

**Speech of Shri Lalu Prasad**  
**Introducing the Railway Budget 2008-2009**  
**On 26<sup>th</sup> February 2008**

1. Speaker Sir, I present the Railway Budget for the year 2008-09 with a sense of deep pride and satisfaction. Each year we have progressively raised the bar based on our own successes. The cash surplus of the Railways rose steadily from Rs 9000 cr in 2005 to Rs 14000 cr in 2006 to Rs 20000 cr in 2007. The august House would be happy to know that in 2007-08, we will create history once again by turning in a cash surplus before Dividend of Rs. 25000 cr. Our operating ratio has also improved to 76%. Indian Railways is a Government Department. However, we take pride in the fact that our achievement, on the benchmark of net surplus before Dividend, makes us better than most of the Fortune 500 companies in the world. We are taking the Indian Railways to unprecedented heights. On this path of progress, 14 lakh rail employees have worked shoulder to shoulder with the passenger as a guiding beacon to write a story of success in which several billions have been earned despite reduction in fares. It is for this reason that Indian Railways has received acclaim world over as a unique mega enterprise. This success is the result of out of the box thinking and a passion to follow the road less traveled.

**Sab kah rahe hain humne gazab kaam kiya hai,  
Karoron ka munafa har ek shaam diya hai,  
Phal salon yeh ab dega, paudha jo lagaya hai,  
Sewa ka, samarpan ka, har farz nibhaya hai.**

2. Many are surprised by the successive landmarks set by the Indian Railways. While the common man is happy to see this picture of

development, there are some people who still view this success with suspicion. I would only like to state that our achievements are like an open book. In the last four years, we have turned in a cumulative cash surplus before dividend of Rs. 68,778 cr. Out of this Rs. 15,898 cr has been paid as dividend, Rs. 39,215 cr has been invested in rail infrastructure and Rs. 13,665 cr has been added to fund balances to reach Rs 20,483 cr.

3. Sir, the dire straits the Railways were in prior to the UPA Government is not hidden from anybody. The Railways were battling a deep financial crisis in which they defaulted on the dividend payable to Government of India and were not in a position to undertake timely replacement of overage assets. Today, after the financial turnaround of the organization, the same people are making tall claims, trying to take credit for the financial turnaround.

**Ujra chaman jo chhod gaye thay, humarey dost,  
Ab baat kar rahe hain, wo fuslay bahaar ki.**

4. We have not only offered dreams but have also made them a reality. Even as we improved the railways financial performance, we have offered the masses the nations most economical, efficient and profitable transport system. There is no great mystery behind the strategy of this turnaround. It is common knowledge that the marginal cost in a capital-intensive business like Railways is substantially less than the average cost of operations. It is for this reason that we followed a strategy of playing on volumes, driving down unit cost, reducing tariffs and increasing market share to achieve record profits. The focus is on increasing yield per train rather than increasing tariff per passenger or per ton. Just as ever falling call charges have brought mobile phones within the reach of crores of people, for the first time lakhs of poor people have enjoyed the comfort of air-conditioned travel in Garib Rath by paying a little more than non AC sleeper fares.

5. In the last 4 years, we have achieved incremental loading of 233 MT and have added Rs 14000 cr of freight earnings by reducing the wagon turnaround time and increasing payload.
6. Instead of making across the board increases in tariff we undertook rationalization of the freight tariff. While on the one hand we reduced freight tariff for petrol and diesel, on the other we increased the tariff for iron ore for exports. We earned an additional Rs. 2000 cr by giving lean season discounts and levying peak season surcharge.
7. Instead of increasing passenger fares, we concentrated on increasing the length of passenger trains. During 2004-05 to 2007-08, we added 3000 additional coaches thereby earning an additional Rs. 2000 cr.
8. Earnings from parcel, advertisement, land lease etc. have registered an unprecedented growth. In four years, other coaching and sundry earnings are likely to increase from Rs 1900 cr to Rs. 4700 cr.
9. Instead of distressing our customers we concentrated on enhanced utilization of our assets and increasing their productivity. The investment policy gave priority to low cost high return projects. This helped in de-bottlenecking of the network, better utilization of rolling stock, decrease in transit times and increase in throughput.
10. An excellent synergy between investment, commercial, tariff and operating policies helped us achieve spectacular financial results. Railways competitive edge has been sharpened through strategic alliances. By giving license to run container trains to shipping and road transport companies we have made partners out of our erstwhile competitors.

11. We are not idling our surplus but are investing it for augmenting the rail capacity to sustain the financial turnaround. In the last four years, the plan size of the Railways has increased from Rs. 13000 cr to Rs. 30000 cr. In short:

**Nayee kathni, nayee karni, nayee ek soch laye hain,  
Tarakki ki nayee parasmani hum khoj laye hain.**

### **Current year's performance**

12. Our physical and financial performance in the first nine months of the year 2007-08 has once again exceeded expectations. Freight loading to end of December 2007 registered a growth of 8.2% and earning from freight was Rs. 33,447 cr. Based upon the current trend, we have increased the budgeted target of freight loading for the year 2007-08 from 785 MT to 790 MT and increased the target for Freight Earnings by Rs. 800 cr. Similarly, Passenger Earnings have registered an increase of 14% to end of December. Accordingly, the Revised Estimates for Goods Earnings have been fixed at Rs. 47,743 cr, Passenger Earnings at Rs. 20,075 cr, Sundry other Earnings at Rs. 2,637 cr, Other Coaching Earnings at Rs. 2,200 cr and Gross Traffic Earnings at Rs. 72,655 cr.

13. Sir, I had made a provision of Rs. 750 cr in Ordinary Working Expenses and Rs. 500 cr in the Pension Fund in anticipation of recommendations of the 6<sup>th</sup> Pay Commission. Implementation of recommendations of the 6<sup>th</sup> Pay Commission is not likely in the current year. In view of this and through economy measures, there is likely to be a saving of Rs. 966 cr in Ordinary Working Expenses and Rs. 400 cr in the Pension Fund. The Revised Estimates provide for Ordinary Working Expenses at Rs. 41,721 cr, appropriation to Pension Fund at Rs. 8250 cr and appropriation to DRF at Rs. 5450 cr. In this manner, Total Working Expenses are likely to be Rs. 55,421 cr. Cash surplus before Dividend is likely to be Rs. 25,065 cr and

Net Revenue Rs. 18,416 cr. Besides paying the current Dividend of Rs. 4218 cr, deferred Dividend liability of Rs. 664 cr will also be cleared in 2007-08. Railway's Operating Ratio in the year 2007-08 is likely to be 76.3%. Sir, in the glorious history of the Railways in independent India, it is the first occasion when Return on capital invested in railways will reach an historic level of 21%.

**Goal par goal daag rahe hain, hum har match mein,  
Desh ka bachha bachha bolay, Chak de Railway.**

## **Passenger Amenities**

14 Sir, rail passengers are our revered guests. 'Atithi Devo Bhav' has been a tradition in our country for centuries. Goddess Lakshmi has been exceptionally considerate on us during the last four years. We have brought about several important changes to make the travel experience of our guests pleasant, comfortable and secure, which I would like to share in brief with the august House.

### **Termination of long queues at ticket counters at stations in 2 years**

15. The train journey begins with the purchase of a rail ticket. We have made a multi pronged strategy using information technology as the lever to permanently terminate these long queues within two years. Passengers would now be able to purchase railway tickets sitting at home on their computers, through mobile phones, through counters in their own neighbourhood or automatic ticket vending machines at stations. In the next two years, the number of UTS counters will be increased from 3000 to 15000 and automatic ticket vending machines from 250 to 6000. The Jansadharan Ticket Booking Seva will be extended to all Zonal Railways. This will provide employment to thousands of unemployed youth besides facilitating easy availability of Railway tickets in every neighbourhood. Presently, e-tickets are issued only

against confirmed reservation. In line with the demand of passengers it has now been decided to extend the facility of e-ticket to waitlisted passengers also. With this the number of passengers traveling on e-tickets is expected to increase from one lakh to three lakhs in the next one year.

### **Booking of Rail Tickets through Mobile Phone**

16 There is a phenomenal growth of mobile phones in our country, and presently about 30 crore mobile phones are available with the people of India. This number is expected to increase to 50 cr by the year 2010. We are therefore exploring the option of issuing reserved and unreserved rail tickets through mobile phones.

### **Rail ticket on “Go Mumbai Card” in Mumbai Suburban Service**

17 The trial run for issuing rail ticket, monthly season ticket and platform ticket on Smart Card through Public Private Partnership has started on Central Railways Mumbai Suburban Service. This scheme will be commissioned by the end of next month. This multi-purpose card has been named “Go Mumbai Card” and sale of bus tickets of BEST on this card has already started. These cards will be sold at stations, bus depots of BEST and various locations in the city. The Railways have neither committed capital investment in implementing this scheme nor will there be any extra burden on Railways or passengers for buying tickets. Only a marginal fee would be payable upon buying and recharging the card. This ticket distribution scheme will be extended to Western Railway and other suburban services after the success of the pilot project.

All these measures will help in ending the long queues at counters.

## **Railway Enquiry Call Centre**

18. Sir, when I had announced the setting up of fully computerised railway enquiry call centre without any cost to the Railways two years ago, some honourable Members had likened the proposal to “Mungeri Lal ke hasin sapne.” I am happy that the dreams of “Mungeri Lal” have now become a reality. This enquiry service is now available in the entire country on Telephone No. 139 which can be accessed at local call charge through all mobile and fixed line telephones. Presently this service is being used daily by 2 lakh persons and it is expected that this number will increase to 5 lakhs in a year’s time. Non-availability of on-line information on arrival and departure of trains with these call centers is a cause for considerable inconvenience to the passengers. Therefore, we have decided to use modern IT and telecom technology to link the call centers with control office and NTES (National Train Enquiry System) on an on-line basis. This work will be completed by March 2009 to disseminate latest updated information about trains.

