

**Speech of Kumari Mamata Banerjee
Introducing the Railway Budget
for 2001-02, on 26th February 2001**

Mr. Speaker, Sir,

I rise to present the Budget Estimates for the year 2001-2002 for the Indian Railways. At the outset, I would like to sincerely thank our Hon'ble Prime Minister Shri Atal Bihari Vajpayeeji for his valued guidance in discharge of my ministerial responsibilities. I could count on his advice and encouraging direction whenever I approached him with any issue relating to Indian Railways. It is my proud privilege to present the second Railway Budget of the millenium and I would like to sincerely thank you, Mr. Speaker, Sir, and through you, all the Hon'ble Members of this august House for enabling me to do this.

2. Sir, last sixteen months has been a period of intense experiences for me. During this period, I have seen Indian Railways from close quarters. I have seen millions of Railway family members, working round the clock, to run more than 13500 trains across 7000 stations everyday, cutting across almost all the States. I have seen Railways spontaneously rushing into the interiors of Orissa, Bengal and Gujarat with a helping hand when unfortunate natural calamities struck them. I have also seen Railways ferrying water and fodder to the drought hit states to save precious lives. Posterity will not forget the sight of hundreds of trains trailing into Allahabad, day after day, carrying millions of countrymen on the occasion of Mahakumbh. Sir, when our jawans and tanks are moving to the border areas and when foodgrains from Punjab and Haryana are going on our trains into the interiors of far flung states, I feel proud to be associated with Indian Railways as one of its family members. A railway compartment in our country represents, perhaps, the best example of a secular, united India, bringing about emotional, regional, cultural, linguistic and economic integration of our diverse society. With these experiences, Sir, I have developed a firm belief that just as water and air are crucial for existence of a human life, Railways are equally essential, for the life of the nation. This organisation, being the largest Railway system in the world under a single management, has enormous strength and potential.

3. Sir, amongst the transport systems world-wide, Rail mode is re-establishing itself. This resurgence is because Railways are six times greater energy efficient, and four times higher land use efficient mode of transport. Railways are, perhaps, the most environment friendly transport system, the world has ever known. With its huge network spanning over 63,000 route kilometers, Indian Railways are, in fact, engine of growth for the national economy. It is difficult to perceive growth of Indian economy without a corresponding growth in Railway infrastructure.

4. But, Sir, sadly, Indian Railways with all its inherent strengths and potentials has not received the attention it deserves from the nation. With the increase in population, expectations of the countrymen from this system, and the social responsibilities reposed on it, are continuously on the rise. On the contrary, the investments in this system have been almost continuously declining over the years. The capital support from the General Exchequer which reached a peak of 75% in the Fifth Five Year Plan, fell to 42% in the Seventh Five Year Plan and skidded to a low level of 18% in the last two years of the Eighth Plan. To fill-in the gaps, Railways have been forced to resort to larger market borrowings with attendant huge burden of interest liability. This has inflicted long term damage to the otherwise healthy Railway finances. As a consequence, railways share in freight movement has also dropped from 89% in 1950-51 to about 40% as of now.

5. Sir, Indian Railways are at cross roads today. We are facing the dilemma of realising our true identity, our objectives and goals. On the one hand, we have the social responsibility of being an affordable carrier of people and goods. On the other hand, we are often expected to play the role of a profitable commercial enterprise and, thus, fend for ourselves. I learn from many economists and experts that the answer lies in treating ourselves as 'cost centres' and 'profit centres'. Sir, the countrymen know that Railways have grown as a 'people-centric', 'society-centric' public utility. Sir, let us pause here for a moment and do some soul-searching. Are we a commercial enterprise only? Or are we a public utility? Or should we continue to play a combined role in the larger interest of the public good? Sir, Indian Railways are not merely a transportation utility. They are a dependable friend of the Indian people. And just as a friend in need is a friend indeed, the Railways have stood by our people in good as well as bad times.

6. Sir, Railway experts and economists have been criticising Railways for starting large number of projects with low or negative rate of return. Sir, I am neither an expert nor an economist. But as one of the common man in this country, I feel that Railways existence is necessary to pave the way for development. Emphasising only high economic rate of return will discourage any developmental initiative in far flung areas. Can we afford to do it, Sir? I expect that my Hon'ble colleagues will guide me in searching for an

answer to this question.

7. Sir, there are large number of challenges which Railways face today. The dual roles of Railways as public utility and a commercial undertaking are at times conflicting while the sources for funding these two diverse activities are the same. Railways also do not receive compensation for social service obligations. Technological modernisation of Railways is critically required, but low investment over the last two decades has almost stopped this process. Unfortunately, the support from General Exchequer also has been taking a downward trend right from fifth Plan till Eighth Plan, dropping from 75% to 18%. This is pushing railways on to borrowings at high rate of interest causing permanent damage to its finances. Internal resources of railways have also suffered a severe and permanent jolt immediately after implementation of Fifth Pay Commission recommendations. Railways have 16 lakh employees which is 40% of the entire central government strength. In the coming year, pension alone is likely to cost Rs. 5,800 cr which Railways have to bear themselves. Otherwise, Pension liabilities of other Government employees are borne by General Exchequer.

8. Sir, during my tenure, I have initiated several measures to meet these challenges within our limited means. For the first time, Railways seriously started pursuing the non-traditional sources of revenue generation. However, developing new sources, which are non-traditional, and tapping them takes time. I had also launched a serious economy and austerity drive. Sir, the House is aware that this drive had yielded a saving of Rs. 850 cr during previous year. For the current year also, the target in this regard is Rs. 865 cr. However, Sir, these measures are not adequate to meet the severest challenges. Some more steps are needed which I would like to outline below:-

- (i) For financing socially relevant projects and for running train operations to meet socially desirable ends, outright grants without dividend liability should be provided by the State. On the other hand, a special fund with a mix of seed contribution, borrowings and private sector participation should be created for funding remunerative and operationally required projects.
- (ii) Railways need to develop market oriented and customer friendly outlook due to emerging competition within the transport sector.
- (iii) Sir, the House is aware that much discussed recommendations of Railway Safety Review Committee chaired by Justice Khanna have evoked large support from Hon'ble Members. But Railways are still awaiting the recommended one time grant for safety purposes.
- (iv) There is urgent need to prioritize railway projects for speedy implementation. Cost-sharing of such prioritized projects with the State Governments, which has recently begun, should be further intensified. Sir, I would like to thank the State Governments of Andhra Pradesh, Tamil Nadu, Maharashtra and Karnataka who have already come forward in this direction. I wish other State Governments will also join these efforts.
- (v) Railways have an enormous hidden wealth in the form of land, airspace etc. which needs to be unlocked to augment its resource base. Several non-traditional means of mobilising resources have been introduced recently. But this process needs to be taken forward in all seriousness.

9. Sir, these steps, I feel, will bring about major improvements in the Railway finances. I am happy to inform the House that this aspect is now being professionally looked into by an Advisory Committee under the Chairmanship of Shri Sam Pitroda.

