

**Speech of Shri Nitish Kumar
Introducing the Railway Budget
for 2004-2005, on 30th January, 2004**

Mr. Speaker,

Sir, I rise to place before the House the Revised Estimates for 2003-2004 and the estimated receipts and expenditure for 2004-2005. The estimates for the next financial year are for the whole year, but at present I seek from the August House a "Vote on Account", sufficient to provide for the estimated expenditure for the first four months. The requirements for the remaining part of the year are to be voted separately, later on.

2. I would like to make special mention of some of the areas in which concrete measures have been initiated under the dynamic leadership of Hon'ble Prime Minister. Thanks to his farsighted decision, the Railways have been able to embark upon the much needed programme of replacement and renewals of over-aged assets with an assured funding through the Special Railway Safety Fund, having substantial contribution from the general exchequer. The launching of the National Rail Vikas Yojana, for removal of bottlenecks in the saturated sections of the railway network, is yet another initiative. The Technology Mission on Railway Safety, announced on Independence Day last year, aims at developing and adopting state-of-the-art safety, control and design technologies. The capital component of Railways' plan outlay registered a considerable boost under his guidance, which facilitated completion of a number of projects. Further, Railways have also embarked on several non-budgetary initiatives including cost sharing arrangements to raise funds for various ' projects.

Security

3. With a view to provide better security to passengers and passenger areas, certain amendments have been carried out in The Railways Act and The Railway Protection Force Act in the current session of Parliament. With these amendments Railway Protection Force have been entrusted with the additional responsibilities to enquire and launch prosecution in respect of certain minor offences under The Railways Act and thus Government Railway Police (GRP) would be able to concentrate more on offences of serious nature. In this context a high-level coordination meeting of Home Secretaries, DG(P)s and GRP Chiefs of various states was organised by the Ministry of Railways on 15th January, 2004. In this meeting detailed discussions were held regarding a coordinated approach in implementation of the aforesaid amendments. Thereafter, Railway Protection Force is getting geared up to take over the additional responsibility of train escorting and security in passenger areas with effect from 1st July, 2004. It has also been decided to institutionalize such security related coordination meetings with the states, to be held on 15th January every year.

Safety

4. A 'Workshop on Safety' on Indian Railways was organized on the 12th and 13th July 2003 at New Delhi, followed by similar workshops at zonal levels focusing on various aspects of safety, including safety consciousness, measures to enhance safety and positive steps to be taken by the rank and file of Railways. Christened as "Safety Samvad", this was a notable initiative to involve the grass-root level worker including the federations of staff and officers' associations. These "Safety Samvads" were mutually beneficial in that the awareness levels and commitment to safety among the staff increased while the administration was able to win the confidence and trust of the workforce through prompt follow up action on identified areas.

5. For the first time a "Corporate Safety Plan (2003-2013)" of Indian Railways has been formulated and presented to both Houses of Parliament on 19.8.2003. The safety targets for Indian Railways as a whole have been laid down in this safety plan. The zonal railways and divisions have geared up to implement the safety plan through their detailed action programme. Indian Railways are well set to achieve substantial reduction in consequential train accidents per million train kilometres from 0.44 in 2002-2003 to 0.30 in next four years, which will be one of the best safety standards obtaining in the world's leading railways.

Technology Mission on Railway Safety

6. As a follow up of the Independence Day pronouncement of the Hon'ble Prime Minister made last year regarding setting up of a Technology Mission on Railway Safety, action has been initiated and four Mission Programmes in the field of Traction and Rolling Stock, Track and Bridges, Signal and Communications and Fog Vision Instrumentation have been jointly identified by RDSO and IIT, Kanpur. Ministry of Railways has approved 14 projects under the four Mission Programmes. The Mission will be a joint effort between Ministry of Railways, Ministry of Human Resource Development and industry.

