

**Speech of Shri Lalu Prasad
Introducing the Railway Budget
for 2006-07, on 24th February 2006**

1. Mr. Speaker Sir, I rise to present the Budget Estimates 2006-07 for the Indian Railways at a point in time when, there has been a historical turn around in the financial situation of the Indian Railways. Our fund balances have grown to Rs. 11,000 cr and our internal generation, before dividend has also reached a historic level of Rs. 11,000 cr. With this unprecedented achievement, we are striding to realize the Hon'ble Prime Minister's dream of making Indian Railways the premier railway of the world. Sir, this is the same Indian Railways which, in 2001 had deferred dividend payment, whose fund balances had reduced to just Rs. 350 cr and about which experts had started saying that it is enmeshed a terminal debt trap. You might term this a miracle, but I was confident that :

*“Mere zunu ka natija zaroor niklega,
isee siaah samandar se noor niklega.”*

2. Sir, the whole nation can see today that track is the same, railwaymen are the same but the image of Indian Railways is aglow. This has been the result of the acumen, devotion and determination of lakhs of railwaymen. Sir, the general perception so far has been that Railways' finances cannot be improved without increasing second class passenger fares. But my approach is entirely different. In my view, improvements can only be brought about by raising the quality of services, reducing unit costs and sharing the resultant gain with customers. Therefore, instead of following the beaten path, we decided to tread a new one.

*“Hum bhi dariya hai, apnaa hunar hame maloom hai,
jis taraph bhi chal padenge, rastaa ban jayega.”*

Financial turn around of Indian Railways

3. Sir, I take pride in informing this House that in the first nine months of the year 2005-06, the Railways' output has been record breaking. The growth in freight loading is 10% and in freight revenues it is over 18%. Based on the trends up to now, the freight loading target is being increased from 635 mt to 668 mt and the goods revenues target from Rs. 33,480 cr to Rs. 36,490 cr. Thus, Railways would achieve incremental freight loading of 111 mt in two years itself, which will be 133% higher as compared to the incremental loading of 83 mt of entire Ninth Five Year Plan period. Tenth Plan targets of 624 mt loading and 396 billion tonne kilometers have been surpassed one year in advance. Sir, I not only hope but firmly believe that we would surpass the Tenth Five Year Plan's incremental target of 63 billion tkm for freight business by over 200%.

4. According to Revised Estimates, Passenger Earnings, Other Coaching earnings and Sundry Other earnings are likely to register growths of 7%, 19% and 56%, respectively. Gross Traffic Revenues are expected to be Rs. 54,600 cr, which are higher as compared to the previous year and Budget Estimates of the current year by 16 % and 7%, respectively.

5. Ordinary Working Expenses are likely to increase by Rs. 1,200 cr, mainly due to post-budgetary increase in fuel prices. Lease charges paid for rolling stock taken on financial lease have till now been shown as operating expenditure, without segregating interest and principal repayment component. As mentioned in my speech last year, to bring in more transparency and better accounting practices, necessary changes in accounting system have been made to reflect expenditure on lease charges accordingly, with necessary approval. These changes in the accounting system have effected a reduction of Rs. 1,616 cr. in the operating expenses. Overall, Revised Estimate of Ordinary Working Expenses has been kept at Rs. 35,184 cr, which is Rs. 416 cr lesser as compared to the Budget Estimates. As a result of these changes in the accounting system, an improvement of around 3% is also reflected in the operating ratio.

6. According to the Revised Estimates of the current year, Indian Railways' internal resources before dividend, would reach a historic level of Rs. 12,966 cr. Even after setting aside the effect of the accounting

changes mentioned earlier, this amount would be Rs. 11,350 cr. Fund balances would be at a record level of Rs. 11,280 cr and the operating ratio is expected to improve to 83.7%.

Technological Upgradation and Modernisation

7. The technological upgradation in every field of Railway working will be given the utmost priority so that the reliability of services can be improved to gain customers' confidence and also bring down the operating and maintenance costs.

8. Wagons are Railways' revenue earning assets. While the Railways modernized their locomotives and coaches in nineties, wagons presently deployed still use the technology of the eighties. It is not possible to load our covered and open wagons beyond 64 tonnes, except with certain heavy commodities. RDSO is designing new high capacity wagons. Commodities like coal can be loaded up to 70 tonnes in these new wagons. Prototypes of these wagons will be developed in the coming year and trials will be completed. Regular production of the new wagons, with payload to tare weight ratio of even better than 3:1, will start from 2007-08. All possible efforts will be made to start manufacturing aluminum and stainless wagons also in 2006-07 to improve the payload to tare weight ratio.

9. Sir, while this is an important achievement, it is not enough. In the future we have to manufacture 25 tonne axle load wagons which can carry loads up to 80 tonnes and whose payload to tare weight ratio is around 4:1. We need to manufacture special wagons to increase Railways' share in the transportation of commodities like motor vehicles, petrochemicals, etc. At present this technology is not available in our country. Therefore, transfer of technology will have to be encouraged for developing such wagons for which the Railways will provide the necessary policy framework.

Use of modern Signaling and Telecommunication Technology

10. The advanced railways of the world are extensively using modern signaling and telecommunication technology to enhance safety, streamline train operations and increase line capacity. Using such technologies is cost effective. I, therefore, have decided that modern signaling and telecommunication means will be used for improving safety and enhancing line capacity on trunk and main routes. A multi disciplinary team will be constituted for an in depth study of various advanced signaling and telecommunication alternatives. This team will submit its report within three months. After reviewing the report, a policy will be framed for deciding extensive use of these technologies.