Brief review of financial performance during 1999-2000

10. Sir, Hon'ble Members are aware that the year 1999-2000 was an extremely difficult year, as the Railways had to face the impact of recession on earnings coupled with soaring increase in the working expenses as a result of implementation of the Fifth Central Pay Commission. But, Sir, we have together fought this adverse situation with all the courage at our disposal.

11. I am happy to inform the House that due to concerted hard work of railway family members, we achieved an all-time record of incremental freight loading of 35 million tonnes, surpassing the target of 450 million tonnes by 6.42 million tonnes in the year 1999-2000. This was, indeed, a remarkable achievement despite the background of severe setback in the year before that. Even the passenger earnings registered an impressive growth of 12%, and surpassed the budgeted target by Rs. 132 cr.

12. As a post budgetary development, Railways finances came under stress due to upward revision

of price of diesel oil as well as levy of an additional cess and revision of tariff by some of the State Electricity Boards. This coupled with damage caused to Railway property by Orissa cyclones put an additional burden of around Rs 900 cr on the system. Sir, we consciously chose not to shift this burden on to rail users. I am happy that we were able to absorb the entire burden ourselves.

13. Despite all these difficulties, gross earnings increased from Rs 33,021 cr in Revised Estimates to Rs. 33,125 cr in the actuals. Total Working Expenses which stood at Rs 30,909 cr in the Revised Estimates were also contained at Rs 30,844 cr. Pensionary liabilities, budgeted at Rs. 4,094 cr in the Revised Estimates finally came down to Rs. 4,022 cr. The plan expenditure stood at Rs. 9,057 cr as against Rs. 8,965 cr in the Revised Estimates. The market borrowings however, were reduced from Rs 3,000 cr in the Revised Estimates to Rs 2,919 cr.

Review of financial performance during the current year

14. Sir, the House will recall that a target of 475 million tonnes was fixed for loading of revenue earning freight traffic for the year 2000-01. Indian Railways have already loaded about 390 million tonnes of revenue earning freight traffic during the period from April, 2000 to January, 2001 which is 18.48 million tonnes more than the loading achieved in the corresponding period of last year. Keeping the trend in view, the freight-loading target of 475 million tonnes would definitely be achieved. In the current year, positive growth has been witnessed in loading of coal, iron ore for export, POL, iron and steel, cement and 'other goods'.

15. I am happy to inform the House that there has been a historically high growth in passenger earnings, which reached about Rs 8,552 cr by end of January 2001. This marks an increase of Rs 740 cr over previous year's earnings during the corresponding period. Other Coaching and Sundry earnings also have been quite encouraging compared to previous year's performance.

Non-traditional sources of earnings

16. Sir, the House would recall that the Railways had, for the first time, set for themselves the task of mobilising the resources from non-traditional sources such as leasing of 'right of way' for laying Optic Fibre Cables, commercial utilisation of land and air space and commercial publicity on rolling stock and station buildings. A target of Rs 750 cr was kept for 2000-01.

17. I am happy to inform the House that RailTel Corporation of India has already started functioning to build a nation-wide broad band and multimedia network by laying Optical Fibre Cable along 62,800 route kms of railway track by utilising Railways' 'right of way'. The business plan of this Corporation as developed by professional consultants is now awaiting final approval of the Government. The Corporation will soon start its core activities after the business plan is finally approved by the Government. In the circumstances, although we had projected an income of Rs 500 cr from this Corporation in the current year, it is now expected that significant revenue flows will commence only during 2001-02. In view of the positive response and encouraging offers already received by RailTel Corporation both from within the country and outside, Railways propose to initiate other such ventures. For example, a separate IT company is contemplated to avail of the opportunities offered by e-commerce.

18. Commercial utilisation of Railway land / airspace has been identified as one of the valuable non-tariff options for raising additional resources. In my last budget speech, I had set a target of Rs. 150 cr to be realised through railway land. I am happy to inform the House that 53 sites identified for this purpose are being developed through RITES and IRCON, which have been appointed as nodal agencies for executing these schemes. A sum of Rs. 81 cr has already been realised by end of December 2000 on this account. We hope to achieve our target by the end of the financial year.

19. A sum exceeding Rs. 30 cr has been generated by way of commercial publicity and advertisements on stations and rolling stocks. This innovative measure was introduced for the first time by way of a non-traditional means of raising resources. Although the target of Rs. 100 cr for the year may not be achieved, the breakthrough made in the very first year has inspired us to exploit this resource more and more with the help of professionals. In the next year, empowered groups both at national and zonal levels will enhance these activities taking professional help. A comprehensive and transparent policy package would be drawn up within a period of three months.

Safety

20. Sir, I fully share the concern of the House and the public about critical need for improvements

on safety front.

21. The House is already aware that Justice Khanna Committee had concluded that for rehabilitation of railway assets for safety, there was a need for a grant of Rs. 15,000 cr to be made available to Railways over a period of 5 to 7 years. As resources of this magnitude cannot be expected to be internally generated by the Railways, I was very much hopeful that a way would be found to meet this recommendation of the Committee. This has, however, not materialised. Sir, on this issue, I am sorry, my speech would be silver but my silence would be golden.

22. Sir, I would like to assure the House that within our limited means, Railways are committed to accord highest priority to safety. Despite the financial constraints being faced by the Indian Railways, we are trying to ensure that the level of outlay on safety related works is maintained. Track renewal works must receive priority. I, therefore, propose to enhance the outlay for this crucial activity taking it to Rs 2,050 cr, marking an increase of almost 26% over the revised outlay for the current year. Induction of modern technology into our signalling and telecommunication system is equally important. This has the added benefit of progressively reducing dependence on human intervention, thus leading, to an improved safety environment. That is why, Sir, I have decided to enhance the outlay on signalling and telecom in the next financial year by as much as 25% over the revised outlay in the current financial year. Sir, with these enhanced outlays, I am happy to inform the House that we are, indeed, making provision of amount exceeding Rs. 3,000 cr on safety heads. However, this allocation will only help us meet the current arisings and not the arrears for which additional funds would be required.

23. Sir, in order to ensure that safety requirements are strictly followed at all levels, I have already made the Chairman, Railway Board in charge of safety on Indian railways. This would facilitate better co-ordination on all safety related activities at the highest official level.

Security

24. Sir, the general perception is that the Railways are responsible for providing security to passengers and their belongings. But the fact remains that policing on the Railways is the responsibility of the State Governments. Unfortunately, the law and order situation in certain States has not been conducive to smooth working of rail operations.

25. Railways have now commenced a process of streamlining the functioning of RPF to make it more effective. The measures taken include modernisation of communications, security gadgets and weaponry, provision of adequate transportation, computerisation, upgrading of training facilities etc.

26. Sir, the House is aware that I had setup a High Level Task Force on security on Indian Railways. The Task Force has recently submitted their report, which is under examination. Sir, the solution lies in either the State Governments becoming proactive in improving policing on railway systems. Alternatively, Sir, I seek the guidance of this House on how to grant more powers within the framework of the Constitution to RPF to provide adequate security cover to rail users.