## **On-line Coach Indication Display Board**

19 On board passengers are generally unaware of the timely running and likely time of arrival of approaching stations whereas this information is available continuously on screen in international flights. This is a particular source of inconvenience to passengers de-boarding the train at night time. Therefore we have decided to install on-line coach indication display boards on over night mail and express trains. These boards will continuously display the remaining distance and likely time of arrival of the next approaching station. This facility will be made available in long distance mail/express trains by March 2009.

## **On-line Train Arrival Departure Information Board**

20 Information boards displaying on-line information about train arrival-departure and platform berthing will be installed at railway stations, parking lots

and entrance gates. High picture quality coloured LED Display Boards will be installed at 100 A & B Category stations by March 2009.

### **On-line Reservation Availability Information Board**

21 On-line Reservation Availability Information Boards will be installed at reservation offices at all A & B Category Stations dispensing the need for passengers to seek this information at counters. These high quality LED information boards and touch screens will be provided in sufficient number in reservations offices of A & B Category Stations.

### **Provision of Discharge-Free Green Toilets in Passenger Trains**

22 Discharge from toilets of trains on the run is a primary cause for poor sanitation at stations. Several designs of discharge free Green Toilets were got developed to address this problem. Results of trials done so far have been extremely encouraging. Therefore we have decided to put a permanent end to the problem of discharge from train toilets by providing Green Toilets in all 36000 coaches by the end of the 11<sup>th</sup> Plan period at a cost of Rs.4000 cr.

### **Provision of LHB design coaches for Rajdhani and Shatabdi Trains**

23. Presently 4 Shatabdi and 4 Rajdhani trains are running with LHB design coaches. These coaches are equipped with all modern facilities for ensuring comfort in travel. Therefore it has been decided that by March 2010 all Rajdhani trains and by March 2011 balance Shatabdi trains will be provided with LHB coaches.



## **Provision of stainless steel coaches in Mail/Express trains**

24. LHB coaches with stainless steel ICF bogies will be provided in Mail and Express trains besides Rajdhani and Shatabdi trains. These coaches will be more comfortable and will have a carrying capacity of 10-16% more than the existing coaches. These coaches have a longer life and require less maintenance. Production of these coaches will commence in 2008-09 and from 2009-2010 onwards only stainless steel coaches will be manufactured.

## **Provision of Modular Toilets**

25. The above mentioned stainless steel coaches will be provided with Modular toilets. These toilets will be ergonomically designed with attractive interiors. They will have better arrangement for cleanliness and hygiene, water discharge, air circulation and illumination.

## **On-board cleaning in Passenger Trains**

26 Presently cleaning of passenger trains is mostly done at the originating station and for long distance trains at one of the intermediate stations. However there is no provision for regular on-board cleaning in coaches and toilets. We had started a pilot project for on-board cleaning by professional agencies on some Rajdhani and Shatabdi trains. This new system has yielded satisfactory results in cleanliness and hygiene on these trains. Therefore, it has been decided that on-board cleaning on all Rajdhani, Shatabdi and super-fast Mail and Express trains will be carried out through trained manpower of professional agencies using modern machines and material.

## **Public address system in passenger coaches**

27 Presently, all Rajdhani and Shatabdi have a public address system. It has been decided to extend this facility to select mail/express trains.

## **Increase in the height of Platforms**

28 Sir, Railways have three levels of platforms - high, medium and low level. Aged people, ladies and children find it extremely difficult to climb from and disembark on low level platforms. Out of the total of 244 'B' Category stations, 109 stations have high level and 135 stations have low or medium level platforms. We have decided to upgrade all low and medium level platforms at the 135 'B' Category stations to high level. Out of the total 748 'D' Category stations, 264 stations have high level, 203 stations have medium level and 281 stations have low level platforms. Low level platforms at 281 stations will be upgraded to medium level and medium level platforms at 203 stations will be upgraded to high level.

## **Provision of Platform Shelter**

29 In the absence of platform shelters at 'D' class stations passengers are put to great discomfort due to heat, cold and rain. We have therefore decided to provide platform shelter at every platform of all 748 'D' Category stations. Arrangements will be made to provide every platform of 'B' category stations with platform shelters of size 250 to 500 square meters as per requirement. These shelters will be of modern and attractive designs developed by professional agencies.

## **Provision of Foot-over Bridges**

30 Sir, non availability of foot-over-bridges causes severe inconvenience to passengers and often leads to rail accidents. Presently there are 105 stations with high level platforms but no foot-over-bridges. Platforms of 90 B & D category stations are being upgraded to high levels but there is no provision for foot-over-bridges at these stations. We have therefore decided to provide foot-over-bridges at all 195 stations of B & D category having high level platforms.

## **Increasing the Length of Platforms**

31 We had decided to extend the length of platforms at 560 stations for running longer passenger trains. While work at 416 stations has been completed, the work at remaining 144 stations is likely to be completed by September 2008. Platforms at 30 more stations will be extended during the year 2008-09.

32 The work of raising platform levels, providing platform shelters and construction of foot-over-bridges will be completed over the next two years at an estimated cost of Rs. 500 cr.

## **Provisioning of multi-level parking**

33 It is proposed to provide multi-level car parking lots at 30 major stations to modernize car parking facilities.

## **Provision of lifts and escalators**

34 Aged and lady passengers face considerable difficulty due to lack of lifts and escalators at big stations. Therefore, we have decided to make provision for lifts and escalators at 50 major stations.

35 Under the present scheme, coaches carry wooden name plates indicating the originating and terminating stations. Now a days, the same rake travels to various destinations covered by more than one train. To avoid repeated changing of the wooden name plates, we have decided to install microprocessor controlled LED destination display boards. This will enable change of information on the destination boards through remote control and there will be clear visibility even during night-time.

36 Presently, our reserved railway ticket indicates the time of departure of trains but not the time of arrival at the destination station. We have decided to start indicating the time of arrival at the destination station on reserved tickets for the convenience of the passengers.

## **Freight Business**

37 In the year 2003-04 the Railways loaded 557 MT whereas freight loading this year is likely to be 790 MT. In this manner, in the last four years incremental freight loading is likely to be 233 MT, which is 160% of the incremental loading registered in the entire 90's decade. The freight loading target for the end of the 11<sup>th</sup> Five Year Plan is 1100 million tonnes. I would like to inform the honourable house about the various measures we have taken to create the required capacity for carrying an additional 310 million tonnes over the next four years.

## **Route wise development of High Density Network**

38 Sir, more than 75% of Railways goods traffic moves on about 20,000 km of the railways' high density network, coal and iron ore routes and port connectivity railway lines. Many of these routes are fully saturated and capacity utilization is in excess of 100%. Enhancing the capacity of these routes and development of infrastructure is vital for the future of the Indian

Railways. Therefore I had directed that a route-wise detailed study be carried out and a blue print be prepared. I am happy to announce that this exercise has been completed and the blue print is ready. An investment of about Rs. 75,000 cr will be made over the next seven years to augment line capacity on these routes. Route-wise works will be undertaken in a phased manner including 124 works of doubling, third and fourth lines, bye-passes, flyovers, crossing stations, inter-mediate block stations, automatic signaling works and yard re-modeling. This also includes construction of the Eastern and Western corridors. 104 throughput enhancement works in progress would be completed over the next two years. This entire network will be provided with IBS by March 2009.

39 New guidelines have been issued for completion of throughput enhancement projects on a fast track basis. Sanction and implementation of these projects will be undertaken in much less time as compared with other projects.

### **Modern and Automatic Signaling System**

40 Sir, so far signaling has been utilized primarily for railway safety, whereas there is considerable scope to enhance line capacity through provision of modern signaling systems. Keeping this in view we have started expansion of automatic signaling system on the network. This system already exists on Delhi-Ghaziabad, Chhota Ambana-Sitarampur, Palwal-Mathura and Dhanu Road-Mumbai sections. The automatic signaling works for Kanpur-Mughalsarai section though sanctioned were frozen. We have decided to re-start the work of installation of this system on this section. We have started automatic signaling work on Ghaziabad-Kanpur section with the assistance of KfW. Work for providing automatic signaling on Howrah-Khana, Delhi-Palwal, Vadodara-Surat-Valsad-Dahanu Road have already been sanctioned. After the completion of these works, there will be a quantum jump in the existing line capacity along with considerable improvement in railway safety.

## **Coal Industry**

41 Coal is the mainstay of Railway's freight traffic. Loading of coal in 2007-08 is likely to be 336 MT. Most of the new dedicated routes for coal movement will be fit for 25 ton axle load trains. The doubling of Alwar-Rewari and doubling and electrification of Mughalsarai- Lucknow route is being carried out in response to the demand of the power houses in North India. The work of third line on Urkura-Bhatapara and Bilaspur-Annupur doubling is in progress to fulfill the growing demands of transportation of coal from Talcher, Ib Valley and Korba area. While the signaling work between Mathura-Bina and bye-passes at Rajkharswan, Champa and Annupur are under progress, the third line between Kharagpur-Panskura, Bina-Bhopal and Jharsuguda-Champa and doubling of Udhna-Jalgaon has been included in the budget. It is also proposed to take up the work of doubling of the Bina-Guna-Kota line on completion of survey.

42 The works of second bridge on Mahanadi, doubling of Rajatgarh-Barang, Titlagarh-Raipur and Titlagarh-Sambalpur and Vizianagaram-Kottavalasa and Barang-Khurda Road third line and Kottavalasa-Simhachalam fourth line have already been taken up. The work of automatic signaling between Nagpur-Gondia is already under progress and from Gondia to Durg is now proposed in the budget.

## **Port Traffic-Mission 300 MT**

43 Indian Railways receives about 25% of the total traffic from various ports. India's foreign trade is likely to increase from 650 MT to 1100 MT by 2011-12. Thus, Railways is giving top priority to port rail connectivity projects. The gauge conversion work of Gandhidham-Palanpur has been completed through formation of a special purpose vehicle under Public-Private Partnership to meet the demand of Mundra and Kandla ports. The

connectivity project for Pipavav port stands completed. The gauge conversion works of Bhildi-Samdari and Rewari- Ringus- Phulera are also in progress. The work of Kurla-Wadala rail link for Mumbai port has also been approved. Special purpose vehicles have been formed for Haridaspur-Paradeep new line, Krishnapatnam port connectivity new line and gauge conversion of Bharuch- Dahej and will be formed for Surat- Hazira and Pen- Revas port new lines on priority. Rail connectivity to the ports of Dhamra and Kirtaniya through private initiative is also under consideration.