7. Successful trials of the Anti Collision Device (ACD), named as "Raksha Kavach", have been completed

on the Railways. Surveys have been completed on 3465 Kms on Northern Railway, Northeast Frontier Railway, Southern Railway, South Central Railway & South Western Railway and are in progress on additional 10,000 Kms. Provision of ACD has been launched on 20th January, 2004 on Northeast Frontier Railway, covering 1736 Kms of BG network and is targeted for completion by December 2004. ACD will be provided on the remaining Broad Gauge sections of Indian Railways, progressively in the next five years.

Special Railway Safety Fund - Financial & Physical progress

8. Special Railway Safety Fund (SRSF) was set up in October 2001 for execution of safety related works in a time frame of six financial years. I would like to inform the House that mid period review shows satisfactory progress. In the year of its inception i.e., 2001-2002 works to the tune of Rs. 1434 cr were executed under this fund. During the year 2002-2003, works totaling Rs 2486 cr have been carried out. Of this, Rs 1350 cr was contributed by the General Exchequer and the remaining amount by the Railways through levy of safety surcharge, supplemented by its normal revenues. In the current year, the total net allocation for SRSF was Rs 2311 cr as per the Budget Estimates, which included Rs 1600 cr as contribution from General Exchequer and Rs 711 cr from the safety surcharge. This has been further increased by Rs 40 cr in the Revised Estimates.

9. As regards physical progress, out of the targeted track renewal of around 16500 km to be carried out through SRSF, track renewal of around 8500 km is expected to be completed by the end of the current year. Rehabilitation of approximately 1350 bridges, out of the target of 2700 bridges to be rehabilitated, is likely to be completed by the end of the current financial year. Similarly, out of targeted replacement of signaling installations at 1500 stations, replacement works at 444 stations are likely to be completed by the end of the current year. Further, about 1675 track circuits, out of 5300 track circuits to be provided, are also likely to be provided by the end of the current year.

National Rail Vikas Yojana

10. As the Hon'ble Members are aware, the National Rail Vikas Yojana envisages removal of capacity bottlenecks in the critical sections of the Railway network, with an investment of Rs. 15,000 cr over the next five years. The projects under the initiative include strengthening of the golden quadrilateral, rail connectivity to ports and construction of four mega bridges. Works for all the sanctioned projects under the Yojana have been taken on hand, and most of the projects of the first two segments have been handed over to Rail Vikas Nigam Limited (RVNL), a Special Purpose Vehicle (SPV) set up for fast track execution of these works.

11. I am grateful to the Hon'ble Finance Minister, who has not only simplified the process of sanctioning of projects relating to the National Rail Vikas Yojana to be executed by Rail Vikas Nigam Limited, but has also provided the necessary financial support from the infrastructure development fund.

12. The Revised Estimates 2003-2004 provide a Rs. 500 cr outlay for RVNL, to be expended by the Nigam on these projects. During 2004-2005, the RVNL has planned an expenditure of Rs 1000 cr on these projects out of which Rs 300 cr are expected to be raised from the market.

Projects

13. The work on all the projects is going on in full swing and all efforts are being made to achieve the targets. I am also happy to announce that the Jammu-Udhampur New Line Project is nearing completion and will be completed before the target date and be opened to traffic on 25th March 2004.

Additional Trains/Services

14. Most of the new trains, extension of services, increases in frequency and MEMU and DEMU services announced in the budget speech of 2003-2004 have since been introduced and the balance will be introduced shortly. Apart from these, 35 additional services including Jan Sadharan Express have been introduced during this year.

Ticketing Initiatives

15. The frontiers of the much-acclaimed customer friendly computerized Passenger Reservation System (PRS) have been expanded further with the introduction of internet booking. Now, reserved tickets are also being delivered at the doorstep of the customer. On the unreserved side, where difficulties continued to persist, a major break-through was achieved last year with the introduction of computerised

Unreserved Ticketing System (UTS), which has won the appreciation of the traveling public. It is proposed to extend the system further. With these steps, the entire ticketing system on Indian Railways has become state-of-the-art.