Freight: New Initiatives

27. Sir, freight revenue constitutes two-thirds of our total revenues. In order to regain the freight market share which Railways have lost in recent decades and to take it to the level of 50% in the current decade, I propose to initiate various measures in the next year. Some of the major steps proposed to be taken are :-

- (i) A comprehensive delegation of powers to the Zonal and Divisional Railways has been undertaken in order to sharpen our interface with the customers. General Managers have been authorised to devise appropriate marketing strategies at local level to capture additional freight traffic.
- (ii) A 'Congested Route Development Charge' for those routes on Indian Railways which have become heavily saturated is being introduced to enable Indian Railways to plan traffic facility works to remove the bottlenecks.
- (iii) Volume Discount Scheme is being continued for the third consecutive year.
- (iv) Special lumpsum rates for movement in Merry-Go-Round (MGR) circuits over short stretches have been developed for attracting bulk movement of coal and minerals at

- pit-head Power Houses/Mines. This package will target short-lead bulk traffic for rail movement.
- (v) Roll-on-Roll-off (RORO) packages which had been experimented on the Konkan Railway are now being extended to Ahmedabad-Nabha and Chennai-Sankrail (Kolkata) circuits.
 - (vi) Surplus railway land at stations and more than 1,500 unutilised Goods Sheds at roadside stations are being offered for development of warehousing capacity and, thereby generate additional traffic on the railways on the one hand and supplement revenues on the other.
 - (vii) We want to modernise our freight operations by using the state of the art technology for real time monitoring. In this direction, project for computerised monitoring of Freight Operations (FOIS) is expected to cover the entire network of Indian Railways by June 2001.

Passenger Amenities

28. I plan to give a major thrust to improvement in the passenger amenities at the Stations. I am happy to announce that the outlay for Passenger Amenities will be further increased by 39% over the revised estimate to cover many new areas of improvement. Following steps are being initiated for this purpose:-

- (i) Ticket refunds are being fully computerised on all zonal Railways.
- (ii) Automatic Teller Machines (ATMs) are being installed at various important stations and will be later used for issue of tickets also.
- (iii) For providing quicker information to public, on-line train running position will be available through Cable TV / Internet and on Cellular Phones by connecting National Train Enquiry System to these systems.
- (iv) To reduce congestion on ticket counters, proposal to use internet kiosks for ticket retailing is under consideration.
- (v) Computerised information on reservation availability status and train movement status will be available on all A class stations.
- (vi) In our Customer Care Institute, various training programmes have been initiated to train the front-line staff for better customer service.
- (vii) Top priority would be accorded to provision of drinking water, platform shelters, increasing the length of the platform to accommodate longest train, raising the platform heights and ensure adequate seating arrangements.
- (viii) To improve sanitation at stations, a large number of 'Pay and Use' toilets will be provided and mechanised cleaning will be undertaken.

29. We have undertaken a large-scale exercise in modernisation of customer service by bringing up more and more stations as model stations. 210 stations have already been selected. I now propose to develop another 74 stations as model stations in the next year.

30. Sir, as a major step to provide access to computerised reservation facility, I have decided to include another 71 locations throughout the country within the ambit of computerised Passenger Reservation System (PRS). Hon'ble Members are aware that PRS facility is already available at 670 locations in the country.

31. In order to improve the quality of service in long distance trains and to provide better amenities to the travelling public, certain amenities on the lines of Rajdhani Express trains have been introduced on 30 trains.

Catering Services

32. Railways have formulated a New Catering Policy with a view to introducing a transparent system of award of licences through competitive bidding in case of major catering units. The policy also provides for 25% reservation at the discretion of the General Managers, to the various disadvantaged categories in the allotment of catering licences of small catering units.

33. Indian Railways have initiated a number of steps to expand the scope of catering services both

at stations and in trains.

Health

34. Sir, I am happy to announce that to facilitate prompt medical attention to the needy passengers, a computerised database containing the locations and details of non-railway medical facilities along the railway tracks throughout the country have already been compiled. This information is available on Railnet.

35. In pursuance of my budget speech of 2000-01, first aid boxes with wider range of medicines were provided in model stations and long distance trains. The training of front line staff is continuing.

36. It is proposed to expand the facilities and modernise the Railway Hospitals to provide cost effective high quality care to the Railway employees in Jagjivan Ram Hospital, Mumbai, Divisional Hospital, Jhansi, Railway Hospital, Perambur and Dr. Babasaheb Ambedkar Hospital, Mumbai.

37. In order to provide better indoor medical facilities to the Metro Railway employees at Kolkata, one 30-bedded hospital is proposed to be set up at their Tollygunge outdoor clinic.

Tourism

38. Sir, I have given special attention to promote rail tourism. In my Budget speech last year, I had announced that a new "Palace on Wheels" type of train would be introduced between Maharashtra and Goa touching several places of tourist interest, as a joint effort between the Railways and the Government of Maharashtra. I am happy to inform the House that a Memorandum of Understanding has been signed between the Railways and the Government of Maharashtra recently. All other arrangements to ensure the introduction of the train will be firmed up shortly.

39. I am also happy to announce that another proposal to run a tourist train for the pilgrimage tourism on Secunderabad-Dharmavaram (Puttaparthi)-Tirupati-Guntur-Nadikude-Secunderabad circuit in Andhra Pradesh is being considered. Andhra Pradesh Government has also proposed a Palace-on-Wheels type of train for which modalities are being discussed.

40. Sir, I am also happy to announce that the Government of Karnataka has proposed to jointly run a 'Palace-on-Wheel' type of train on 'Bangalore-Hospet-Hubli-Goa-Mangalore-Hassan-Mysore-Bangalore circuit. Modalities in this regard are being worked out.

41. Orissa Government has sent a proposal for running a steam safari train on a route attractive for local tourism. Modalities in this regard are being worked out. Railways will welcome such proposals of tourism interest from any other State Government.

42. The newly incorporated Indian Railway Catering and Tourism Corporation has taken up a few important tasks, which are expected to facilitate tourism in a big way. The "Mata Vaishno Devi" package launched in November 2000 has been very popular with pilgrim tourists.

43. The Darjeeling Himalayan Railway has been recognised as a World Heritage Site by UNESCO. This greatly adds to the commitment of the Railways to maintain and preserve this unique piece of engineering skill for posterity. It is proposed to revamp and upgrade the infrastructure. We plan to run specially designed tourist packages in this area under the aegis of Indian Railway Catering and Tourism Corporation.

44. Preserving Railways' history through the institutions of regional rail museums has been an important activity of Railways. Rail Museum for southern region is going to be completed shortly. Similarly, I am happy to announce that new Regional Rail Museums will be set up at Varanasi and at Malda on the eastern region.

