personal contact, and have evoked an excellent response throughout the country.

### **Sports**

26. To create a congenial environment and promote camaraderie, it is important that we give attention to sports, cultural and extra-curricular activities. We are proud that Railway athletes secured 4 out of the total 5 gold medals won by the country at the Tenth Asian Games held at Seoul in 1986. The Railway teams also won the National titles in Athletics, both men and women. The women's teams won the National titles in Basket Ball, Cricket, Hockey, Kabaddi and Cross Country, while the men's teams won the Swimming, Water polo and Indian style wrestling titles. Three Railway



sportspersons were recipients of the 'Arjuna Awards'. The House will be happy to know, that the Indian Railways have been given the privilege of hosting the World Railway Sports in, 1987, the Diamond Jubilee year of the International Sports Union for Railways.

### **Afforestation**

27. In accordance with the Prime Minister's 20-Point Programme, Indian Railways have undertaken a major drive towards tree plantation. In 1985, 145 lakhs trees were planted, rising to 165 lakhs in 1986. Action has also been initiated on pilot projects for the development of Model Compact Plantation Farms of 30 to 50 acres each, which would have the potential to yield long-term economic benefits. A special campaign has also been launched to beautify about 1000 stations annually, by planting and protecting ornamental trees, evergreen shrubs and flower plants in station areas.

### **Budget Estimates 1987-88**

28. I shall now come to the Budget Estimates for the ensuing year 1987-88. The Railways have been given a target of a total freight transport output of 223 billion net tonne kilometres in the next financial year. This would mean an originating tonnage of 313 million tonnes, of which 287 would be revenue earning.

28.1 Other traffic including coaching traffic in terms of passengers, luggage and parcels is expected to go up by about 3 % over the current year's level.

28.2 On the basis of these assumptions, and calculated at the existing fare and freight rates, gross traffic receipts are estimated at Rs, 8179 crores.

28.3 The Ordinary Working Expenses are estimated at Rs. 5750 crores for the year 1987-88, which is an increase of Rs. 358 crores over the Revised Estimates of the current financial year. The additional provision of funds under Ordinary Working Expenses include amounts required for staff increments, payment of DA, and for fuel and maintenance related to increase in activity.

28.4 It is proposed to step up the contribution to the Depreciation Reserve Fund from Rs.1250 crores in 1986-87 to Rs. 1350 crores in the year 1987-88. This enhanced contribution will further, increase the internal resources contributed by the Railways for the Railway Plan.

28.5 The contribution to the Pension Fund is also being enhanced, from the current year's level of Rs. 350 crores to Rs. 450 crores in 1987-88. This has become necessary in view of the increasing quantum of withdrawals from the Fund due to recent liberalisations in pensionary benefits and the increase in the number of pensioners.

28.6 The Railway Convention Committee 1985 have commenced their deliberations and the Railways are in the process of submitting various memoranda on the financial relations between the Railway Finance and the General Finance. Meanwhile, provision for dividend has been made at the same rate as in the year 1986-87. After the recommendations of the Railway Convention Committee are received and considered, proposals in this respect will be placed before the Parliament for approval. After Parliament's approval, changes in financial arrangements that may become necessary will be carried out from the date to be made effective.

28.7 With the increase in Ordinary Working Expenses and contribution to the Railway funds, the total working expenses are likely to increase to Rs. 7550 crores, leaving the net traffic receipts at Rs. 629 crores. Adding the accrual of Rs. 92 crores from Miscellaneous Receipts, the net revenue will rise to Rs. 721 crores. After, once again, fully discharging the dividend obligation of Rs. 652 crores, the year is expected to end with a surplus of Rs. 69 crores.

29. I would now like to come to the question of fare and freight rates. As mentioned by me earlier, the passenger services on the Railways are incurring heavy losses. Despite this, in the last Budget, second class ordinary and season tickets, which cover 90% of the travelling public, were completely exempted from any increase in tariffs, and the second class Mail/ Express was touched only marginally. In fact, if the passenger fares are to be made cost-based, substantial increase would become necessary, particularly in respect of ordinary second class and season ticket fares. However, keeping in mind the interests of the lower and middle income groups, which constitute the bulk of the railway passengers, I do not propose to increase the passenger fares of any class whatsoever. Nor do I propose any increase in freight or parcel rates.

29.1 In fact, the House will be glad to know that I have taken certain further decisions to help some of the needy and deserving sections of society.

**For the Young**

The 25% concession in second class fare allowed to groups of youth in 1986-87, would be extended by one more year to 1987-88.

**For the Handicapped**

The 50% concession in First and Second class for the deaf and dumb would be extended to season ticket fares also, as in the case of the blind, the orthopaedically handicapped and the mentally retarded.

**For the Drought & Flood Affected**

The concession in freight on the movement of fodder would be raised from 8% to 25%.

**For those in the Villages**

50 new halt stations in rural areas will be opened in the ensuing financial year to provide greater accessibility to use of rail facilities.

**For the Kisan**

A 33% concession would be given on the fares of special trains for Kisan tours, for a total trip length of at least 1000 kilometres, sponsored by the Central or State Governments.

**For the Brave, who gave their lives in defence of the nation**

A 75% concession would be given in second class fare to all war widows, as a token of our gratitude.

**Conclusion**

30. Sir, the Indian Railways are a vast and unique organisation by any national or international standards. They also have a very critical link with the process of economic development in India and greatly influence people, programmes and perceptions. Our Prime Minister has, on several occasions, asked us to bear in mind that, keeping in view the sheer size of our operations, the work and management ethos on the Railways, their successes, or their failures, have a far reaching impact on the country as a whole. We are deeply conscious of this responsibility.

30.1 I would like to take this opportunity of saying, most emphatically, that the results achieved by the Indian Railways have been on account of the dedicated effort put in by each and every railwayman, and the encouragement and motivation provided to us by our Prime Minister, and, the environment in which he has enabled this vast undertaking and its management to function. Under his leadership, there is a determination to build an India which is strong, united and self-reliant; an India which is second to none in industrial development, scientific research and technological innovation; an ideal example of an ideal synthesis between the old and the new. Every undertaking, public or private, has been called upon to meet this spine-tingling challenge, involving over 700 million people and overshadowing all sentiments of ego and identity. We are engaged in building this new India, brick by brick, line upon line. We, in the Railways, take pride in being participants in this grand enterprise, and we re-dedicate ourselves to the fulfilment of these ideals.

31. With these words, Sir, I now commend the Railway Budget, 1987-88, to the House.

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