44 The gauge conversion work of Hassan-Mangalore serving Mangalore port has been completed and work of Valarpadam-Idapalli new line for Valarpadam inland container transshipment terminal is under progress. The proposal for connectivity to Dighi port is also under consideration. A new line between Attipattu and Puttur to serve the growing demand of Ennore port has been proposed and doubling of the Rajgoda-Haldia line will be undertaken in partnership with Haldia port.

45 Under the present scheme, during the concession period of 30 years, the Special Purpose Vehicle is eligible for proportionate net income or a return of 14% on equity whichever is less. The cost of investment in the construction of the project is based on actual expenditure incurred. To prevent time and cost over runs and facilitate real price discovery, it has been decided that on a pilot basis implementation of some projects will be explored on BOT basis through open tenders. The beneficiaries of the new line will give traffic guarantees.

### **Steel Udyog-Mission 200 MT**

46 Steel production is expected to increase from 55 MT to 110 MT by the end of the 11<sup>th</sup> Plan. The Railways receives 120 MT traffic from the steel industry every year and we have targeted a traffic of 200 MT from the steel

industry by 2011-12. Most of the new dedicated iron ore routes will be constructed or upgraded for 25-ton axle load and some routes will be made suitable for running 30-ton axle load trains. While works of Angul-Sukinda new line, Manoharpur-Goelkera third line and doubling of Padapahar-Banspani, Barbil-Badajamda and Dumitra-Champajharan have been approved, the work of third line between Goelkera-Adityapur and doubling of Champajharan-Bimalgarh and Jhakhpura-Banspani will also be processed for necessary approval on completion of surveys. The survey for doubling the KK line is being expedited and in the first phase, doubling of Kirandul-Jagdulpur is proposed to be undertaken. For Bellary-Hospet region, doubling of Hospet-Vasco line will be carried out through RVNL. It is also proposed to implement doubling of Banspani-Jhakhpura, Jhakhpura-Haridaspur and Goelkera-Manoharpur third line and Dalli Rajhara-Rowghat new line through RVNL.

### **Cement Industry-Mission 200 MT**

47 Production of cement is expected to increase from 170 MT to 280 MT by the end of the 11<sup>th</sup> Plan. Railways receive more than 100 MT traffic every year from the cement industry and we are targeting a loading of 200 MT from cement industry in 2011-12. There are more than 10 big clusters of cement production in the country. Work is in progress on Nandyal-Yerraguntla, Jaggayyapet-Mallacheruvu and Vishnupuram-Janpahad new lines and these will be completed in a time bound manner. The work of Bhanupali- Bilaspur-Beri new line in Himachal Pradesh has been proposed in the budget. The work of Daund-Gulbarga doubling and electrification of Pune-Guntakal line is proposed to be taken up to meet the demand of cement manufacturers in Wadi cluster. Gauge conversion and extension of Bhuj-Nalia line will be taken up after obtaining necessary approvals More than 50 big terminals are being upgraded to increase their capacity, prominent among which are Mumbai, Pune, Chandigarh, Ghaziabad etc.



## **Container Business-Mission 100 MT**

48 In the last three years, 15 operators have been given licenses for running container trains. Presently, 146 trains of Container Corporation and 44 container trains of other container operators are running. The number of trains run by other operators is expected to increase to 50-55 by the end of this year. The total container traffic is expected to be 26 million tonnes in 2007-08 including 2 million tonnes contributed by new operators. Presently 60 container depots are operational including three constructed by private parties. It is expected that eight container depots by Container Corporation and 40 by other operators would be developed in the coming years.

## **Dedicated Freight Corridor**

49 The Golden Quadrilateral is the busiest and most important part of the high density network. It gives me great pleasure to inform the House that the works of Eastern freight corridor from Ludhiana to Dankuni, situated near Kolkata, and the Western corridor from Delhi to JNPT have been sanctioned. I would like to assure the august House that construction work on both these projects will commence in 2008-09.

50. Detailed feasibility studies for the North-South, East-West, East-South and South-South Dedicated Freight Corridors are being carried out. Action will be taken to expedite sanction for construction of these corridors in 2008-09.

## **Modernization of Rolling Stock**

51 While in 2003-04, 6,300 wagons were manufactured whereas in 2007-08, 15,000 wagons are expected to be manufactured. In 2008-09, manufacture of 20,000 wagons is planned which would be the highest level of wagon productions so far. Similarly, in 2008-09, 250 diesel and 220 electric

locomotives will be manufactured which would be a record in itself. Production of new generation diesel and electric locomotives will also be stepped up substantially.

## **New Design Wagons of High Capacity**

52 With the objective of increasing the carrying capacity, from 2008-09 onwards manufacture of 20.3 tons axle load BCN and BOXN wagons will be stopped and only 22.9 tons axle load stainless steel wagons will be manufactured. The newly designed stainless steel BCN wagon has a lower tare weight. Due to the shorter length of these wagons, instead of 40 wagons, the BCN wagon train will now accommodate 58 wagons, like BOXN wagon trains. Thus, the payload of the BCN trains will increase by 78% from 2300 tons to 4100 tons. Similarly the payload of open wagon trains will increase by 22%, to 4100 tons. We have achieved this by reducing the tare weight and increasing the width and height of the wagons.

53 To realize the full potential of the newly designed high capacity wagons, in 2008-09, 5000 open wagons will be upgraded to stainless steel body thereby reducing their tare weight by about two tons.

54 Wagons for steel and petroleum products are presently fit for only 20.3 tons axle load. RDSO has developed a new 25 tons axle load BRN wagon. We have decided to cease production of 20.3 tons axle load wagons from 2008-09 onwards and start manufacture of the newly designed BRN wagons. Discussions are being held with international companies for developing new designs for the 22.9 tons axle load BTPN wagon and a decision is likely on this subject by the end of next year.

## **Manufacture of new design wagons by wagon manufacturers**

55 Till now, wagon manufacturers have been manufacturing wagons in accordance with standard designs prescribed by RDSO. As a result most of the wagons in use on Railways are of the design of 70s and 80s. We have formulated a new policy to promote induction of wagons with modern and new designs in the Railways. This policy makes adequate provision for simplifying the process of certifying and accepting the new wagon designs and protecting the intellectual property rights of the companies. Wagon manufacturers will now also be able to import technology from abroad to bring modern designs into the Indian Railways. This policy will facilitate continuous upgradation in the wagon technology.

## **New Wagon Leasing Policy**

56. In order to develop the wagon leasing market, we have prepared a new wagon leasing policy under which, rail customers and container operators will be able to take wagons on lease. For getting registered under the scheme, wagon leasing companies should have a minimum net worth of Rs. 250 cr and will have to deposit Rs. 5 cr as registration fee. Registration will be valid for 20 years and will be renewable for another 10 years on rendering satisfactory services. Leasing companies have been given full rights to choose or change their lessees. These companies will lease out special purpose wagons, high capacity wagons and container wagons.

## **New Wagon Investment Scheme**

57. The Wagon Investment Scheme announced in the year 2005-06 has been extremely popular amongs iron-ore customers. During the last three years, approval has been accorded for an investment of over Rs. 1,500 cr for procurement of 138 rakes. Against this, 42 rakes have been received so far at a cost of around Rs. 500 cr.

58. The old Wagon Investment Scheme has not been popular with other than iron-ore customers. Therefore a new liberalized Wagon Investment Scheme has been prepared. Under this scheme, investments can be made for procurement or leasing of special purpose and high capacity wagons. Freight discounts at prescribed rates will be granted for investment in special purpose wagons and high capacity wagons.

### **Bulk and Non Bulk Goods Terminal Scheme**

59. In developed countries, cement, food grains, fertilizers etc. are transported in bulk. There is an increasing trend for bulk movement of such commodities in our country due to reduction in the transportation cost of bulk movement. Therefore, we have made a new policy for development of bulk handling terminals. Under this policy, construction of bulk handling terminals for cement, fly ash, food grains and fertilizers will be permissible by the producers of these commodities or by their authorized agencies. These terminals will be equipped with all modern handling facilities with round the clock working. The terminal developer will also invest in special purpose wagons necessary for bulk movement. Under this scheme, wagons will move in a close circuit for which freight discount at prescribed rates will be granted. Besides this, busy season surcharge and terminal charge will also not be applicable for a prescribed period. Wharfage and demurrage charges will also not accrue at these terminals. A policy has also been prepared for development of traditional unloading goods terminals for non-bulk finished goods like steel, bagged cement and fertilizer. Under this policy, busy season surcharge and terminal charges will not be levied. Third party traffic will also be permitted to be booked at these terminals for which only terminal charges and wharfage will be exempted.

60. Both categories of above terminals will primarily be developed on private land. However, Railways land, wherever available, will be given on lease at prescribed rates under the land licensing policy, through open tendering to the bidder who offers maximum freight revenue. The agencies constructing such

terminals on Railways lands will also be required to guarantee at least half a million ton traffic per annum during the first year and at least one million ton traffic per annum from the third year onwards.

## **Door to Door Logistics Services**

61 The transport market in the Indian economy is undergoing rapid changes. Clients today demand point-to-point solutions in place of separate arrangements for trucks, rail etc. This service is acquiring the shape of an industry. Therefore, Railways is poised to undertake all necessary measures to make its presence felt in this market to provide its customers better point-to-point solutions at competitive prices. Under Public Private Partnership, Railways will provide several value added services including modern handling facilities, warehousing and multi-modal logistic parks.