Relief Measures

45. Sir, this year the country has witnessed a large number of natural calamities. Apart from the most recent and most devastating of them all i.e. earthquake in Gujarat, there have been floods in State of West Bengal, cyclonic rains in Andhra Pradesh and drought in Gujarat. As always, Railways have provided all possible assistance including free movement of fodder and water to various states in order to mitigate the sufferings. Railways have moved more than 300 rakes of fodder and around 20,000 wagons of water to the drought affected areas of Gujarat, Rajasthan and Orissa, free of charge.

46. As part of relief and rescue operations in Gujarat after the recent earthquake, 49 special trains were run to reach relief material and relatives to Gujarat and for evacuating the injured. Railways were the first to reach the interiors with a helping hand.

47. I am happy to inform the House that on behalf of the Railway family, a sum of Rs 15 cr has been contributed to the Prime Minister's National Relief Fund for the victims of recent earthquake. Apart from this, various public sector undertakings of Railways have additionally contributed more than Rs. 3.58 cr.

Konkan Railway Corporation

48. Sir, I am glad to inform the House that the Konkan Railway Corporation has improved its operations and this year its earnings have increased by 30% over the previous year. However, the earnings of the Corporation are just sufficient to meet its operating expenses. I would like to reassure the House that the Ministry will continue to help the Corporation not only in meeting with its debt servicing obligations but also to increase its revenue generation and realise its full potential.

Metropolitan Transport Projects

49. I am happy to inform the House that doubling of Belapur-Panvel line has been commissioned for commuter traffic from April 2000. Fifth line between Santacruz and Andheri as part of 5th line project between Santacruz and Borivali has also been commissioned. Work on balance portion between Andheri and Borivali is also progressing well and is expected to be completed within the next financial year. Work on automatic signaling system between Virar-Dahanu Road is also likely to be completed within this financial year thereby increasing the line capacity on this section. New line of Thane-Turbhe-Nerul/Vashi which will provide another commuter corridor in New Mumbai is also expected to be completed by March' 2002 if the land acquisition in Thane area is expedited by the state government. Projects of quadrupling of Borivali-Virar section and construction of 5th and 6th lines between Kurla and Thane are also progressing well.

50. Works on the projects for extension of Kolkata Metro Railway from Tollygunge to Garia, extension of Circular Railway from Princepghat to Majerhat and provision of connection with Circular Railway from Dum Dum to the airport as well as electrification of the existing Circular Railway from Tala to Princepghat are continuing. Dum Dum-Tala section on Circular Railway has already been electrified. Electrification of Ranaghat-Gede has also been completed and Ranaghat-Bongaon will be completed within this financial year. This will facilitate running of EMU services in these sections also. Electrification of Barasat-Hasanabad is also progressing satisfactorily.

51. I am further happy to announce that as an extension of Calcutta Circular Railway Project, a link is proposed to be established between Ultadanga and Rajarhat (Phase-I up to Lake Town) to connect Dum Dum Airport to Titagarh in the North and Dum Dum Airport to Garia in the south.

52. Hon'ble Members will be happy to know that the work of Phase II of Mass Rapid Transit System in Chennai from Tirumalai to Velacheri is progressing at a good pace. To ensure its timely completion requisite funds are being provided in the year 2001-02. Work on gauge conversion of Chennai Beach-Tambaram-Chengalpattu suburban section has also picked up speed and is progressing well.

53. Hon'ble Members will be happy to know that based on the proposal submitted by Government of Andhra Pradesh, a Memorandum of Understanding has been signed between the Government of Andhra Pradesh and Indian Railways for strengthening the existing suburban infrastructure and services in the city of Hyderabad and its suburbs for making certain sections in the city fit for commuter train operation.

Production Units

54. During 1999-2000, all the Production Units – Chittaranjan Locomotive Works, Diesel Locomotive Works, Varanasi, Integral Coach Factory, Chennai, Rail Coach Factory, Kapurthala, Diesel Component Works, Patiala and Wheel & Axle Plant, Bangalore – have achieved their targets. I am happy to inform the Hon'ble Members that Rail Coach Factory, Kapurthala and Wheel & Axle Plant, Bangalore have received ISO-14001 Certification for 'Environmental Management Standards Systems'.

55. I am happy to inform the House that Rail Coach Factory (RCF), Kapurthala also bagged the prestigious "Golden Peacock Environment Management" Award in June 2000. 27 Coaches of the state-of-the-art LHB design, are slated for indigenous production during 2001-02. RCF has bagged orders for export of 72 MG bogies to Vietnam National Railways. Diesel Locomotive Works (DLW), Varanasi have bagged

order for 12 BG Diesel Locomotives from Bangladesh Railways and Sri Lanka Railways during the current year.

56. Sir, I am glad to inform the House that Chittaranjan Locomotive Works (CLW) has manufactured a new WAP – 7 locomotive named 'Navbharati', which can be used to haul 26 coach trains at a speed of 140 KM per hour. CLW is now attracting a large number of International enquiries. Delegations from Switzerland, Turkey and South Africa have visited CLW to explore the possibility of buying locomotives based on latest technology.

RDSO

57. The functioning of the Research Designs & Standards Organisation (RDSO) is the pioneering R&D wing of the Indian Railways has been thoroughly reviewed in the current year in pursuance of my budget commitment. Several steps are being initiated to improve the performance of this organisation.

Public Sector Undertakings

58. Hon'ble Members will be happy to know that the performance of the Public Sector Undertakings has been satisfactory during the year 1999-2000. In 1999-2000, **IRCON International Ltd.** had a turnover of Rs 538 cr and earned a net profit of Rs 47 cr. It paid a dividend of Rs 11.38 cr. **Rail India Technical and Economic Services (RITES)** achieved the highest ever turnover of Rs 172 cr during the year 1999-2000, recording a net profit of Rs 16 cr and paid a dividend of Rs 3.20 cr. **Container Corporation of India Ltd. (CONCOR)** had a turnover of Rs 832 cr, earning a profit of Rs 178 cr and paid Rs 36 cr as dividend. **Indian Railway Finance Corporation** earned a net profit of Rs 301 cr. It mobilised a total of Rs 2,836 cr. from market in 1999-2000 to supplement the plan resources of Indian Railways. It paid a dividend of Rs 65 cr.

Annual Plan, 2001-02

59. Sir, when I sat down to compile budget estimates for 2001-02, I was certain that there will be some growth in the Budgetary Support from the General Exchequer. I was also hopeful that to tide over the safety related requirements, a separate grant would be available. However, none of these materialised. But, Sir, I am happy to announce that even with all these constraints, we have been able to keep the Plan outlay for 2001-02 at Rs. 11,090 cr, which is 11% higher than the revised estimates of the current year. Capital support from the General Exchequer continues to be Rs. 3,540 cr, as in the current year. It is proposed to go in for market borrowings to the extent of Rs. 4,000 cr. The balance of Rs. 3,550 cr is being met through a combination of conventional sources and non-traditional sources of revenue. We are also relying on clearance of a portion of the Railways' dues from powerhouses. Traffic outstandings, a large part of which is powerhouse dues have touched a new height of Rs. 3,027 cr as on 31st December, 2000. The target set for clearance in the coming year is Rs 750 cr. As part of this, we expect that outstanding dues of at least Rs. 500 cr from Badarpur Thermal Power Station would be realised by us in the next year, as promised by the then Power Minister last year.

