

HIGHLIGHTS OF RAILWAY BUDGET 2008-09

2007-08: Review of Performance and Revised Estimates

- Double digit growth in traffic earnings maintained in first nine months
- Growth in passenger earnings 14%. Growth in originating passengers 5.6% - better than budgeted growth.
- Incremental loading of 43 million tonnes (MT) in first nine months; likely to be 62 MT for the year.
- Revised target for loading 790 MT. Expected growth in goods earnings 14%
- In Revised Estimates Goods Earnings, Passenger Earnings, Sundry and Other Coaching Earnings fixed at Rs 47,743 cr, Rs 20,075 cr, Rs 2637 cr and Rs 2,200 cr respectively.
- Gross Traffic Revenues at Rs 72,755 cr - 16% higher than the previous year and 2% higher than the Budget Estimates.
- Ordinary Working Expenses register savings of Rs 966 cr.
- Operating Ratio likely to improve from the budgeted 79.6 to 76.3 per cent –best in last four decades.
- Return on Capital – an all time high of 21 per cent.
- Cash Surplus before dividend expected to be a record Rs 25,000 cr.
- Net Revenue expected at Rs 18,416 cr and surplus after payment of dividend expected at Rs 13,534 cr.
- Likely year end fund balances Rs 20,483 cr – 27% more than budgeted target.

2008-09

Initiatives in Passenger Business

Improvements in ticketing

- Termination of queues at ticket counters targeted in two years
 - Increase in UTS counters to 15,000 and ATVM s to 6000 over two years
 - Ticket booking on mobile phones.
 - Extension of Jansadharan Ticket booking seva
 - E-ticket for waitlisted passengers
- Ticket on 'Go Mumbai Card' in Mumbai Suburban.

Passenger Amenities

- Provision of on-line coach indication display board; on-line train arrival departure information board; on-line reservation availability information board.

- Provision of discharge-free green toilets in all 36,000 coaches in XI Plan Period at a cost of about Rs 4,000 cr.
- LHB design coaches for all Rajdhani and Shatabadi trains over next few years.
- Provision of LHB coaches with stainless steel bogies in Mail/Express trains.
- Special stress on cleanliness - on-board cleaning in passenger trains.
- Extending the public address system in passenger coaches of select mail/express trains.
- Increase in the height of a number of platforms;
- Provision of platform shelters at all D category stations.
- Provision of foot-over bridges at all high-level platforms.
- Increase in length of 30 more platforms.
- Provision of multi-level parking, lifts and escalators at major stations.

Concessions

- Senior citizen concession for women enhanced to 50% from existing 30%.
- Free MST to girl students up to graduation level in place of 12th standard and for boys up to 12th standard in place of 10th standard
- Ashok Chakra Awardees also to be provided the facility of traveling in Rajdhani and Shatabadi trains on card passes issued to them.
- AIDS patients traveling to nominated ART centres for treatment to be given 50% concession in second class passenger fares.

Initiatives in Freight Business

- Target for loading kept at 850 Million Tonnes (MT) in 2008-09 – incremental loading of 60 MT or more, consecutively for the fourth year.
- **Blue Print prepared for High Density Network:** Phased execution of capacity augmentation including dedicated freight corridors, doubling, third and fourth lines, bye passes, flyovers, automatic signaling works etc over next 7 years at cost of about Rs 75,000 cr
- **Coal routes:** Most routes to be made fit for 25t axle load trains. Focus on throughput enhancement works serving important coal links- many new works proposed.
- **Port Traffic – Mission 300 MT:** Top priority being given to port rail connectivity projects.
- **Steel Udyog – Mission 200 MT:** targeted traffic of 200 MT by 2011-12. New and dedicated iron ore routes to be upgraded/constructed for 25-ton to 30-ton axle load trains. Throughput enhancement works of doubling and trebling of lines also being undertaken.
- **Cement Industry – Mission 200 MT:** targeted traffic of 200 MT by 2011-12. New lines, throughput enhancement through gauge conversion and extension of lines to serve cement clusters in various regions.
- **Container Business- Mission 100 MT :** Increased investments expected in container rolling stock and ICD s by CONCOR and other operators