## **Vision 2025**

62 The financial turnaround of the Railways has been achieved by thinking beyond the beaten path, taking innovative decisions in commercial, operational and pricing policies and through cross functional cooperation and coordination. For making this magical turnaround durable, we will prepare a Railway Vision 2025 Document within the coming six months which will present new ideas and initiatives in a novel manner. This shall outline our preparedness and strategies for the future. This document will set forth the target for the coming 17 years in the field of operational performance and quality of service. It will also detail an action plan for achieving the stipulated targets and necessary investment plans thereof. This document will also contain details of customer-centric modern passenger services and various freight schemes to sharpen the competitive edge of Railways. This will have a blue print of an organization that encourages trans-departmental decision making to take the Railways to unprecedented heights. Route wise

planning would be done to reduce traffic bottlenecks, expand the network and modernize the Railways. The passenger services will be governed by two words- ‘comfort and convenience’. The buzz word in freight business will be ‘commitment and connectivity’. All these efforts will lay a solid foundation for a resurgent Railway. This document will inspire the Railway management and its employees to do new experiments, and will be like a guiding light for the future generation.

### **Innovation Promotion Group**

63. During the last four years passion for creativity and risk taking has led to the magical turnaround of the Railways. In the 21st century, the business scenario is changing fast at the speed of light. It is necessary to make coordinated efforts to face the new challenges and to imbibe new technique and thoughts. Therefore, we have decided to set up a multi-departmental innovation promotion group in the Railway Board. All Railway employees and citizens of the country, will be able to send their innovative suggestions to this group. This group will be provided with appropriate facilities and resources for innovation.

### **Strategic Business Unit**

64 The last four years have seen a rise in Railways’ share in transportation of steel, cement, coal etc. To maintain this progress, we have decided to set up a strategic business unit in Railway Board for coal, cement, steel and container traffic to facilitate timely settlement of all problems of our clients through a single window system. This unit will be appropriately empowered for taking full advantage of emerging business opportunities and improving Railway’s competitiveness in the market.

## **Information Technology Vision 2012**

65 In order to make improvements in operational efficiency, bring transparency in working and provide better services to the customers, Railways are trying to bring about radical changes in Railway technology systems and processes. For achieving these objectives, attention is being focused on I.T. applications in three core areas namely freight service management, passenger service management and general management. For getting maximum benefit in the coming years, the mantra for present and future I.T. applications would be seamless integration. The Railways nationwide communication infrastructure will provide the foundation for a common delivery network and platform. Modern technologies like GIS, GPS and RFID will be applied progressively. A centralized information system will not only be useful for the customers but also for the organization as well. The customers will have accurate, fast and on-line access to information on various subjects. For the customer it would result in superior experience with improvements in overall efficiency, safety of Railway operations, ease of transactions and value added services like infotainment, on-board television and knowledge kiosks with internet facilities. For the organization, planning and deployment of resources would become much easier with a panoramic view of assets and this would have a multiplier effect on productivity, organizational efficiency and staff satisfaction. The Vision for IT would be implemented over the next 5 years.

## **Public Private Partnership**

66 Railways would have to make heavy investments for the expansion of the network, modernization and upgradation of the technology and for providing world class facilities to the customers in the coming years. For this purpose, we have made a plan to invest Rs. 2,50,000 cr, within the next 5 years. For funding a large portion of this plan, use of internal resources and borrowings will be resorted to. However it would be difficult to finance such a large investment

programme solely from Railways own resources. Therefore, we have started many PPP schemes for attracting an investment of Rs. 1,00,000 cr over the next 5 years. These will include projects for provision of world class facilities at metro stations, setting up state of the art rolling stock production units and construction of multi-modal logistics parks. I am happy to inform the House that through global competitive bidding, concessions would be awarded for developing the New Delhi, Chhatrapati Shivaji Terminus, Mumbai, Patna and Secunderabad railway stations into world class station during 2008-09. We expect to attract an investment of nearly Rs 15,000 cr on these stations. Through open competitive bidding, PPP partners would be selected for setting up diesel loco, electric loco and rail coach factory at an estimated cost of Rs. 4,000 cr. It is also expected that container trains, container depot and multi-modal logistics park will attract investment to the tune of Rs. 2,000 cr. It is also envisaged that Rail Land Development Authority would raise Rs. 4,000 cr during 2008-09 by making commercial use of Railways surplus land. Thus concessions committing an investment of about Rs. 25,000 cr are likely to be awarded in the year 2008-09 for various PPP projects.

**Le kar chala hoon sabko tarakki ki rah par  
Ek neev sajhedari ki maine rakhi nayee**

## **Security**

67 The security of passengers is our topmost priority. 5700 vacant posts of constables and 993 vacant posts of sub Inspectors lying vacant in RPF for the last many years will be filled up through a comprehensive recruitment drive by May 2008. Five per cent posts in recruitment of constables and 10 per cent in recruitment of sub Inspectors have been reserved for women. The Government has recently created 973 additional posts for which recruitment



will be done in a time bound manner next year. An integrated security plan has been drawn up to strengthen railway security through installation of close circuit TVs at important stations, and deploying metal detectors, baggage screening system and explosive detection and disposal system for screening passengers and their luggage. These systems will be installed at vulnerable stations through railway funds or public private partnership. Railway Protection Force will be equipped with all necessary modern equipment and adequate funds provision will be made for these works.

## **Safety**

68 Railway safety is our highest priority. Our sustained efforts have led to significant improvement in Railways' safety. As a result the number of consequential train accidents have come down from 234 in 2005-06 to an all time minimum of 195 in 2006-07. More importantly, despite increase in traffic, the consequential train accidents per million train kilometer have come down to 0.23 in 2006-07 as compared to 0.28 in 2005-06. Sir, it gives me pleasure to inform that this trend is continuing in the year 2007-08 also. We are investing billions of rupees on Railway safety which is a reflection of our commitment towards safety of the rail network.

69 The work of replacing 16538 kms of overage track and overage signals at 2359 stations and rehabilitation of 2251 bridges utilizing Special Railway Safety Fund would be completed by the end of this year. Railways are also taking due precaution to make adequate provision under DRF for timely replacement of overage assets. In this context I have increased the provision in DRF to Rs. 5450 cr in 2007-08 and Rs 7000 cr in 2008-09.

70 Sir we have prepared a multi-pronged scheme to reduce human failure as far as possible. This scheme envisages provision of automatic safety

devices like Anti Collision Device, Acoustic Bearing Detectors, EOTT device, Digital Ultrasonic Flaw Detecting Machine, Ultrasonic rail testing car, track monitoring car etc to strengthen rail safety.

### **Anti Collision Device**

71 A pilot project on Anti Collision Device to stop head on collision and collision from the rear between trains had been started in North East Frontier Railway. This has yielded encouraging results. We have therefore decided to extend this system in a phased manner over the entire Railway network. For the present in the next two years this system will be extended on three railways i.e. Southern, South Central and South Western Railway.

### **On-line Monitoring of Rolling Stock**

72 Failure of axle box bearing and defects in the wheels increase the chances of accidents. Acoustic Bearing Detectors gives an early warning on possible defects in the bearing box, before reaching the stage of hot box whereas WILD system measures the impact of wheel on tracks to automatically identify the defective wheels in rolling stock. This improves protection and reliability of rolling stock and track. Therefore, a master plan has been prepared to install acoustic bearing detectors and wheel impact load detectors at important locations for on-line monitoring of rolling stock by investing Rs.250 cr on 65 instruments.

### **Ultrasonic Flaw Detecting Machine**

73 At present information on track defects is gathered through analog based SRT and DRT machines. In order to improve reliability it has been

planned to install over the next five years, 300 digital SRT and 200 digital DRT machines by replacing the present analog based machines. Besides Automatic Ultrasonic Rail Testing Cars, Bridge Testing Equipment and Track Monitoring Cars would be provided at a cost of Rs.140 cr under a comprehensive plan during the next five years.

## **Fire Safety**

74 Besides using fire resistant material in coaches as per international standards a comprehensive smoke and fire detection system to give an early warning in case of smoke and fire is proposed to be installed in one rake on a pilot basis. Based on the success of trials it will be installed in all the trains in a phased manner at a cost of Rs.700 cr.

## **Construction of ROBs and RUBs**

75 Sir, normally the construction of ROB and RUB is done on a 50:50 cost sharing basis between the Railways and state governments. There has been a delay in these works because of limited resources available with the State Governments. We have decided to construct RUBs wherever feasible in place of manned level crossings and for level crossings having eligibility for manning at Railways own cost at a maximum cost of Rs. 1.5 cr for double line and Rs.1.25 cr for single line. State Governments would have to bear only the minimum expenditure of providing connecting roads. The construction of 582 ROBs or RUBs is in progress on a 50:50 cost sharing basis with the state governments. It is proposed to take up another 100 new works of ROB s and RUB s during 2008-09.

76 As per the present yardstick 1200 level crossings are to be replaced by ROBs. However, these ROBs could not be taken up because of lack of sanction by State Governments on a 50:50 cost sharing basis. Next year the

possibility of construction of ROBs through BOT under PPP would be explored and viability gap funding would also be provided, if necessary. This is expected to result in a manifold increase in the number of ROBs constructed every year.

## **Safety at Unmanned Level Crossings**

77 Sir, there are 16,600 manned level crossings and 18,200 unmanned level crossings on Indian Railways. With the increase in number of motor vehicles, there is a progressive increase in the rail accidents at unmanned level crossings. During winter season, the problem becomes more acute due to foggy conditions in and North Eastern states of India. The number of accidents at unmanned level crossings in 2006-07 has increased to 37% of total number of consequential train accidents as compared to 15% in the year 2000-01. Out of 195 consequential train accidents which occurred in 2006-07, 72 accidents were at the unmanned level crossings. Therefore, we have decided to make our policy more generous and comprehensive to man all the busy unmanned level crossings on a fast track basis.

## **Social Welfare**

Appointment of licenced porters to the posts of gangmen and other Group D Posts

**Musafir aur coolie ka saath, barson se nirantar hain  
Ose samman dein, jo raat-din seva mein tatpar hain**

78 Porters working on stations belong to scheduled castes and tribes, other backward castes, minorities and other weaker sections of society. They have been carrying the luggage of passengers for years. There are thousands of vacant posts of gangmen. A large number of additional vacancies will arise due to promotion of gangmen as gatemen for manning of unmanned level crossings

gates. In view of the long pending demand of licenced porters, we have decided on a one time basis to appoint them as gangmen and to other Group D posts after due screening.

