

HIGHLIGHTS OF RAILWAY BUDGET 2006-07

2005-06 : Review of Performance and Revised Estimates

- Record breaking performance in the first nine months of the year 2005-06.
- Growth in freight loading and revenues is 10% and over 18% respectively.
- Loading target increased from 635 mt to 668 mt and freight revenue target increased from Rs. 33,480 cr to Rs. 36,490 cr.
- Tenth Plan targets of 624 mt and 396 billion tonne kilometers to be surpassed one year in advance.
- Passenger Earnings, Other Coaching Earnings & Sundry Other Earnings increased by 7%, 19% and 56% respectively over previous year.
- Gross Traffic Revenues expected to be Rs. 54,600 cr and are 16% higher than the previous year.
- Ordinary Working Expenses to increase by Rs. 1,200 cr.
- Likely operating ratio 86.6 %; with changes in accounting practice relating to lease charges, the operating ratio will be 83.7%.
- Likely end year fund balance Rs. 11,280 cr.

2006-07

- Major Technological up-gradations planned.
- New high capacity wagons being designed and manufacture of aluminum and stainless wagons planned in 2006-07.
- Payload to tare weight ratio to improve to better than 3:1, and thereafter to around 4:1.
- Transfer of technology to be encouraged and use of IT to be expanded.
- Public Partnership & Public-Private Partnership to get a major thrust.
- Eligible rail projects will also be awarded through open bidding.
- Opening up of container segment well received, 14 applicants deposit Rs. 540 cr as registration fee.
- Permission to run private container trains to be given before 31st March 2006.
- Inauguration of double stack container train in March 06.
- Development of strong wagon leasing market through suitable policy initiatives.

Measures to improve Freight Business

- Reduction in unit cost of freight traffic due to increase in loading capacity of wagons and some other measures.

- Additional loading of 4 to 8 tonnes per wagon adds 100 mt to loading capacity with resultant revenue generation of Rs. 5000 cr.
- 25 tonne axle load trains to run on two routes for the first time in the Indian sub-continent as a pilot project.
- Validity of brake power certificate for CC rakes increased from 6000 to 7500 km.
- Preferential Traffic Schedule modified and freight booked for distances beyond 800 kms will be given priority within the class.
- Wagon manufacture to increase by about 25%.
- Production of electric locomotives to increase by 17% and diesel locomotives by 5%.

Reduction of Losses in Passenger Business

- “Increase volumes- reduce unit costs” strategy to be adopted in the passenger business also.
- Cut down losses in the coaching services by about Rs. 1000 cr in the coming year and by 50% in the next three years by increasing the number of coaches and occupancy of trains, reducing travel time and reducing losses in the catering and parcel segments.
- All-India timetable to be re-worked de-novo, by using computerized simulation techniques.
- Over 200 mail/express trains to be made superfast.
- Journey time of a majority of the Shatabdis, Rajdhani and of certain Mail/Express trains likely to reduce.
- The number of coaches in about 190 popular passenger carrying trains to be increased up to 23-24 coaches enabling Railways to earn Rs. 200 cr additionally every year.
- Platform lengths at 200 stations to be increased at a cost of Rs. 60 cr.
- Upgradation of lower class passengers to higher class without any additional payment introduced on all Rajdhani and mail/express trains.

Reduction in losses in Parcel and Catering Business

- Policy of leasing out pantry cars and catering units at large stations through open bids to continue.
- Capacity utilization of parcel business to be improved.
- Leasing policy of brake and parcel vans liberalized.
- Open tenders to be invited, graded reduction of reserve price where response inadequate.
- Parcels can be loaded and unloaded at all stations where the halt is 5 minutes or more and the leaseholders can themselves prepare the loading manifest.
- Assistant Guards’ cabins could also be leased out to the lease holders of brake van and parcel van, apart from the courier companies.
- 150 kg ceiling for booking luggage in the brake vans removed.
- Luggage portion of brake vans of ordinary passenger trains to be converted to second-class compartments.