60. Sir, in the current year, we had received a budgetary support of Rs. 3,540 cr which was about Rs. 1,000 cr higher than the year 1999-2000. Simultaneously, Government had also agreed for a dividend deferment of Rs. 1,500 cr, so that our net payout of dividend was reduced to only Rs. 615 cr. Next year, Sir, there has been no growth of Budgetary Support while the Railways will also have to pay Rs 1,352 cr to the General Exchequer by way of dividend, as the dividend deferral permitted is reduced to Rs 1,000 cr only.

61. Sir, while safety continues to be our core focus in Annual Plan 2001-02, I have also decided to give major thrust to completion of new line projects which are pending for long time. Safety is being further strengthened with the allocation for Track Renewals being enhanced from Rs. 1,633 cr in the Revised Estimates to Rs. 2,050 cr, marking an increase of 26%. In our continuing drive to improve user services, allocation for Passenger Amenities is going up to Rs. 200 cr marking an increase of 39% over the Revised Estimates for the current year.

62. Austerity is a major area engaging my concern. It would be recollected that in the previous year, austerity and economy drive had resulted in net saving of Rs. 850 cr. This year again, the target for savings through economy and austerity measures has been set at Rs. 865 cr. I would like to assure the House that in the next year also, austerity and economy will receive high priority.

New Trains

63. Sir, throughout the year, I have been receiving volumes of requests from the people at large and

also from Hon'ble Members of Parliament who represent them, on starting new trains and increasing frequencies, extensions etc. Sir, you will surely agree that it is very difficult to satisfy everybody. But I do appreciate that in view of our increasing population, these are genuine requirements and hence the expectations. After taking into account the demand, availability of infrastructure, availability of adequate maintenance to ensure safety, impact on freight traffic etc., I am happy to introduce the following new services :-

- (i) New Delhi-Raipur-Bilaspur weekly Rajdhani Express
- (ii) New Delhi-Ranchi-Hatia weekly Rajdhani Express
- (iii) Bi-weekly express between Gorakhpur and New Delhi.
- (iv) Bangalore-Vasco Bi-weekly express.
- (v) Pune-Ernakulam weekly express via Londa and Madgaon.
- (vi) Asansol-New Jalpaiguri weekly Express.
- (vii) Secunderabad-Dharmavaram Express.
- (viii) Sealdah-New Jalpaiguri Bi-weekly Express.
- (ix) Jaipur-Ernakulam Weekly Superfast Express.
- (x) Dhanbad-Hatia Intercity Express.
- (xi) Howrah-Yashwantpur (Bangalore) Bi-weekly Express.
- (xii) Indore-Gandhinagar (Ahmedabad) Express.
- (xiii) Howrah-Trivandrum-Nagercoil Weekly express.
- (xiv) Kurla-Bhubaneshwar (Via Sambhalpur) Weekly Express.
- (xv) Valsad-Patna Weekly Express serving Surat area.
- (xvi) Haldia-Asansol Express
- (xvii) Jodhpur-Chennai Weekly Express.
- (xviii) Solapur-Pune Intercity Express.
- (xix) Jodhpur-Hardwar Link Express
- (xx) Palghat-Trivandrum Express.
- (xxi) Bhubaneshwar-Palasa Intercity Service
- (xxii) Asansol-Jhajha-Amritsar weekly Express
- (xxiii) Weekly Rajdhani Express to Secunderabad upon completion of New Terminal Works at Hazrat Nizamuddin.
- (xxiv) Rampurhat-Howrah Intercity Express.

64. I have been receiving a large number of appeals from the people from different parts of the country requesting for augmenting services available to second class travelling passengers on long distance routes. Keeping these in view, I am happy to announce that from the next year, I propose to introduce "Matribhumi" Express trains to be run during peak rush season with only second class and second class sleeper coaches, on the following routes :-

- (i) Delhi-Jammu
- (ii) Howrah-Delhi
- (iii) Howrah-Dehradun
- (iv) Delhi-Barauni via Lucknow
- (v) Hyderabad-Bangaore
- (vi) Mumbai-Gorakhpur
- (vii) Mumbai-Varanasi

65. This will be my humble effort to help reduce the difficulties faced by common passengers on long distance routes. Depending on the utilisation of these services, their continuity will also be considered.

Increase in Frequency

- (i) Sealdah-New Delhi Rajdhani Express from 2 days to 4 days a week.
- (ii) Gorakhpur-Dehradun Express from 2 days to 3 days a week.
- (iii) Rajkot-Ernakulam Express from one to 2 days and extension upto Okha.
- (iv) Jabalpur-Rajkot Express from 2 days to 4 days by extending Rajkot-Bhopal Express to Jabalpur on 2 days.
- (v) Sealdah-Darbhanga Ganga Sagar Express from 4 days to daily.
- (vi) Vishakhapatnam-Bilaspur Express from 4 days to daily and extension upto Korba.
- (vii) Secunderabad-Rajkot Express from weekly to 2 days.
- (viii) Nizamuddin-Bilaspur Gondwana Express from 3 days to 5 days by extending Nizamuddin Nagpur Express to Bilaspur.
- (ix) Indore-Jaipur Express from weekly to 2 days.

Extensions

- (i) Surat-Patna Bi-weekly Express from Patna upto Bhagalpur.
- (ii) Pune-Varanasi Express to Darbhanga on 1 day.
- (iii) New Delhi Guwahati Rajdhani Bi-weekly express to Dibrugarh Town from one day to two days.
- (iv) Chennai-Guwahati Bi-Weekly Express to Dibrugarh Town on one day.
- (v) Jodhpur-Jaipur Intercity Express to Sawai Madhopur
- (vi) Guwahati-Lumding Express to Dimapur.
- (vii) Kacheguda-Palasa Express to Bhubaneshwar.
- (viii) Jodhpur-Jammu Tawi Express to Ahmedabad.
- (ix) Howrah – Gorakhpur weekly Express via Barauni, Ballia and Indara to provide a direct service between Ballia and Howrah.

Service introduced / to be introduced on completion of Gauge Conversion / New Lines / Restoration

- (i) Upon completion of Peddapally – Karimnagar New Line, two pairs of passenger services have just been introduced from 14th February, 2001.
- (ii) Following services will be introduced on the recently completed Gandhidham-Bhuj Gauge Conversion.
 - A. Extension of Mumbai-Gandhidham Kutch Express to Bhuj.
 - B. Extension of Bareilly – Gandhidham Bi-weekly Express to Bhuj.
 - C. Extension of Pune-Gandhidham Weekly express to Bhuj.
 - D. Two pairs of passenger services.
- (iii) On the recently restored metre-gauge line between New Mal Junction and Changrabandha, one pair passenger service will be introduced between Siliguri and Changrabandha via New Mal junction.
- (iv) One pair of passenger service will be introduced between Eklakhi and Gazol and extended upto Balurghat upon completion of the new line.
- (v) An express train from Howrah to Digha will be introduced on completion of the new line. In the interim period a DMU service will be run on the 16 kilometre completed portion between Tamluk and Bajkul.
- (vi) Two pairs of broad gauge service will be introduced upon completion of gauge conversion of Pandharpur-Kurduwadi section.