16. A new horizon is proposed to be covered with the introduction of e-ticketing in the reserved segment. A pilot project is being started on select Shatabdi Express trains, which will enable the passengers to get their reservations booked through internet and occupy their reserved seats on the basis of a computer generated slip.

17. The expansion of communication aids and the extra-ordinary penetration of mobile phones in the common man's life style cannot be ignored by the railways. Passengers who so desire will henceforth be able to get their train reservations done through their mobile phones. The Indian Railway Catering & Tourism Corporation (IRCTC) has developed technical ability to enable cell phone operators to integrate their system with the Railways. This facility will be offered to all cell phone operators.

18. Enthused by the response to the experimental measure of reduced fares on select trains during the off-peak season, a regular incentive scheme for frequent Rajdhani, Shatabdi and Jan Shatabdi travelers in the first AC, second AC and chair car categories is being announced. The scheme would reward such rail travelers on the basis of journeys performed by them in one year time period. The traveler willing to avail of this scheme would be registered and be eligible for an additional complimentary trip after he has performed requisite number of journeys.

Train Rescheduling information through SMS

19. In the event of delayed departure of Rajdhani, Shatabdi and Jan Shatabdi trains by more than 30 minutes, passengers who so desire can get information regarding this on their mobile phones through SMS. Initially this facility will be made available as a pilot project for such trains departing from Delhi area.

Extended Tatkal Scheme

20. Presently Tatkal reservation scheme is available only in selected trains and primarily in Sleeper class only. With a view to fulfil the needs of passengers who have to travel at short notice, it is proposed to extend Tatkal services to all the trains and in Sleeper, Chair Car, AC-3 tier & AC-2 tier classes.

Review of Performance in 2002-2003.

21. I am happy to inform this August House that the optimism of improved loading in revising the target from 510 million tonnes to 515 million tonnes was justified as the Railways surpassed this target and achieved 518.74 million tonnes, i.e., a growth of 5.3% over previous year. Passenger kilometres recorded a growth of 4.4%. The "excess" of receipts over expenditure improved by Rs. 95 cr over Budget. This improved performance resulted in a better operating ratio of 92.34%. Actual Plan expenditure was Rs. 11,408 cr as compared to Revised Estimates of Rs. 12,315 cr.

Revised Estimates, for 2003-2004

22. For the year 2003-2004, a target of 540 million tonnes of revenue earning freight traffic was laid down. Having loaded 407.15 million tonnes till December 2003, which is higher than the proportionate target, Railways are hopeful of not only meeting the full year's target but exceeding it as well. Accordingly the target is being revised to 550 million tonnes. Passenger traffic has recorded a growth of over 2.8%.

Gross Traffic Receipts

23. The trend of earnings has not matched our expectations in the Budget. Hence the Revised Estimates are lower by Rs. 890 cr and the Gross Traffic Receipts are revised downwards by an equal amount. The target for clearance from traffic suspense has been retained at the budgeted level.

Working Expenses

24. Taking into account the trend of savings achieved to end of December, a net reduction of Rs.1490 cr is expected in the Ordinary Working Expenses. The appropriation to Pension Fund has been reduced by Rs. 295 cr, consistent with the actuals so far. Taking note of the requirements, the appropriation to Depreciation Reserve Fund has been increased by Rs. 262 cr. With this, the Total Working Expenses stand revised from Rs 40,850 cr to Rs 39,327 cr, a reduction of Rs. 1523 cr.

25. As a result of these variations and a marginal reduction in the Net Miscellaneous Receipts, the Net Revenue is higher at Rs. 4,148 cr as compared to the Budget Estimate of Rs.3,533 cr.