- **Dedicated Freight Corridor:** Work on Eastern freight corridor from Ludhiana to Dankuni (Kolkata) and Western freight corridor from Delhi to JNPT to start in 2008-09.
- **Procurement of Rolling stock:** All-time high of 20,000 wagons, 250 diesel and 220 electric locomotives to be manufactured.
- New design wagons of **high capacity** to be produced.
- New **Wagon Leasing Policy** and new **Wagon Investment Scheme** formulated to increase availability of wagons in the system.
- Discounts for development of **Bulk and non-bulk goods terminals**
- Railways to mark presences in **Door to Door Logistics** services
- Empowered **Strategic Business Unit** to be set up at the Apex Level- single window system for emerging business opportunities and client support

Planning for Railways new Profile

- **Vision 2025** document setting the road map for coming 17 years – customer centric and market responsive strategic initiatives and action plans
- **Information Technology Vision 2012-** radical changes in technology and processes through seamless integration of IT applications on a common platform with focus on improvement in operational efficiency, transparency in working and better services to the customers
- Multi-Departmental **Innovation Promotion Group** at Apex Level.

Other Initiatives

- **Public Private Partnership** schemes to be launched for attracting investment of Rs 1,00,000 cr over the next five years for developing world class stations, rolling stock manufacturing, multi modal logistics parks, running of container trains etc
- Commercial use of Railway land by Rail Land Development Authority to give boost to Railway Revenues.

Railway Security

- 5700 vacant posts of constables and 993 vacant posts of sub-inspectors to be filled up. 5% posts of constables and 10 % of sub-inspectors in the above vacancies reserved for women.
- 973 additional posts created.
- Integrated security plan drawn up to strengthen railway security through installation of CCTV s, metal detectors, baggage screening system, explosives detection and disposal system, etc.

Railway Safety

- Rail accidents have reduced remarkably despite substantial increase in the gross traffic volumes.

- Multi-pronged scheme to strengthen railway safety through automatic devices like, anti-collision device, on line monitoring of rolling stock through acoustic bearing detectors and wheel impact load detector, EOTT device, digital ultrasonic flaw detecting machine, etc.
- Fire resistant material to be used in coaches.
- More ROBs/RUBs to be constructed at Railways' initiative; PPP initiatives to be explored for construction of ROBs/RUBs.
- Unmanned level crossings at busy sections to be manned on a fast track basis.

Social Welfare

- One time exercise of appointing **Railway Porters** working on stations as gangmen and to other group 'D' posts after due screening
- **Mother- Child Health Express:** to be run on a pilot basis at concessional fares in collaboration with Rajiv Gandhi Foundation for providing medical facilities to mother and child

Special Recruitment Drives

- 99% identified backlog vacancies for SCs/STs filled up due to special campaign launched since 2004.
- Appointment of candidates from SCs/STs/OBCs exceeded their respective quotas in group D appointments
- Minorities welfare cells to be opened in Railway Board and in zonal railways for promoting minorities welfare.
- Urdu also being introduced as a medium of examination for group D posts in states where Urdu is the second official language.

Staff Welfare

- Per-capita contribution to Staff Benefit Fund to be increased by ten times from Rs 35 to Rs 350 for 2008-09.
- Previous service tenure of employees working earlier in any public sector enterprise, autonomous body or any other agency under State Government or Central Government, whose prior service has been counted for pensionary benefits, will be eligible for post-retirement complementary passes as per the norms being set.
- 13 new works at a cost of Rs 101 cr sanctioned for improving health services.
- Northern Railway Central Hospital at Delhi to be made centrally air-conditioned.
- 2 divisional hospitals at Jaipur and Hubli to be upgraded to central hospitals.
- A new divisional hospital at Ranchi, and an OPD block at ICF to be constructed.

Passenger Services

- 10 new Garib Raths to be introduced.
- New Trains : 53 pairs
- Extension of Trains : 16 pairs
- Increase in Frequency : 11 pairs
- Special train from Anandpur Sahib and Patna Sahib to Gurudwara Sachkhand Sahib during tercentenary function of Shri Guru Granth Sahib Gurta Gaddi.
- Special train between Pune and Delhi for Commonwealth Youth Games being held in Pune from 12th October to 18th October 2008.
- 300 additional services in Mumbai suburban