MEMU / EMU Service

- (i) Kazipet-Dornakal-Vijayawada
- (ii) Purulia-Adra
- (iii) Bilaspur-Nagpur
- (iv) Kanpur-Shikohabad
- (v) Bilaspur-Raigarh.
- (vi) Bally-Bandel (2 pairs)

DMU Service

- (i) Kharagpur-Jaleswar-Bhubaneshwar
- (ii) Jalandhar-Hoshiarpur
- (iii) Kotkapura-Fazilka
- (iv) Samastipur-Darbhanga

New Lines

66. Sir, The House is aware that Railways have a large shelf of new line projects costing about Rs. 20,000 cr, of Gauge Conversion projects costing about Rs.9,100 cr, and of Doubling projects amounting to Rs 3,300 cr which have been duly sanctioned by the Parliament over last five decades and are awaiting completion. After having seen the implementation for last one year, I have reached the conclusion that adding new projects to already sanctioned large shelf of on-going projects will only aggravate the problem. Therefore, I have taken this bold decision of not including any new line project in the next year's budget. I

am afraid this may disappoint many of my Hon'ble colleagues here. But, Sir, in the long-term interests of Indian Railways I feel that this has become inescapable.

67. I further propose that ways and means must be found to expeditiously complete the on-going projects. Sir, that is why, I have decided to increase the investment in new line projects in the next year by as much as 45% in comparison to the revised estimates of the current year. This increase, amounting to Rs.312 cr, will not only facilitate general speeding up of new line implementation, but will also result in completion of the long-pending projects.

68. On-going new lines, which have either been completed recently or would be completed before March 2001 are:

- (i) Puttaparthi-Penukonda section of Dharmavaram- Penukonda project
- (ii) Kashinagar-Kakdweep section of Lakshmikantapur-Namkhana project
- (iii) Kapadvanj-Modasa project.
- (iv) Eklakhi-Gazol section of Eklakhi-Balurghat project.
- (v) Jaruri-Banspani section of Daitari-Banspani project.
- (vi) Bargachia-Munshirhat section of Howrah-Amta project
- (vii) Tamluk-Bajkul section of Tamluk-Digha line

69. The new lines targeted to be completed in 2001-02 are:

- (i) Gazol –Buniadpur of Eklakhi-Balurghat project
- (ii) Dharmavaram-Penukonda, completing the Dharmavaram-Penukonda project.
- (iii) Dewas-Maksi new line section.
- (iv) Bajkul to Digha of Tamluk-Digha project.

Gauge Conversion

70. The sections of which gauge conversion has either been completed or would be completed before March, 2001 are:

- (i) Nonera-Seoni section of Guna-Etawah project
- (ii) Raxaul-Birganj section
- (iii) Gandhidham-Bhuj section

71. During the year 2001-02, Railways plan to complete the gauge conversion of the following sections:

- (i) Seoni-Bhind
- (ii) Amguri-Tuli
- (iii) Makum-Dangri
- (iv) Laxmanthirtha bridge
- (v) Gooty-Pendakallu
- (vi) Dhrangadara- Kuda
- (vii) Wankaner-Morbi

Doubling

72. During the current year about 200 km of doubling would be completed, while in the next financial year a target of 300 km has been proposed. Sir, keeping in view the critical need to augment line capacity in certain saturated sections, you will be happy to know that the following new doubling works are being included in the budget.

- (i) Ernakulam-Mulanturutti section on Ernakulam-Kottayam-Kayankulam line
- (ii) Bandel-Jirat section on Bandel-Katwa line.
- (iii) Baruipur to Magraghat
- (iv) Harishchandrapur-Kumarganj section on Malda-Kumedpur line
- (v) Gooty-Renigunta section-Doubling of remaining single line sections

73. Sir, it gives me pleasure to inform the House that we have decided to extend the following works as part of some of the on-going projects.

- (i) Extension of Sultanganj-Deogarh new line project with a new link from Banka to Barahat .
- (ii) Extension of BDR gauge conversion project by a new link from Bowai-Chandi to Khana to connect Midnapur, Bankura and Purulia.
- (iii) Extension of Mansi-Saharsa Gauge Conversion project upto Dauram-Madhepur
- (iv) Gauge conversion from Krishnanagar-Shantipur as an extension to the sanctioned doubling from Kalinarayanpur to Krishnanagar
- (v) Extension of Fatua-Islampur–Dhaniawan-Biharsharif new railway line project to Barbigha.
- (vi) Extension of sanctioned doubling project from Kalinarayanpur to Krishnanagar by providing a new link from Krishnanagar to Charatala on the Krishnagar-Karimpur.
- (vii) Extension to Rajkot –Veraval GC project by taking up gauge conversion from Wansjalia to Jetalsar.
- (viii) Extension of Eklakhi-Balurghat project by a new link from Gazol to Itahar as Phase-I of Gazol-Raiganj.
- (ix) Extension of Rewari-Sadulpur gauge conversion project to Hissar.
- (x) Extension of Kanpur-Mathura-Kasganj-Bareilly gauge conversion project to Lalkuan.
- (xi) Extension of Lumding-Badarpur-Silchar gauge conversion project from Badarpur to Baraigram.
- (xii) Extension of sanctioned GC from Ajmer-Chhitaurgarh-Udaipur project to Umra.

74. Considering the long standing demand of the people of Murshidabad and the need for development in this area, I am happy to announce that restoration work of Nasipur (Azimganj) – Jiaganj Railway line will be taken up during the year 2001-2002. Separately a survey work for construction of a bridge over Bhagirathi to connect these two will also be undertaken.

75. Restoration of Teesta Valley narrow gauge line from Sevok to Gillikholra has been a long standing demand of the people of Sikkim and North Bengal. I have also decided to take up the restoration of this important railway line during the year 2001-2002.

76. Another significant rail link needing urgent restoration is Mogra-Tarakeshwar line. This also has been a long standing demand of the people and accordingly, I have decided to start the work on this restoration in 2001-2002.

77. Sir, it would be recollected that in the last budget I had announced a new line project for facilitating better connectivity of North Eastern states. This New Moinaguri-Jogighopa line will be routed through Changrabandha to facilitate better communication links with neighbouring states.