## **Concessions**

### **Free monthly season tickets for students**

79 Presently, free monthly season tickets for second class travel between school and home is provided to girl students up to 12th standard and boy students up to 10th standard. We have now decided to extend this facility for girl students up to graduation and for boy students up to 12th standard.

### **50 percent concession for lady senior citizens**

80 Presently Railways give 30% concession in passenger fares of all classes to senior citizens above the age of 60. Now we have decided to increase this concession from 30% to 50% in passenger fares of all classes for lady senior citizens.

### **Concession to Ashok Chakra awardees**

81 Param Vir Chakra, Mahavir Chakra and Vir Chakra awardees are entitled to card pass for traveling in AC II tier along with one companion which is valid in Rajdhani & Shatabadi trains too. But the card passes being issued to Ashok Chakra awardees of the Indian Armed Forces doesn't have facility to travel in Rajdhani and Shatabadi trains. Now we have decided to provide the facility of traveling in Rajdhani and Shatabadi Trains on card passes issued to Ashok Chakra Awardees too.

## **Concession for AIDS affected persons**

82 Indian Railways is running the Red Ribbon express in collaboration with National Aids Control Organization. Taking another step in this direction I announce a concession of 50% in second class passenger fares for rail travel by AIDS patients to nominated ART centres for treatment.

## **Mother- Child Health Express**

83 Indian Railways has always been alive to its social commitments. In collaboration with NGOs and other Ministries, Railways are playing an important role in running Lifeline express, Red Ribbon express, Science Express and Azadi Express. Continuing this tradition, Rajiv Gandhi Foundation and Indian Railways propose to collaborate in running a Mother-Child Health express of 7 coaches on a pilot basis for providing medical facilities to mother and child. This train will be run by Railways at concessional fares. This train would have facilities like Delivery operation room, child health centre etc.

## **Special Campaign to clear the backlog vacancies of Schedule Castes and Schedule Tribes**

84 A special campaign has been launched since 2004 to clear the backlog vacancies of schedule castes and schedule tribes. Nearly 99% identified vacancies have been filled up so far.

## **Appointments of Other Backward Castes candidates**

85 In comparison to the 2655 appointments in Group D during the year 2003-04, number of the appointments during the year 2007-08 has risen to 10,614. Sir, I am very pleased to inform this august House that the appointments of candidates from Schedule castes, Schedule Tribes and Other

Backward Classes has exceeded their respective quotas earmarked for them in these appointments. For example, out of the 10,614 Group D appointments 5045 candidates were from Other Backward Castes.

## **Minorities Welfare Cell**

86 Indian Railways have issued directions for setting up a minorities cell in Railway Board as well as in all zonal Railway offices for promoting minorities' welfare and ensuring their adequate representation in railway services. It has been made mandatory to have one member from the minority community in all the recruitment boards and committees. It has also been decided to issue recruitment notices in Urdu newspapers published in states having Urdu as the second official language. Instructions have also been issued to permit Urdu also as the medium of examination for Group D posts in such states.

## **Staff Welfare**

**Samarpit jiska jeevan rashtra seva mein hamesha hai  
Kadi mehnat kare jo , woh sipahi railkarmi hai.**

87 14 lakh railway employees have worked relentlessly, day and night, for the financial turnaround of the Railways. In recognition of this we have increased their Bonus for 2006-07 from 65 to 70 days.

88 Elections for railway trade unions were held on all the 16 zonal railways in November 2007 for the first time in the history of Indian Railways. Nearly 88 percent railway employee voters exercised their franchise. Now all railway trade unions have been elected democratically and this has heralded a new era in industrial relations.

89 It has been decided that Railway employees who were earlier working in any public sector enterprise, autonomous body or any other agency under any

State Government or Government of India and whose prior service has been counted for pensionary benefits will be eligible for post retirement complementary passes by giving a weightage equivalent to half of their prior service while calculating their eligibility based on length of service in the railways.

### **Staff Benefit Fund**

90 It is proposed to increase contribution to the Staff Benefit Fund by ten times from Rs. 35 to Rs. 350 per employee for the year 2008-09.

### **Health Services**

91 13 new works have been proposed at a cost of Rs.101 crore for improving health services. Northern Railways' Central Hospital building at Delhi will be made centrally air-conditioned. The works of upgradation of two divisional hospitals to Central Hospitals at Jaipur and Hubli on Western and South Western Railway respectively, a new divisional hospital at Ranchi and construction of an OPD block at ICF are proposed.

### **Important Achievement of Railways in the field of Sports**

92 In this year also Indian Railways has made important achievements in the field of sports at International and National levels. Indian Railways won the USIC World Railway Tennis Championship in June 2007. Indian Railway Wrestlers won 6 golds and 4 silver medals at Commonwealth Free Style and Greco Roman Style Wrestling Championship in June 2007. Indian Railway athletes won two golds, two silvers and two bronze medals at Asian Athletics Championship in July 2007. Shri Rupesh Ashwani Bhai Shah became World Champion at World Billiards Championship in September 2007. Dola Banerjee created history upon winning the gold medal in the World Archery Championship in November 2007. At the national level Indian Railways won 17 out of 26 national Championships that they participated in. Two players from



Indian Railways Jyoti S Kulu for Hockey and Shri Vijender for boxing were honoured with Arjun awards for the year 2006. Former Indian Railways Hockey player Shri Virender Singh was honoured with Dhyanchand Life Time Achievement Award in Sports for the year 2007.

## **Preservation of Heritage**

93 Railways heritage is a veritable treasure. Indian Railways Darjeeling Himalayan Railways, Nilgiri Mountain Railways and Chatrapati Shivaji Railway Terminus have all been inscribed by UNESCO as world heritage sites. The Kalka Shimla Railway is also likely to be conferred this status in the near future. We have made adequate provisions for enriching the National Rail Museum and regional rail museums. Steam locomotives are the very heart of Railways heritage. We will take all possible measures to promote heritage tourism through our steam locomotives.

## **Energy Conservation**

94 Indian Railways is committed to adopt energy efficient technologies for energy conservation. In this context it has been decided to replace 26 lakh bulbs by CFLs in all the 6 lakh staff quarters. This project is expected to save 20 crore units of electricity every year and will be funded through earnings from carbon credits under public private partnership. An elaborate plan is being made to install CFLs and T-5 lights at all stations, offices and other railway premises.

## **International Cooperation**

95 Indian Railways is increasingly playing an important role in the world railway affairs with our leadership in UIC. I am happy to announce that recently an MOU has been signed with the Chinese Railway for mutual cooperation in areas including speed raising of existing routes, heavy haul

operations and development of world class stations. India signed the Trans-Asian Agreement in June 2007. We are also playing an important role in promoting the Government's 'Look East Policy' by imparting free training to railway personnel of BIMSTEC and Mekong Ganga countries. This initiative will be extended to include SAARC countries.

### **Establishment of Captive Thermal Power Plant at Nabi Nagar**

96 Indian Rail Bijli Company Limited has been incorporated as a joint venture with NTPC to set up a 1000 MW Railway Captive Thermal Power Plant in Nabinagar, District Aurangabad of Bihar. Production is likely to start during the current plan period.

### **Setting up a new coach factory in Kerala**

97 In view of the increasing requirement of passenger coaches we had decided to set up a new coach factory at Rae Bareilly last year. In the past few years we have received coach supply orders from Malaysia, Philippines, Vietnam, Sri Lanka, Bangladesh, Tanzania, Myanmar, Angola, Senegal, Male etc. The demand for Metro coaches in the country is also rising steadily. In light of all these requirements a new rail coach factory will be set up in Kerala. The State Government of Kerala has also made available 1000 acres of land for this factory.

### **Wagon re-construction unit at Garkha**

98 There has been a substantial increase in wagon production during the last four years to meet the growing demand. The need for wagon maintenance and reconstruction has also gone up. Therefore a new wagon reconstruction unit at a cost of Rs.40 cr has been proposed at Garkha in Chapra District for reconstruction of old wagons.

## **Modernization of Railway Workshops**

99 It is proposed to modernize Lilluah Workshop in West Bengal, Perambur Loco Workshop and Ajmer Loco Workshop at a cost of about Rs 200 cr.

## **Modernisation and Development of Jamalpur Workshop**

100 Established in 1862, Jamalpur Workshop is one of the largest integrated workshop of Indian Railways. Production of wagons, container flats, ART cranes and tower wagons etc. has been started in the workshop during the last few years. It is proposed to modernize Jamalpur workshop at a cost of Rs 82 cr to enable its development like a production unit.

## **Transfer of Mokama and Muzaffarpur Wagon Factory to Indian Railways**

101 Due to unprecedented increase in freight loading, the demand for wagons is increasing steadily. It has been decided to transfer the wagon factories of Bharat Wagon located in Mokama and Muzaffarpur to Railways so that their production capacities are fully utilized. We are hopeful that like the turnaround of the Railways, we will be successful in turning around the physical and financial health of both these factories in the coming years.

## **Ordinance for Land Acquisition Act**

102 The process of land acquisition for railway projects through the Land Acquisition Act 1989 is extremely time consuming. Therefore, the Railways act 1989 has been amended through an Ordinance for expeditious acquisition of land for important railway projects on the pattern of NHAI Act. Under the amended provisions, land for notified special railway projects will be acquired by the competent authority appointed by the Railway. Eastern and Western Dedicated Freight Corridors, three new rolling stock production units at

Marhoura, Madhepura and Rae Bareilly and three throughput enhancement projects have been notified as special railway projects.

## **Public Sector Undertakings**

103 During the year 2006-07, all the nine public sector undertakings together have achieved a turn over of Rs. 8758 cr and earned a net profit of Rs. 1366 cr. The CONCOR Ltd. has earned a net profit of Rs. 704 cr on a turnover of Rs. 3000 cr. IRFC has registered a turnover of Rs. 2284 cr and net profit of Rs. 399 cr. IRCON International Ltd. has also achieved a highest turnover of Rs. 1543 cr and a net profit of Rs. 76 cr. IRCON has won the biggest ever project of Rs. 4000 cr for construction of a rail line in Malaysia. RITES has touched a turnover of Rs. 566 cr and earned a profit of Rs. 118 cr. Railtel has also become a profit earning company in the current year.