Annual Plan 2008-09

- The Annual Plan of Rs 37,500 cr is the largest ever Annual Plan so far
 - Support of Rs 7,874 cr from General Revenues.
 - Internal Resources of Rs 21,126 cr.
 - Extra Budgetary Resources of Rs 8,500 cr.
- Thrust areas of Annual Plan include activities relating to throughput enhancement of high density network routes, improvement and expansion of traffic facility and network, construction of flyovers, bypasses, IBS, upgradation of goods shed.
- Outlay on project Planheads : New Lines Rs 1,730 cr, Gauge conversion Rs 2,489 cr, Electrification Rs 626 cr, Metropolitan Transport Projects Rs 650 cr.
- Outlay on Safety related Planheads: Track renewal Rs 3,600 cr, Bridges Rs 600 cr, Signal & Telecommunication works Rs 1,520 cr, Road over/under bridges Rs 700 cr and manning of unmanned level crossings Rs 600 cr.
- Outlay for Rolling Stock : All time high of Rs 11,045 cr
- Outlay for Passenger Amenities Rs 852 cr – the highest so far.
- Important Targets : New Lines 350 kms, Gauge Conversion 2150 kms, Doubling 1000 kms.
- National Projects : Funds to be made available by Ministry of Finance based on the actual progress of works during the course of the year. Rs 1,712 cr asked for from Ministry of Finance.
- The number of National projects increased from 4 to 8.
- MUTP Phase II to be started at a cost of Rs 5000 cr, financed jointly by Railways and State Government of Maharashtra, with multi-lateral funding

Other Important Announcements

- ‘Ordinance for Land Acquisition Act’ to be passed for expeditious acquisition of land for important railway projects on the pattern of NHAI Act.
- Indian Rail Bijli Company Ltd.- a joint venture with NTPC for 1000 MW thermal power plant at Nabinagar District of Aurangabad, Bihar.
- A new rail coach factory to be set up in Kerala.
- A new wagon re-construction unit to be set up at Garkha in Chapra District.
- Modernization and development of Jamalpur Workshop
- Modernization of Lilluah workshop , Perambur loco workshop, Ajmer loco workshop
- Railways to takeover Mokama and Muzaffarpur wagon factories.
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Budget Estimates 2008-09

- Freight loading target: 850 million tonnes, freight output: 550 BTKM s.
- Revenues in Freight, Passenger, other Coaching and Sundry other earnings to be Rs.52,700 cr, Rs.21,681 cr, Rs.2,420 cr and Rs 5000 cr respectively.
- Gross Traffic Receipts to be Rs.81,901 cr – an increase of 12.6 per cent over RE.
- Ordinary Working Expenses to be at Rs.50,000 cr.
- Cash surplus before Dividend to be – Rs.24,783 cr after making an ad-hoc provision of nearly Rs 5,000 cr for anticipated recommendations of the VI CPC.
- Operating Ratio is expected to be 81.4 % – even after impact of ad hoc provision for VI Pay Commission recommendations

Proposals relating to freight rates and passenger fares

Passenger

- Reduction in passenger fares.
 - One rupee discount per passenger for fares up to Rs. 50 in Non Suburban Second Class (ordinary and mail /express)
 - 5% discount across the board for passenger fares beyond Rs. 50 for all Non Suburban Second class (ordinary and mail/express).
 - Increase in discount for travel in new design high capacity reserved coaches
- Rationalization of AC class fares completed.
 - Relativity index of fares for AC-I class reduced from 1150 to 1000 and from 650 to 600 for AC-II tier. Reduction in fare:
 - AC I 7%
 - AC II 4%
 - For popular trains and during peak period the above reduction will be half as in the previous year

Freight

- No across the board increase in freight rates.
- Highest class 210 reduced to 200 concluding rationalization process.
- 5% reduction in freight rates for Petrol and Diesel
- Fly ash- reduction in classification from class 140 to 120; 14 % reduction in freight rate .
- Liberalization of Traditional Empty Flow direction incentive scheme
 - 30 % discount on entire traffic in place of incremental traffic booked from goods shed
 - Some commodities excluded
 - Increase in discount on incremental traffic booked from private sidings from 30% to 40%

- Composite base freight rate to be charged for all unclassified commodities in place of highest class:

Tank Wagons	Class 200
Flat Wagons	Class 180
Open (including Hopper) Wagons	Class 160
Covered Wagons	Class 150

- 6% freight concession for traffic booked from other states for stations in North Eastern states.
- Special lump sum rates for Merry-Go-Round (MGR) services for customers who will provide track, OHE and terminals at both ends.