Surveys

78. On the basis of requests received from the Hon'ble Members and State Governments, I have decided to take up several surveys during the next financial year. These are:

New Line Surveys

- (i) Bhagirathi Bridge to connect Nasipur and Jiaganj Railway line
- (ii) Donakonda to Vedareva
- (iii) Mysore to Mangalore via Madikere
- (iv) Latur Road to Mudkhed
- (v) Ferozpur Cantt. to Taran Taran
- (vi) Halem to Itanagar
- (vii) Kharghoda to Santalpur
- (viii) Bulb line at Shoranur
- (ix) Rotegaon to Punthamba
- (x) Sahnewal to Ladowal
- (xi) Madurai to Tuticorin
- (xii) Vaikam to Vaikam Road
- (xiii) Kumbhakonam to Namakal via Jayakondam, Ariyadur, Perambdur and Thuraiyur
- (xiv) Shahganj to Amethi via Sultanpur
- (xv) Kazipet to Nalgonda
- (xvi) Jiribam-Imphal
- (xvii) Jhajha to Giridih via Sonuchakai

- (xviii) Updating survey for Ernakulam-Punalur-Trivandrum
- (xix) Jaypore-Malkangiri
- (xx) Howrah-Sealdah 3rd line between Belangar-Bally and additional loop at Dumdum, Baranagar and Bally
- (xxi) Budge Budge to Uluberia including a rail cum road bridge.
- (xxii) 2nd coaching terminal at Trivandrum
- (xxiii) Bypass at Bandel and Naihati
- (xxiv) Ranjitpura to Yeshwantnagar
- (xxv) Development of infrastructure in Kakinada area
- (xxvi) Thanjavur to Chennai Egmore via Adiyalur

Gauge Conversion Surveys

- (i) Virudnagar to Manamadurai

Doubling Surveys

- (i) Ujjain to Indore
- (ii) Patratu Chandil via Barkhakana
- (iii) Gooty-Renugunta section of remaining single line section

Railway Electrification

79. In the current year, electrification of 425 route Kilometres is envisaged and the following sections are planned to be completed before March 2001:-

- (i) Sirhind- Nangaldam-Una
- (ii) Ranaghat-Gede
- (iii) Ranaghat-Bongaon

80. Some of the important routes to be completed in the next year are:-

- (i) East Coast line from Visakhapatnam to Kharagpur. With this, the entire Calcutta-Chennai route will stand electrified.
- (ii) Main line of Eastern Railway, (Sitarampur-Mughalsarai) providing alternative electrified route on Asansol-Mughalsarai section.
- (iii) Udhna-Jalgaon section linking two important electrified main trunk routes of Delhi-Mumbai via. Western and Central Railways will be electrified.

Industrial Relations & Staff Amenities

81. Railways have a large human resource base. There is need to further enhance their skills by using modern tools and techniques of the 21st century along with modern management concepts. There is a need to maintain a cordial relationship between the workers and the management in a large enterprise like Indian Railways. Industrial Relations over Indian Railways remained peaceful and cordial during the year. The grievance redressal machinery under PNM and JCM schemes functioned satisfactorily at all levels.

82. Sir, I am happy to announce that I propose to enhance the outlay on staff amenities by as much as 45% over the revised estimates for the current year. Railway staff members are highly committed and hardworking and I am proud of them. I would also take this opportunity to announce that keeping in view acute housing difficulties being faced by our employees, a novel housing scheme called "Own Your Own House" scheme is being devised. Detailed modalities in this regard will be worked out soon.

Sports

83. Sir, I am happy to inform the House that during the year 2000-01, Indian Railway sportspersons performed creditably both at the National and the International level. Many Railway Athletes participated in the Asian Track and Field Athletic Meet held at Jakarta in August, 2000 and won 9 Medals including 3 Gold and 6 Silver in individual events. Apart from this, four Indian Railway athletes were members of the Gold and one Silver Medal winning relay teams.

84. Sir, the Members will be happy to know that the policy for recruitment of sportspersons has been revised and substantially liberalised to attract more talents. I am also happy to inform the House that we have decided to form a separate sports cadre at gazetted level with an objective of providing further

promotion to outstanding sports persons.

85. Sir, I am also happy to inform the House that the allocation for Railways Sports Promotion Board is proposed to be increased to Rs. 3 cr which is 36% higher over the revised estimate for the current year. This will go a long way in promoting sports activities in the Railways.

Reforms and Restructuring

86. Sir, If I may be permitted to use a Railway metaphor, I would say that the Indian railways are today standing at a junction station. One track takes them to reforms, revival and rejuvenation. The other track will lead them to a nowhere land of crisis and chaos. Sir, we must make the right choice, sooner, rather than later. We have already set in motion various reform measures. Efforts are underway to generate resources through non-traditional sources. We recognise this task is not going to be easy at all and it cannot be done overnight as well. A system which remained largely unchanged during five decades will need some amount of time, continuity and perseverance with the full support of not only the Central Government but the State Governments as well. Sir, we also feel that in any reform exercise, our employees will be our strength. We feel that no reforms can be successful without full involvement of the people. I would like to assure this House that Railways shall not be privatised.

87. The House is aware that a Railways Expert Group was set up in 1998. The Group has submitted an Interim Executive Summary of its report very recently, which is under examination. The detailed report is awaited.

88. Sir, we all know that Railways urgently need modernisation. However, we need to select appropriate technology. We also have to find innovative means of funding this process of modernisation. I am happy to inform the House that I have set up an Advisory Committee under the Chairmanship of Shri Sam Pitroda for suggesting ways and means of initiating comprehensive modernisation of Indian Railways with the application of appropriate technologies. The Committee will also suggest areas for resource mobilisation in various facets of railway functioning.

International Co-operation

89. In our continuing efforts to promote international co-operation amongst the neighbouring countries, I am happy to inform the House that the rail link between Petrapole in India and Benapole in Bangladesh has recently been restored and opened for goods traffic. This will pave the way for running of passenger services also.

Budget Estimates, 2001-02

90. Sir, I shall now deal with the Budget Estimates for 2001-02.

91. A general recession has been observed in the economy since 1998-99, as we all know. Consequently, the infrastructure sector has also shown a downward trend in recent years. Despite this, Indian Railways have shown remarkable resilience and performed quite well for last two years in terms of freight loading etc. In 2001-02 Indian Railways showed a moderate and somewhat subdued growth in freight traffic mainly due to slowing down of economy. It would be recollected that Railways had performed very well and had achieved a growth of 8.43 per cent in freight traffic in 1999-2000. In the current year, mainly due to improved supply of coal to powerhouses, the goods traffic to end January 2001, at 389.40 million is 4.98% higher than the level achieved in the corresponding period of last year.

92. The Freight traffic target for the budget year 2001-02 has been fixed at 500 million tonnes, an increment of 25 million tonnes over the current year's target of 475 million tonnes. This ambitious target has been kept in view of the special marketing efforts being made by the Railways and on an anticipation of an expected faster growth of the economy. In this context, I am happy to announce that to facilitate adequate availability of rolling stock for freight movement, for the second year in succession, wagon procurement target has been projected at the level of 23,000 for the next year. This will give further fillip to the wagon industry in general. For passenger traffic, 9% increase has been provided in keeping with the long-term growth in passenger traffic. With these projections, the goods earnings are assessed at Rs 24,735 cr. and passenger earnings at Rs 11,387 cr.