Year 2006 declared as the Year of Passenger Service with a Smile

Strategy to shrink queues at booking counters

- Charges leviable on issue of e-tickets reduced.
- i-ticket and e-ticket can also be bought through Rail Travel Service Agents.
- 800 more UTS centres to be opened.
- 200 automatic ticket vending machines in Mumbai suburban area to be installed.
- 'Jansadharan Ticket Booking Scheme" formulated to make available pre-paid UTS counters to unemployed youth.
- Under the 'Gramin Ticket Booking Service', agency being given at roadside stations to unemployed rural youth for issuing tickets.

Improvement in passenger amenities

- All 'A' & 'B' category stations to be made model stations.
- Help of architects to be taken in all divisions to make station buildings more beautiful, comfortable and with modern look.
- Modern facilities such as ATM, cyber cafes, etc. to be provided at all major stations.
- A pilot project for giving the publicity rights for an entire division to a single agency, through open tender.
- Pilot project started to upgrade retiring rooms, waiting rooms, station buildings, lavatories, etc. under public-private partnership schemes at a few stations, to be expanded further.

Modern facilities in Passenger Trains

- New technology LHB design passenger coaches to be used in Patna, Sealdah Rajdhani also.
- Four popular trains to be provided with world-class passenger amenities and interiors.
- IRCTC to award license through open bidding to provide all on board services.
- These services will also be made available on such mail and express trains without a pantry car.

Railway Safety

- Overaged tracks and bridges and track circuiting work on all stations on A, B and C routes to be completed by March 2007.
- Balance works under SRSF to be completed by March, 2008.

- Renewal of assets becoming due after 2001 being sanctioned on a concurrent basis and executed.
- Number of consequential accidents comes down from 473 in 2001 to 234 in 2004-05.

Staff Welfare

- Increase in contribution to the Staff Benefit Fund for the next year – nearly nine-fold.
- 100 community halls to be constructed.
- While away from Headquarter, food to be made available to running staff during duty hours at nominal rates.
- Quality shoes, socks, gloves, uniforms, necessary implements to all gangmen/keymen.

Improvement in medical facilities

- New super-specialty cardiology and nephrology hospital to be constructed at Patna.
- Three new divisional hospitals at Agra, Raipur and Nanded.
- ICF/Perambur – Phase I of new hospital building sanctioned.

Special Recruitment Drive & Extension of period of concession in maximum age limit

- Over 6,000 SC/ST vacancies filled up during current year.
- Special drive to fill up the backlog in the OBC vacancies next year.
- Maximum age limit to SC/ST/Backward Class categories candidates extended by a year (from 3rd February 2006).

Concessions

- 50% concession in Second Class fares to farmers and milk producers for travel to institutes of national level in other parts of the country for the purpose of training/learning better agricultural practices and dairy farming announced earlier extended to Sleeper Class.
- 50% concession in Second Class & Sleeper Class fares to persons who have lost their limbs in accidents or due to any other causes, for travel to institutes of national level, for transplantation of artificial limbs along with one attendant.

Passenger Services

- “the Thar Express” between India and Pakistan inaugurated.
- 150 kmph speed trains started in Delhi - Agra Section. Will start on Delhi-Kanpur-Lucknow route too.

New trains, Extension of trains and increase in frequency

- New Trains : 55 pairs
- Extension of services : 37 pairs
- Increase in frequency : 12 pairs
- Re-routing of trains : 2 pairs

Construction of Freight Corridor

- Dedicated Multimodal High Axle Load Freight Corridor with computerised control on Western and Eastern routes to be constructed at an estimated cost of Rs. 22,000 crores.

Workshops and Production Units

- Production capacities to be increased at
 - ü Rail Wheel Factory, Chhapra
 - ü Integral Coach Factory, Chennai
 - ü Samastipur Workshop
- A DMU shed and a wagon overhauling workshop to be set up at Sonpur.
- RCF Kapurthala being considered for declaration as a wholly owned PSU.

Investment strategy

- Highest priority to route-wise throughput enhancement works on high-density network.
- All pending throughput enhancement works to be completed in the next three years.