26. A provision of Rs 2,933 cr was made towards payment of dividend in the Budget Estimates, which now stands revised at Rs 2968 cr. With the improved availability of resources, discharge of deferred dividend liability, a beginning towards which was made during the last year, is being continued through a provision of Rs. 300 cr towards the same. Thus, the provision for dividend payment in the Revised Estimates has been increased to Rs. 3,268 cr.

27. With these changes, the "Excess" of receipts over expenditure works out to Rs. 880 cr as against Rs.600 cr anticipated in the Budget. This is being appropriated to the Development Fund and the Special Railway Safety Fund.

Annual Plan for 2003-2004

28. The Railways' annual plan for 2003-2004 envisaged a total outlay of Rs.12,918 cr. In the Revised Estimates this stands increased to Rs.13,918 cr. The increase of Rs. 1,000 cr is contributed by the separate allotment of Rs. 500 cr for the National Project of Udhampur-SrinagarBaramulla New Line, additional budgetary support of Rs. 300 cr for increasing the pace of completion of certain projects and increased outlay of Rs. 200 cr in the internally financed segment.

Budget Estimates 2004-2005 Gross Traffic Receipts

29. I shall now deal with the Budget Estimates for 2004-2005. Gross Traffic Receipts for the year at the existing level of fares and freight are estimated at Rs. 44,482 cr. This is Rs. 1,877 cr more than the Revised Estimates for the current year, and is based on an estimated 3.2% growth in passengers and revenue earning freight traffic of 570 million tonnes, 20 million tonnes more than the revised target for 2003-2004.

Ordinary Working Expenses

30. Ordinary Working Expenses are estimated at Rs 32,960 cr, representing an increase of Rs.1,990 cr over the Revised Estimates for the current year.

31. To meet the higher pensionary payments due to increase in the number of pensioners and higher dearness relief, appropriation to the Pension Fund has been enhanced by Rs. 300 cr over the Revised Estimates of the current financial year to Rs. 6,390 cr. The contribution to Depreciation Reserve Fund is proposed at Rs.1,900 cr.

32. The Total Working Expenses are estimated at Rs.41,250 cr, leaving Net Traffic Receipts of Rs. 3,232 cr. A sum of Rs. 993 cr is estimated by way of Net Miscellaneous Receipts, and thus Net Revenue would amount to Rs.4,225 cr.

Financial Results 2004-2005

33. Dividend to General Revenues for the year 2004-2005 has been computed provisionally on the basis adopted for 2003-2004 and works out to Rs. 3305 cr, which is proposed to be paid fully. In addition, payment of Rs. 300 cr is also proposed towards deferred dividend liability. With this, the "Excess" of receipts over expenditure works out to Rs. 620 cr.

Annual Plan 2004-2005

34. The Annual Plan for 2004-2005 has been kept tentatively at Rs.13,425 cr. This includes budgetary support of Rs. 4544 cr, internal resources of Rs. 2635 cr, an outlay of Rs. 2795 cr under the Special Railway Safety Fund and Rs. 401 cr under Railway Safety Fund. The extra budgetary resources have been budgeted at Rs. 3050 cr.

Remote Area Rail Sampark Yojana

35. Railways have a large shelf of over 230 projects worth about Rs. 43,000 cr, for construction of New Lines, Gauge Conversion, Doubling, Electrification and Metropolitan Transport Projects. Even with the enhanced budgetary support, non-budgetary initiatives under National Rail Vikas Yojana and other cost sharing mechanisms apart from Defence funding of some projects of strategic importance, there will still be projects valuing Rs. 20,000 cr which would remain unfinished even after the next five years. A large number of these

have been sanctioned on socio economic considerations with the intention of connecting remote and backward areas with the rail network. However their progress is very slow on account of inadequate funding, which causes dissatisfaction. Connecting these areas with the rail network will facilitate the economic and social development of these areas and will provide major employment opportunities during construction and thereafter. Keeping these factors in mind, it has been decided to speed up the execution and completion of these projects also in the next five years. I am happy to inform the House that this would be done through an ambitious 'Remote Area Rail Sampark Yojana', with an additional outlay of Rs. 20,000 crore.