## **Passenger Services**

104 I announce the introduction of 10 new Garib Rath, 53 new trains, extension of 16 trains and increase in frequency of 11 trains for 2008-09.

### **105 Garib Rath**

- 1 Jaipur-Chandigarh (Tri-weekly) via Rewari-Bhiwani
- 2 Secunderabad-Visakhapatnam Express (Tri-weekly)
- 3 Varanasi-Delhi (Tri-weekly)
- 4 Bangalore-Kochuveli(Tri-weekly)
- 5 Ranchi-Delhi (Bi-weekly)

- 6 Jammu Tawi-Kathgodam (Weekly) (in lieu of Nizamuddin- Dehradun Garib Rath Express announced in the Railway Budget 2007-2008)
- 7 Yesvantpur-Puducherry (Tri-weekly)
- 8 Jabalpur-Mumbai (Bi-weekly)
- 9 Delhi-Jaynagar (Bi- Weekly) via Patna
- 10 Pune-Nagpur(Tri-weekly)

## **106 New Trains**

- 1 Amravati-Mumbai Express (Bi-weekly)
- 2 Chennai -Tiruchendur Express (Weekly)
- 3 Hyderabad-USmanabad Express (Tri-weekly)
- 4 Bhubaneshwar-Mumbai Express (Bi-weekly) via Sambalpur
- 5 Amritsar-Saharsa Jan Sadharan Express (Weekly) via Hasanpur
- 6 Ranchi-Chopan Express (Tri-weekly)
- 7 Asansol-Mumbai Express via Jasidih (Weekly) with restoration of Howrah-Mumbai Mail via Gaya on all 7 days of the week.
- 8 Kamakhya-Gandhidham Express (Weekly)
- 9 Kochuveli-Dehradun Express (weekly)
- 10 Jaynagar-Saharsa Janaki Express (Tri-weekly) via Hasanpur
- 11 New Dibrugarh Town- Kamakhya Express (Tri-weekly) via Moranhat
- 12 Machallipatnam-Bangalore Express (Tri-weekly)
- 13 Surat-Muzaffarpur Express (Weekly) via Azamgarh - Chhapra
- 14 Amritsar-Kochuveli Express (Weekly)
- 15 Delhi-Pathankot Express (Tri-weekly) via Amritsar
- 16 Malda Town-Patna Express (Tri-weekly) via Bhagalpur
- 17 Indore-Udaipur Express (Tri-weekly) via Ratlam

- 18 Varanasi-Rameshwaram Express (Weekly)
- 19 Delhi-Jogbani Link Express (Weekly)
- 20 Khajuraho-Delhi Link Express (Tri-Weekly)
- 21 Kamakhya-Gaya Express (Weekly)
- 22 Ramnagar-Delhi Link Express (Daily)
- 23 Kolkata-Murshidabad Hazar Duari Express (Weekly)
- 24 Mathura-Chhapra Express (Tri-weekly)
- 25 Gwalior-Indore Express (Tri-weekly)
- 26 Udaipur-Delhi Chetak Express (Tri-weekly) via Ajmer-Neem-ka-  
Thana
- 27 Puri-Darbhangra Express (Weekly)
- 28 Yesvantpur-Jodhpur Express (Weekly)
- 29 Radhikapur-Delhi Express (Weekly)
- 30 Vasco-da-gama-Patna Express (Weekly) via Konkan railway
- 31 Paradeep-Bhubaneshwar Express (Daily) in lieu of one pair passenger  
service between Paradeep and Cuttack
- 32 Bilaspur-Pune Express (Weekly)
- 33 Kendurjargarh-Puri Express (Daily)
- 34 Gaya- Chennai Express (Weekly)
- 35 Balharshah-Mumbai Link Express (Daily)
- 36 New Dibrugarh Town-Yesvantpur Express (Weekly) via Moranhat
- 37 Ranchi-Bhagalpur Express (Tri-weekly) via Kiul in lieu of 3405/3406  
Ranchi- Bhagalpur Vananchal Express (Bi-weekly via Kiul)
- 38 Lucknow-Delhi Air Conditioned Express (Tri-weekly)
- 39 Dehradun-Delhi Air Conditioned Express (Six days)
- 40 Ahmedabad-Mumbai Air Conditioned Express (Weekly)

- 41 Chennai-Rameshwaram Express (Daily) via Mayiladuthurai-Karaikudi(after Gauge conversion)
- 42 Chennai-Tiruchchirappalli Express (Daily) via Mayiladuthurai (after Gauge conversion)
- 43 Chennai-Salem Express (Daily) via Vriddhachalam (after Gauge conversion)
- 44 Madurai-Tenkasi Passenger (Daily) (after Gauge conversion)
- 45 Villupuram-Mayiladuthurai Passenger (Daily) (after Gauge conversion)
- 46 Mysore-Nanjanagud Town Passenger (Daily) (after Gauge conversion)
- 47 Ahmedabad-Patan Passenger (Daily) (after Gauge conversion)
- 48 Dabhoi-Pratapnagar Passenger (Daily) (after Gauge conversion)
- 49 Hajipur-Phulwaria passenger (Daily) (upon commissioning of new line)
- 50 Itarsi-Katni Passenger (Daily)
- 51 Shoranur-Nilambur Road Passenger (Daily)
- 52 Tirunelveli-Tiruchendur Passenger (Daily)
- 53 Vasai Road-Panvel MEMU (Daily)

## **Extension of Trains**

107 I feel extremely happy to propose the extension in services of the following 16 pairs of trains:

- 1 8611/8612 Varanasi-Ranchi to Sambalpur via Rourkela (bi weekly)
- 2 2677/2678 Bangalore-Coimbatore Express to Ernakulam
- 3 4207/4208 Delhi-Raebareli Padmavat Express to Pratapgarh
- 4 7405/7406 Tirupati-Nizamabad Krishna Express to Adilabad
- 5 3225/3226 Danapur-Darbhanga Express to Jaynagar
- 6 2855/2856 Nagpur-Raipur Express to Bilaspur

- 7 2691/2692 Chennai-Bangalore Express to Sri Sathyasai Prashanti Nilayam
- 8 6733/6734 Madurai-Manmad Express to Rameswaram on one side and Okha on the other
- 9 2141/2142 Rajendranagar(T)-Lokmanya Tilak(T) Express to Chhatrapati Shivaji Terminus
- 10 2409/2410 Nizamuddin-Bilaspur Gondwana Express to Raigarh
- 11 4201/4202 Mathura-Lucknow Express to Patna
- 12 2083/2084 Coimbatore-Kumbakonam Jan Shatabdi Express to Mayiladuthurai (after Gauge conversion)
- 13 1423/1424 Solapur-Bagalkot Express to Gadag(after Gauge conversion)
- 14 571/572 Bangalore-Salem Passenger to Nagore (after Gauge conversion)
- 15 724/725 Tuticorin-Tirunelveli Passenger to Tiruchendur
- 16 356/357 Dharwar-Gadag Passenger to Bijapur

**Increase in frequency:**

108 It gives me immense pleasure to propose the increase in frequency of 11 pairs of train services during the year 2008-2009:

- 1 2425/2426 New Delhi-Jammu Tawi Rajdhani Express from weekly to daily
- 2 2203/2204 Amritsar-Saharsa Garib Rath from bi-weekly to tri-weekly
- 3 2449/2450 Nizamuddin-Madgaon Goa Sampark Kranti Express from weekly to bi -weekly
- 4 6513/6514 Bagalkot-Yesvantpur Basava Express from tri-weekly to daily



- 5 3403/3404 Bhagalpur- Ranchi Express via Andal from five days to daily
- 6 2891/2892 Baripada-Bhubaneswar Express from tri-weekly to six days a week
- 7 2151/2152 Lokmanya Tilak (T)-Howrah Samrasta Express from weekly to bi-weekly
- 8 2421/2422 Bhubaneswar-New Delhi Rajdhani Express from bi-weekly to tri-weekly
- 9 2947/2948 Ahmedabad- Patna Azimabad Express from weekly to bi-weekly
- 10 2431/2432 Nizamuddin-Thiruvanthapuram Rajdhani Express from bi-weekly to tri-weekly
- 11 5109/5110 Varanasi-Rajgir Buddh Purnima Express from tri-weekly to daily

109. The tercentenary function of Shri Guru Granth Sahib Gurta Gaddi is being celebrated by Gurudwara Sachkhand Sahib, Nanded. In view of the importance of this occasion, I announce special trains during this period from Anandpur Sahib and Patna Sahib to Gurudwara Sachkhand Sahib.

110. The Commonwealth Youth Games are being organized in Pune from 12<sup>th</sup> October to 18<sup>th</sup> October 2008 as a prelude to the Commonwealth Games to be held in Delhi in the year 2010. Keeping in view the importance of these Games, I announce special train between Pune and Delhi, during this period.

### **Annual Plan 2008-09**

111 Sir, the Annual Plan of 2008-09 is the highest ever annual plan of the railways. It is proposed to invest Rs. 37,500 cr, which is 21 percent more than the previous year. The total budgetary support to be received

from General exchequer is Rs. 7874 cr including Rs. 774 cr to be provided from Central Road Fund. In this manner internal and external budgetary resources would constitute 79 percent of the annual plan.