Annual Plan 2006-2007

- The largest ever Plan Outlay of Rs. 23,475 cr, consisting of :
 - ü Rs. 7,511 cr of support from General Exchequer
 - ü Rs.10,794 crore through internally generated resources
 - ü Rs. 5,170 crore through extra budgetary resources (Rs. 4170 cr through market borrowing by IRFC, Rs. 500 cr to be raised by RVNL and balance Rs. 500 cr through Wagon Investment Scheme)

- Total SRSF outlay Rs. 2240 cr, comprising of Rs. 1365 cr from General Exchequer and Rs. 875 cr from internal resources.
- Outlay for road related safety works: Rs. 711 cr.
- The thrust of the Annual Plan is on early completion of throughput enhancement works, safety, development and expansion of the network
- The outlay on safety related planheads, is Rs.2,922 crore for Track Renewals, Rs.590 crore for Bridges and Rs.1,518 crore for Signalling & Telecommunications, Rs.436 cr for construction of ROBs/RUBs and Rs.275 cr for manning of unmanned level crossings.
- National projects: need based funds to be released by MoF during course of the year. Amount sought: Rs. 2,092 cr.

Projects

- Targets for 2006-07 include over 550 kms of New Lines, over 1100 kms of Gauge Conversion and 435 kms of Doubling.
- Surveys to be taken up: 23 New Line, 1 Gauge Conversion and 8 Doubling.

Budget Estimates 2006-07

- Freight loading target at 726 million tonnes and freight output at 479 btkms
- Revenues in freight, passenger, other coaching and sundry other earning segments to be Rs. 40,320 cr, Rs. 16,800 cr, Rs. 1400 cr and Rs. 1308 cr, respectively.
- Gross Traffic Receipts (GTR) to be Rs. 59,978 cr
- Ordinary Working Expenses to be Rs. 38,300 cr.
- Appropriation to Pension Fund and DRF to be Rs. 7790 cr and Rs. 4307 cr respectively
- Internal generation before dividend to be Rs. 14,293 cr
- Operating ratio expected to be 84.3% in 2006-07

Proposals relating to Freight Rates and Passenger Fares

Freight Services

- No across the board increase in freight rates.
- Rationalization of goods tariff to continue further.
- Number of commodity Groups to be reduced from 80 to 28
- Highest class lowered to 220, freight rates of diesel and petrol less by 8%.

- Over the next three years, the highest class to be lowered below 200 and rates for the highest classification to be made less than double that of the lowest classification (except rates of some light commodities).
- Existing classes 90 W1, 90 W2 and 90 W3 for charging of lighter commodities to be replaced with new classes, namely, LR1, LR2, LR3, LR4 and LR5, equivalent to 90%, 80%, 70%, 60% and 50% of Class 100.

Schemes Announced

- Dynamic Pricing Policy for freight introduced during the current year to be also extended to passenger for peak and non-peak seasons, premium and non-premium services, and for busy and non-busy routes.
- Non-peak season incremental freight discount scheme launched.
- Discounts upto 30% during non peak season and 20% in the peak season with certain conditions on incremental freight in the empty flow direction.
- Loyalty Discount Scheme to encourage the transportation of cement and iron & steel by rail.
- Long-term freight discount scheme to attract new customers and new freight traffic.
- Mini Rake and 2-point rake scheme to be made available both in peak and non-peak season.
- New Freight Forwarder Scheme for freight of over over 700 kms.

Passenger services

- No increase in passenger fares
- Passenger tariff structure rationalized so that the fares of AC First and AC Second Class will be 11.5 times and 6.5 times the Second Class fare, respectively. Reduction in AC-I fare by 18% and AC-II fare by 10%.
- Fully air-conditioned **Garib Rath** to be run on a pilot project basis initially with four pairs of services, fares about 25% lower than present AC-III tier fares.
- Renewal period of Monthly Season Tickets increased from 3 days to 10 days and the superfast charges applicable on MSTs and QSTs reduced to one-fourth of the current levels.
- Tariff fixation mechanism for military traffic to be rationalised and simplified.