36. This decision to accelerate the completion of all projects in five years is expected, on a broad estimate, to provide yearly employment to about 3 lakh persons during the construction period. Once opened for traffic, these lines would also require about 18000 persons per year for normal maintenance and operations, on incremental basis. Apart from this, it is expected that there will be scope for indirect employment of nearly 55000 persons per year. The 'Remote Area Rail Sampark Yojana' will go a long way in changing the economic and social scenario of the remote and backward regions of the country and bringing the people of these areas into the mainstream. Further, the demand for steel, cement, rolling stock, fittings, components, plant and machinery will also be generated, boosting the economic growth of the entire country.

New Services

37. Sir, in a democracy, people's aspirations are supreme. Today this is getting reflected in their desire to get connected at various activities of social life. Hon'ble Prime Minister has brought to fruition this aspiration, through a quantum leap in all modes of connectivity, be it road, rail or communications. In fact, he has initiated "Sampark Kranti", that is to say, connectivity revolution. Railways have always been a vehicle of connectivity. Therefore, a new series of trains to be named as "Sampark Kranti Express" will be introduced to provide quicker connectivity from a particular state to the national capital, with value added features such as non-stop run beyond the state, dedicated staff throughout the run and public address system. This service is going to be the first of its kind and the first train of this series, viz., Karnataka Sampark Kranti Express from Delhi (Nizamuddin) to Bangalore (Yashwantpur) is being introduced on 8th February this year. While it will initially run as a tri-weekly train, it will be made daily from 2nd October 2004. The other trains in this series would be:-

- (i) Poorvottar Sampark Kranti Express from New Delhi to Guwahati
- (ii) Andhra Pradesh Sampark Kranti Express from Delhi (Nizamuddin) to Secunderabad
- (iii) Bihar Sampark Kranti Express from New Delhi to Samastipur
- (iv) Chattisgarh Sampark Kranti Express from Delhi (Nizamuddin) to Durg
- (v) Gujarat Sampark Kranti Express from New Delhi to Ahmedabad
- (vi) Jharkand Sampark Kranti Express from New Delhi to Ranchi
- (vii) Kerala Sampark Kranti Express from Delhi (Nizamuddin) to Trivandrum (Kochuveli)
- (viii) Maharashtra Sampark Kranti Express from Delhi (Nizamuddin) to Mumbai (Bandra)
- (ix) Madhya Pradesh Sampark Kranti Express from Delhi (Nizamuddin) to Jabalpur
- (x) Orissa Sampark Kranti Express from New Delhi to Bhubaneshwar
- (xi) Rajasthan Sampark Kranti Express from Delhi to Jodhpur
- (xii) Tamil Nadu Sampark Kranti Express from Delhi (Nizamuddin) to Madurai
- (xiii) Uttar Pradesh Sampark Kranti Express from Delhi (Nizamuddin) to Chitrakoot
- (xiv) Uttaranchal Sampark Kranti Express from Delhi to Kathgodam
- (xv) West Bengal Sampark Kranti Express from New Delhi to Kolkata (Sealdah)
- (xvi) Goa Sampark Kranti Express from Delhi (Nizamuddin) to Madgaon
- (xvii) Uttar Sampark Kranti Express from Delhi to Udhampur, to cater for Jammu and Kashmir, Himachal Pradesh, Punjab and Haryana.

Conclusion

38. Sir, a large number of initiatives have been taken to improve the quality of service, strengthen safety and meet the aspirations and expectations of the people from this lifeline of the nation. The House has always been appreciative of the total dedication to duty and commitment displayed by railway employees at all levels. The House has always extended kind support to the Railways in fulfilling its role of a vehicle for economic growth and social upliftment with financial vibrancy. I am confident that the Railways will always be able to successfully meet the various challenges ahead.

39. Sir, with this I commend the Interim Budget to the House.