112 Under this Plan, priority has been given to enhancement of rail capacity, modernization of the railway, throughput enhancement on HDN routes, traffic facility works and expansion and development of the network. Construction of flyovers, bypasses, IBS, upgradation of goods shed etc traffic facilities works will be completed on priority. The outlay for doubling works has been increased to Rs. 2,500 cr, traffic facility works to Rs 984 cr and an outlay of Rs 1535 cr has been proposed for projects under implementation by RVNL. Provision of Rs. 1730 cr for new lines, Rs. 2489 cr for gauge conversion, Rs. 626 cr for electrification and Rs. 650 cr for Metropolitan Transport Projects has been made. On safety related plan heads, provision has been made for Rs.3600 cr for track renewals, Rs.1520 cr for signal and telecommunication works, Rs.700 cr for Road over Bridges and Road under Bridges and Rs.600 cr for manning of unmanned level crossings. Additional funds to the tune of Rs.1712 cr have been sought from Ministry of Finance for national projects of Udampur-Srinagar-Baramulla, Jiribam-Imphal Road, Dimapur-Kohima, Azra-Byrnihat and Kumarghat-Agartala new line, Bogibeel Rail-cum-Road Bridge and Lumding-Silchar-Jiribam, Rangia-Murkongselek gauge conversion.

## **Ongoing Projects**

113 During the current year, 2300 km broad gauge lines are likely to be completed. The target for construction of broad gauge lines in 2008-09 is 3500 km. The construction of new line between Kakapore and Badgam in

the Kashmir valley has already been completed and the remaining portion in the valley will be completed in 2008-09. I would like to express my gratitude to Hon'ble Prime Minister for deciding the funding of National Projects in the Northeastern region, through 25 percent funds from Railways Gross Budgetary Support and balance 75 percent as an additionality. It is also proposed to create a non-lapsable Northeast Rail Development Fund.

## **New Lines**

114 Sir, 155 km of new line is likely to be completed in 2007-08. Bangalore-Neelamangala section of Bangalore -Hassan has already been completed. Manu-Ambassa of Kumarghat-Agartala, Mahoba-Khajuraho, Bikramganj-Piro of Ara-Sasaram and Deogarh-Ghormara of Deogarh-Dumka are likely to be completed soon.

115 A target of 350 kms has been fixed for construction of new lines in 2008-09. Some prominent sections are as follows :

1. Ghormara-Dumka of Deogarh-Dumka
2. Nagapattinam-Velankanni
3. Yerraguntla-Nossam of Yerraguntla-Nandyal
4. Harpanhalli- Harihar

On completion of these sections, Deogarh-Dumka and Kottur-Harihar new line projects will be completed.

## **Gauge Conversion**

116 Gauge conversion of Vriddhachalam-Attur of Salem-Cuddalore, Purna-Hingoli of Purna-Akola, Jaynagar-Darbhanga, Sherabazar-Rainagar of Bankura Damodar Railway line, Barsoi-Radhikapur, Tirunelveli- Tiruchendur, New Coochbehar-Bamanhat, Samastipur-Ruseraghat of Samastipur-Khagaria, Pipar Road-Bilara and Sabarmati-Khodiya has already been completed during the current year. Besides these, gauge conversion of Rewari-Sadulpur-Hissar,

Katihar-Jogbani, Osmanabad-Kurduwadi of Miraj-Latur, Rewari-Ringus-Phulera, Karaikkudi-Manamadurai of Trichy-Manamadurai, Tiruvarur-Nagore of Trichy-Nagore-Karaikal, Hingoli-Akola of Purna-Akola, Bagalkot-Gadag of Solapur-Gadag and Guntakal-Kalluru are likely to be completed early.

After completion of gauge conversion of these sections, the projects of Salem-Cuddalore, Jogbani-Katihar-Radhikapur, Samastipur-Khagaria, Purna-Akola, Pipar Road-Bilara, Trichy-Manamadurai, Solapur-Gadag and Guntur-Guntakal-Kalluru will get fully completed.

117. During 2008-09, a target of completion of gauge conversion of about 2150 kms has been fixed including the following sections :

1. Pandharpur-Miraj of Miraj-Latur
2. Naupada-Gunupur
3. Mathura-Achnera
4. Aunrihar-Jaunpur
5. Fakiragram-Dhubri
6. Purnea-Saharsa
7. Sarupsar-Sriganganagar
8. Ajmer-Phulera
9. Bhildi-Samdari
10. Balaghat-Katangi of Jabalpur-Gondia
11. Madanapalli- Dharmavaram of Dharmavaram-Pakala
12. Anandpuram-Talguppa of Shimoga-Talguppa
13. Sitamarhi-Narkatiaganj
14. Tiruvannamalai-Villupuram of Katpadi – Villupuram
15. Bodeli-Chhota Udepur of Pratapnagar-Chhota Udepur
16. Wansjalia-Jetalsar of Rajkot-Veraval

With the completion of these sections, Miraj-Latur, Naupada-Gunupur, Mathura-Achnera, Aunrihar-Jaunpur, Rewari-Ringus-Ajmer, Bhildi-Samdari, Dharmavaram-Pakala, Katpadi-Villupuram, Sriganaganagar-Sarupsar, New Jalpaiguri-New Bongaigaon, Rajkot-Veraval, Pratapnagar-Chota Udepur and Bangalore-Hubli, Birur-Shimoga-Talguppa projects will be completed.

## **Doubling**

118. During 2007-08, doubling of 500 km is expected to be completed while target of 1000 km has been fixed for the year 2008-09.

## **New projects**

119. I am happy to inform the House that work of gauge conversion of Ratlam-Indore-Khandwa-Akola, Udaipur-Ahmedabad, Suratpura-Hanumangarh-Sriganaganagar, Jaipur-Ringus-Churu & Sikar-Loharu, Madurai-Bodinayakkanur and new lines Kursela-Bihariganj, Erode-Palani, Gaya- Daltonganj, Chennai-Puducherry-Cuddalore, Muzaffarpur-Darbhanga, Attipattu-Puttur and Jalalgarh-Kishanganj have been included in the budget. The works of Panskura-Kharagpur, Bina-Bhopal, Champa-Jharsuguda , Rajkharswan-Sini third line, Udhna-Jalgaon, Chandrapura-Rajabera, Jakhhal-Mansa, Muri-Muri outer cabin, Banspani-Jaroli, Villupuram-Dindigul doubling and Tiruvallur-Arakkonam fourth line have also been included in the budget. Bhanupali-Bilaspur-Beri, Sitamarhi-Sursand-Jaynagar-Nirmali, rail link to Ras near Beawar, Ara-Bhabua Road, Agartala-Sabroom, Araria-Supaul, Dehri on Sone-Banjari, Wardha-Nanded, Muzaffarpur-Janakpur, Cuddapah-Bangalore, Gaya-Chatra, Bairabhi-Sairang (Aizwal), Laxmipur - Jhajha-Khera-Nawada new lines have also been proposed in the budget. Out of these projects, State Governments have agreed to share the cost of Wardha-Nanded, Cuddapah-Bangalore and Bhanupali-Bilaspur-Beri new lines. The State Government of Maharashtra has agreed to share cost of

Manmad-Indore and Wadsa-Gadchiroli new lines and the proposals would be processed further for necessary approval. Apart from these, proposals of Anandpur Sahib-Garh Shankar, Damoh-Kundalpur, Jolarpettai-Tiruvannamalai, Sivok-Rangpo (Sikkim) new lines are being processed for approval.

## **Railway Electrification**

120 It gives me immense pleasure to inform this House that Krishna Nagar-Lalgola section of Eastern Railway and Tirupati-Pakala-Katpadi section of South Central Railway have been electrified. The electrification of Nandlur - Guntakal and Guntakal - Pune sections of Mumbai- Chennai golden quadrilateral route is proposed through Rail Vikas Nigam Limited. Electrification of Gonda to Baruani route was sanctioned last year and electrification of Barauni-Katihar-Guwahati and Kanpur – Jhansi have been proposed this year. Survey and technical feasibility of electrification of Shoranur-Mangalore will be started in the fiscal 2008-09. In the 11<sup>th</sup> Five Year Plan railways have targeted electrification of 3500 route kilometers.

## **Mumbai Urban Transport Services Phase I and II**

121 The MUTP Phase I work for upgradation and expansion of Mumbai's suburban services, being undertaken with the assistance of World Bank is progressing well. The third and fourth line between Borivali and Virar on Western Railway has been opened to passenger traffic. Latest technology EMU rakes with better ventilation, lighting and aesthetic designs equipped with dual voltage have been introduced in Mumbai. It is also proposed to start the Phase II work with an investment of Rs. 5000 cr. MUTP Phase II project will be financed jointly by Railways, State Government and through assistance of multi-lateral funding. MUTP Phase I will be completed by December 2009 and all efforts will be made to complete Phase II during the 11<sup>th</sup> Five Year Plan.

122 In the last Budget Speech, it was announced that 150 additional services would be provided in the Mumbai suburban section. I am glad to inform that so far 144 services have been introduced and the target will be achieved by March 2008. In the year 2008-09, 300 additional services will be introduced.

123. The suburban services are the life line of Mumbai, the commercial capital of our country. Even after the completion MUTP Phase I and Phase II, the suburban services will not be able to meet the demand of the ever increasing population. There is also a perceived need to introduce AC train services in Mumbai. Therefore, we have taken a decision to conduct a pre-feasibility study for introduction of an elevated fully air-conditioned metro service between Mumbai Central and Virar stations on Western Railway. After establishing the financial viability of the project, its implementation will be considered through various alternatives including PPP.

### **Kolkata and Chennai Suburban services**

124 The Metro works being done in Kolkata and Chennai are also being completed on priority. The work of extension of Kolkata Metro Rail from Tollygunj to Garia will be completed in the coming financial year. In Chennai Metro Services, the section from Thirumalai to Vellachari has been extended and opened in the month of November 2007 and the extension work of Vellachari- Saint Thomas Mount section has been started. This work is expected to be completed by December 2010 at the cost of Rs. 496 cr.