93. In view of the initiatives taken in the parcel segment, a growth of 8.8% has been projected and consistent with this 'Other Coaching' earnings are placed at Rs 850 cr. Recognizing the imperatives of identifying and tapping the potential of non-traditional revenue, the initiative taken while presenting the

Railway Budget last year is proposed to be continued. It is the expectation that with the groundwork done during the current year, there will be a distinctly improved achievement during 2001-02. Accordingly, Sundry Other Earnings, for 2001-02 have been placed at Rs 1,717 cr, which include Rs 700 cr by way of leasing of 'right of way' for optic fibre cables, Rs 200 cr from commercial exploitation of land and air space; and another Rs 100 cr through commercial publicity on Railway premises and rolling stock, apart from a normal growth of 5.4%.

94. Sir, the bulk of the outstanding dues in Traffic Suspense relate to Power Houses especially Badarpur Thermal Power Station. The House would agree that no organisation can sustain dues of the order of Rs 1,662 cr which has outstanding as on 31st March, 2000. We had kept a clearance target of Rs 500 cr from Badarpur Thermal Power Station during 2000-01 relying on an assurance given by the Ministry of Power. However, the outstanding continues to mount and, as on 31st December, 2000, these stand at Rs 3,027 cr. Sir, Railways are always a good paymaster. But Sir, we do not receive our dues especially from Power sector. Even then, we continue to carry coal for powerhouses.

95. In anticipation of a positive development in this regard, a target of Rs 750 cr of clearance from Traffic Suspense has been kept, expecting a sizeable clearance of these dues. Gross Traffic Receipts are accordingly estimated at Rs 39,439 cr.

96. Ordinary Working Expenses at Rs 30,190 cr provide for a minimal increase over the current year, resulting in a total variation of 8.53% over the Revised Estimates, for 2000-01. Appropriation to Pension Fund is placed at Rs 5,790 cr and Depreciation Reserve Fund has been provided at Rs 2,704 cr based upon the actual requirement for plan resources.

97. The total Working Expenses will, thus, amount to Rs 38,684 cr leading to Net Traffic Receipts of Rs 755 cr. Net Miscellaneous Receipts are estimated at Rs 928 cr. This also takes into account Rs 300 cr proposed to be received from General Revenues for Railway Safety Works. Thus, the Net Revenue works out to Rs 1,683 cr.

98. Dividend to General Revenues has been worked out at 7% of the Capital-at-charge as recommended by the Railway Convention Committee. The Memorandum for the year 2001-02 has been submitted to the Committee and their Report has been laid in the House on 23rd February, 2001. The dividend projected in the Budget Estimate 2001-02 is Rs 2,352 cr. However, in view of a shortfall in internal resources for plan needs and based on details worked out in consultation with the Finance Ministry, it is proposed to pay to General Revenues only Rs 1,352 cr and transfer the balance Rs 1,000 cr to the Deferred Dividend Liability Account.

99. Based on the above projections, the "Excess" of receipts over expenditure in 2001-02 comes to Rs 331 cr, which falls short of the requirements of plan expenditure by Rs. 500 cr. In view of the limited internal resources, appropriation to be made to the Capital Fund would be limited to the quantum of interest payable on the loan taken from the General Exchequer in 2000-01. All projects hitherto charged to Capital Fund would now be funded from Capital. This leaves an uncovered gap of Rs 500 cr which is required to be mobilised additionally.

100. Sir, last year I had not increased the freight rates for essential commodities. This year also, I do not propose to increase the freight rates of essential commodities like Edible Salt, Grains & Pulses, Sugar, Fruits & Vegetables, Urea, Edible Oils, Kerosene and LPG. These commodities are used by every one and constitute a significant part of the housewives' budget. I have no intention to upset the domestic budget and therefore I am exempting these commodities from any hike.

101. Sir, I am aware that an increase in freight rates has some direct or indirect effect on the economy. It must, however, be recognized that Railways are also being subjected to similar inflationary pressure. As was done in the previous year, the Railways will continue to absorb some part of the increase in the cost of inputs, but the circumstances demand that freight rates have to be adjusted by a small margin. As such I propose a nominal three percent (3%) increase in rates of all commodities except those essential commodities mentioned before or those proposed to be charged differently as under. Keeping in view the request made by major industries, I have decided that freight rates for Coal (not meant for household consumption) and Iron & Steel (Division A, B, and C) is also proposed to be increased by only two percent (2%). Further, in order to attract more Black Oil traffic to rail, the increase for Furnace Oil is proposed to be restricted to one percent (1%).

102. Certain sections of the Railway network have become saturated, yet the demand on these sections is still growing. As is normal in the pricing policy in various transport sectors, I propose to charge a

premium for carriage of traffic over these sections. The distance of charge would be suitably inflated for freight traffic on a few congested sections experimentally during this year.

103. In view of the increase of seven percent (7%) in Parcel rate made in last budget, I propose to exempt Parcel & Luggage rates from any increase next year. This exemption will also be applicable to Newspaper, Magazines and Medicines etc.

104. Sir, I am happy to announce that concessional MST (Monthly Season Ticket) scheme meant for the people below the poverty line which was approved last year will continue.

105. Sir, in the concessions granted to various categories of handicapped persons, there has been certain grievance from those who are visually handicapped or mentally handicapped. Sir, in order to ensure uniformity in availing the concessional facilities by all categories of handicapped persons, I am happy to announce that the visually handicapped and mentally handicapped persons shall also be entitled to the same benefits which are otherwise available to orthopaedically handicapped and paraplegic persons.

106. Sir, our vision is to make the Indian Railways an example of commitment. Our vision is to make the railway journey a matter of joy for every passenger. Our vision is to give travel opportunity to every Indian at affordable cost. Our vision is to unlock the hidden wealth of the railways and make it a strong self-sustained organisation, devoted to the cause of national development.

107. Sir, I am committed to make each of my dreams come true. And I will do this with all 16 lakh family members of Indian Railways.

108. Sir, you will recall that I did not increase the passenger fares in the last budget. There have been many criticisms on this account. But I draw strength from the famous quote of Tagore :-

***“Give me the strength, never to disown the
poor or bend my knees before insolent might.”***

109. I would like to bring to your notice Sir, that despite there being no increase in passenger fares, the earnings from passenger traffic are poised to exceed the budgeted level. Till December, 2000 there has been an increase of ten percent (10%) compared to the same period last year. I attribute this to various efforts being made by the Railways to augment passenger traffic and the general improvement in the services and amenities offered to the travelling public. I am hopeful that this buoyancy would continue in the coming year as well. I do not, therefore, propose to increase the passenger fares of any class or category of trains.

Conclusion

110. In the end, I wish to express my gratitude to the respected Prime Minister for his encouragement and support. My sincere thanks are also due to all the railwaymen for their hard work and dedication to duty, which has helped the Railways in achieving their task successfully. I am also thankful to the rail users whose cooperation we have been getting always.

Sir, with these words I commend the Railway Budget 2001-02 to the House.