## **Surveys**

125. Based on demands, the following surveys are proposed to be taken up:

## **New Lines**

1. Washim-Badnera
2. Khandwa-Dhar via Khargone, Badwani.
3. Solapur-Jalgaon
4. Maheshkunt-Narainpur via Agwanighat
5. Rotegaon-Puntamba
6. Junagarh-Ambaguda
7. Ghogardia-Ghoghepur
8. Rewari-Palwal-Khurja
9. Baddi-Barotiwala-Nangal
10. Thawe-Motihari-Chauradano
11. Dehradun-Kalsi
12. Una-Hoshiarpur
13. Jammu-Rajouri-Poonch via Akhnoor
14. Meerut-Panipat
15. Amarpura-Chirawa
16. Rewari-Bhiwadi
17. Dongargarh-Kota
18. Karaikuddi- Ramanathpuram-Tuticorin-Kanyakumari
19. Chidambaram-Attur via Perambalur
20. Angadipuram-Kozikode
21. Kanjangad-Panathur
22. Srinivaspura-Madanapalli



23. Madhubani- Kamtaul
24. Bahedi-Manjhaul-Rusera Ghat-Barauni
25. Kantabanji-Navrangpur-Jeypore
26. Khurda Road-Rajatgarh
27. Pawapuri-Nawada
28. Thanjavur-Ariyalur
29. Ballarshah-Surajgarh
30. Banka-Jamui
31. Akbarpur-Sultanpur via Khadipur
32. Barwadih-Chirimiri
33. Salna-Kumtai
34. Ellenabad-Sirsa
35. Firozpur-Patti
36. Bhavnathpur-Chopan
37. Barbil-Banspani

### **Gauge conversion**

- 1 Billimora-Waghai with extension up to Manmad
- 2 Pratapnagar-Jambusar-Kavi
- 3 Jhaghadia-Netrang with extension up to Nandurbar
- 4 Mavli-Badi Sadri
- 5 New Mal-Maynaguri Road

## **Doubling**

1. Aunrihar-Varanasi
2. Lohta-Jhangai
3. Buxar-Ara-Mokama third line
4. Dornakal-Manuguru
5. Omalur-Mettur Dam

## **Flyovers**

1. Sainthia
2. Sarona
3. Bhuteswar
4. Sitarampur
5. Jalgaon
6. Vizianagram
7. Bina

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## PART II

### **Budget Estimates 2008-09**

126. Sir, I shall now deal with the Budget Estimates for 2008-09.

127. The target for freight loading for the year 2008-09 has been kept at 850 MT and for freight output at 550 billion ton km. Budget Estimates for Freight, Passenger, Sundry other Earnings and other Coaching Earnings have been kept at Rs. 52,700 cr, Rs 21,681 cr, Rs. 5,000 cr and Rs 2,420 cr respectively. Maintaining an overall double digit growth, Gross Traffic Earnings have been projected as Rs 81,801 cr, reflecting an increase of Rs.9,146 cr on the Revised Estimates for the current year.

128. Sir, provision for Ordinary Working Expenses for 2008-09 has been kept at Rs.50,000 cr, which is 20 per cent more than the Revised Estimates for 2007-08. Provision for Depreciation Reserve Fund has been stepped up to Rs.7,000 cr and Pension Fund to Rs.9,590 cr. I have made an ad hoc provision of nearly Rs 5000 cr for the anticipated recommendations of the 6<sup>th</sup> Pay Commission. Thus total Working Expenses will be Rs.66,590 cr and Net Revenue Rs.16,423 cr. While Railways' cash surplus before dividend is projected at Rs.24,783 cr, the targeted Operating Ratio is 81.4 percent. Fund balances to end of the next financial year are estimated at Rs.19,707 cr. Dividend payable for 2008-09, assessed on the basis of the rate of dividend for 2007-08, is estimated at Rs.4,636 cr. In the Plan outlay for the next year, Rs.20,600 cr will be provided from internal resources.

## **Passenger Services**

129. Sir, during the last four years, I had reduced the fares of second class by one rupee per passenger for suburban services, two rupees per passenger for second class non-suburban services, 20% reduction in super-fast surcharge levied on second class super fast mail/express trains, up to 24% in the fares for AC 1<sup>st</sup> class and up to 14% in the fares for AC 2-tier. We have done the magic of generating a surplus of 25,000 cr despite reduction in fares. Bowing to the hopes and expectations of millions of people, I have decided to reduce passenger fares and freight rates this year also.

**Jaadu au tona, humne dikhaya tha pichhle saal,  
Es baar , poora indrajaal dekh leejiye.**

130. Sir, twice I have announced reduction in second-class fares by one rupee each. This year, I announce further reduction of one rupee in the second-class fares of up to rupees fifty per passenger for non-suburban mail/express and ordinary passenger trains.

131. Sir, I have decided to reduce the second-class fares of all mail/express and ordinary trains by 5% for the tickets costing more than rupees fifty per passenger to give more benefits to long distance passengers.

132. Sir, we have manufactured Sleeper class Coaches of new design. In comparison to old coaches, the number of berths in these coaches has increased from 72 to 81. Now, only high capacity coaches are being manufactured and the capacity of old coaches is being enhanced through retro fitment in old coaches. Last year, we reduced the fares of newly designed sleeper class coaches by 4%. This year, I have decided to further reduce the fares of these new designed coaches by another 2%. Thus, there will be a reduction of 6% in the fares of these coaches in two years.

133. Similarly, the capacity of newly designed AC-3 Tier and AC Chair Car coaches has increased from 64 to 72 and 67 to 102 respectively. With a view to share a portion of the benefits of this enhanced capacity with our customers, we had reduced the fares of these coaches by 8% last year. This year also, I propose to further reduce the fares by 2%. Like last year, this reduction will be only 50% for popular trains and during peak period. Thus, these fares will be reduced by 10% during lean season and by 5% during peak season in two years. However, this reduction will be only 5% for the fares of popular trains throughout the year.

134. While presenting the Budget for 2006-07, we had announced that the fares for higher classes would be made competitive. It was decided that the maximum difference of second class Mail/Express fares with the fares of AC-I class and AC-2 tier will be 10 times and 6 times respectively. In this process, we have decided to reduce the fares for AC-I class by 7% and AC-2 tier fares by 4%. Like last year, this reduction will be only 50% for popular trains and during peak period. With this rationalization of AC class fares has now been completed.

## **Freight Business**

135. Sir, we have registered an unprecedented growth in freight traffic by introducing dynamic, differential and market responsive freight policies. In the earlier rating regime, freight rates for high value goods were higher than low value goods. Now, freight rates are not based on the value of goods but are fixed after taking into account railway's competitiveness and elasticity of demand.

136. Under the new pricing strategy, surcharge is levied during peak season and discounts offered during lean season. As per present policy, peak and non-peak seasons have been fixed uniformly for all the commodities. While

many commodities have different peak and non-peak seasons, loading of some commodities remains the same throughout the year. Therefore in 2008-09, we have decided to modify this policy as per the prevailing market conditions.

137. Sir, during the last four years, we have rationalized the freight structure extensively to make it simple and transparent. Earlier, we had announced that barring some light commodities, the difference in the highest rates and the lowest rates would not be more than two times. Accordingly, we had reduced the freight rates for petrol and diesel by more than 12% during the last two years by reducing its classification from class-240 to class-210. Now, concluding this process of rationalization, we have decided to reduce the highest class from class-210 to class-200. Freight rates for petrol and diesel would, thus, be reduced by about 5%. The freight rates for these commodities have been reduced by about 17% during the last three years. Thus, the rationalization of freight tariff has now been completed and barring few light commodities, the difference between the highest and the lowest rates is not more than two times.

138. We have decided to reduce the freight rates for fly ash by 14% to increase railway's share in this traffic.

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139. Our Government is committed for all round development of North Eastern states. Last year, we had given 6% discount in freight rates for some traffic originating from North Eastern states for other states. This year, we have decided to give 6% discount also for traffic originating from other states for North Eastern states barring few commodities.

### **Empty Flow Direction Freight Discount Scheme**

140. Last year, we had announced 30% discount for peak as well as non-peak seasons under the empty flow direction freight discount scheme. This year, we

have decided to liberalize this scheme further to make it more attractive. For loading of incremental traffic in empty flow direction from private sidings, rate of discount has been increased from 30% to 40%. In road transportation, freight rates for empty flow direction are generally lower than the rates for loaded direction. Keeping this principle in view, we have decided that barring few commodities, for traffic loaded from goods sheds 30% discount shall be given on the entire traffic, rather than on incremental traffic. It is thus possible for few old customers to take benefit of this discount even for existing traffic loaded from goods sheds.

141. Under the new policy, General Managers have been given adequate powers to attract new traffic. As per extant policy, this discount is payable only for inter-railway traffic and traffic with a lead of more than 700 kms. Now, General Managers will be empowered to grant this discount even for intra-zonal traffic and traffic with a lead of less than 700 km. General Managers have also been empowered to grant discounts up to 50% on incremental traffic loaded from sidings and up to 40% on entire traffic loaded from goods sheds.

142. Presently, if a commodity has not been covered in the goods tariff, its freight is charged at the highest class. With a view to attract multi-commodity traffic, we have decided that such commodities will be charged at a composite rate depending upon the type of wagon used for loading. This will be uniform class-150 for BCN wagons, class-160 for BOXN wagons, class-180 for BRN wagons and class-200 for Tank wagons. This will help in increasing the freight basket of various commodities and attract piecemeal traffic.

### **Merry-Go-Round System**

143. Several companies, including NTPC, are operating their own Merry-Go-Round System. Some new power plants are also planning to set up MGR systems for transportation of coal. Sir, while presenting the last year's

Budget, I had announced that railways would provide an economical and reliable alternative to attract such short lead traffic. We have accordingly decided to charge special lump sum rate of about Rs. 25 per ton for loading of 2 rakes of BOXN for a distance of 30 km. Similarly, there will be special lump sum rates for different distances and different volumes of MGR traffic. To avail this facility, customers will have to provide track, OHE and terminals at both ends.

## **Conclusion**

144. Indian Railways is achieving unprecedented heights of success and progress these days. Hon'ble Prime Minister has always extended guidance, encouragement and support to all of us in this endeavour. All the Hon'ble Members of this august House have also extended full cooperation. Needless to say we have been able to make unique achievements only by virtue of your abiding faith, affection and blessings for the railway family.

Main natmastak hoon sabka, shukria bhi hoon ada karta,  
Meri koshish mein shamil hain sabhi, aur kamyabi mein.

145 With these words, Sir, I commend the Railway Budget 2008-09.

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