Use of IT in improving Railway Services

11. There has been a remarkable improvement in operating efficiency of freight transportation with the help of Freight Operating Information System. In the first phase of this project Rake Management System has been implemented at all major locations. In the second phase, Terminal Management System will also be implemented at all major locations. Apart from this, work is also progressing speedily on control charting, crew management and Coaching Operations Information System. Next year, all efforts will be made to implement Control Charting System on all the divisions. The complete computerization of Control Office, Coaching Operations Information System and interfacing of both these systems with National Train Enquiry System will directly benefit passengers and other rail users.

12. Railways run more than 2500 ordinary passenger trains everyday. From the point of view of speed and line capacity, MEMU and DEMU trains are more suitable in some circumstances. Therefore, I have decided to introduce MEMUs and DEMUs in future. This will not only enhance line capacity of various rail sections, but will also reduce the journey time.

Public Partnership and Public-Private Partnership Schemes

13. Today, when Indian Railways are scaling historic heights in freight and passenger business, we will not allow resource constraints to hamper expansion of rail network. We will encourage public partnerships and public-private partnership schemes for effecting significant improvements in rail services and development and expansion of rail network. To this end, a level playing field under a transparent policy will be provided to investors by further simplifying the policy of public-private partnership. This is the need of the hour :-

“Ek kadam hum badhe, ek kadam tum,
aao milkar naap de, phasle chand tak.”

14. We invite State Governments, local bodies, ports and private sector to invest in rail projects. Ministry of Railways will make available many models of public partnership and public-private partnership. Till now, such projects were being implemented by SPVs under MOU agreements. Under this policy, eligible rail projects will also be awarded through open bidding so that a level playing field can be provided to all the parties by making the entire process competitive and transparent. It has also been decided to encourage such partnerships for unviable projects by arranging viability gap funding. At present, many partnership projects involving an investment of few thousand crore rupees, are under implementation. We would like to expand and develop the railway network by increasing the extent of this partnership many times over.

15. We are constructing 500 ROBs on cost sharing basis with many State Governments. Sir, through this august House, I request all State Governments and local bodies to come forward for the construction work of ROBs. I would like to assure the House that Railway would not lag behind in making available its share of Rs. 7,500 cr. out of total amount of Rs. 15,000 cr required for construction of one thousand ROBs. All proposals that are received from State Governments, for construction of ROBs, with cost sharing commitment, which fulfill necessary conditions would be processed without delay.

16. Our policy of permitting private parties to run container trains has been well received. 14 applicants have deposited Rs. 540 cr as registration fee. All the eligible applicants will be permitted to run container trains before 31st March and model concession agreement will also be prepared by the end of the current year. Through this august House, I would like to assure all stake holders that a level playing field would be made available without any discrimination.

17. I am happy to inform the House that the first double stack container train in Indian sub-continent would be inaugurated in the first week of March which is likely to make rail-based container transportation more economical and competitive.

18. Rail linked container depots and integrated logistic parks will have to be created to make the new container policy successful and increase railways' share in non-bulk freight business. Railways have enough land in its goods sheds, which could be made use of for this purpose. In this regard, we would encourage creation of such facilities under public-private partnership schemes by making a transparent policy in a short time. With the help of this policy, we would be able to mobilize sizeable investments in container depots and container wagons.

19. Last year I had announced a new Wagon Investment Scheme. This scheme has become popular among customers and so far proposals have been received for manufacture of 25 rakes at an investment of Rs. 250 cr.

20. For transportation of specific commodities like motor vehicles, special wagons are needed which are presently not included in this scheme. New container train operators would also need container flat wagons in sizeable numbers. Under the present policy, customers can avail the benefits of wagon investment schemes and new container policy only by procuring wagons directly whereas in other modes of transportation, practice of leasing trucks, aircrafts, etc. is also prevalent. Therefore, we will have to develop a strong wagon leasing market for which we will take suitable policy initiatives.

Record Breaking Output in Freight Business

21. In the current year, we are fast moving towards establishing a new record of loading 668 million tonnes, with a historic growth of 11%. This is the second consecutive year when we have increased our market share with a growth rate higher than the growth rate of the economy. This record breaking performance has been possible through reduction in wagon turn round time and through additional loading of 4 to 8 tonnes per wagon. This has enabled an increase of 100 mt in our loading capacity and generation of over Rs.5,000 cr in freight revenues. This is the foundation of our financial turn around.

22. With the increase of just 1 tonne in the loading capacity of a wagon, our annual loading capacity goes up by about 1 crore tonnes. In the last two years, we have increased the loading capacity of key wagons by 4 tonnes per wagon and enhanced the Railways' annual loading capacity by 4 crore tonnes. Further, by starting 23 tonne axle load BOXN freight trains on identified routes, we have made our presence amongst the few countries which run heavy axle load trains. I would like to congratulate the entire railway family and particularly, the civil and mechanical engineers for their historic achievement. Sir, due to these historic policy decisions, the unit cost of our freight traffic in the current year is lower than in 2001 not only on constant but also on current prices. Despite heavy increase in diesel prices and additional burden of thousands of crores of rupees on account of salaries and pension, Railways have reduced their unit cost

which is a historic achievement. In a competitive environment, one can be successful only by sharing the benefits of reduction in per unit cost with customers. This is what we have done.

23. Sir, I am happy to inform the House that it has been decided to run 25 tonne axle load trains on two routes, for the first time in the Indian sub-continent, in the coming year as a pilot project. These primarily non-passenger routes are Dallirajhara to Bhilai and Daitari to Banspani. Next year, after taking stock, 23 and 22.3 tonne axle load trains will be introduced on important traffic routes, in a phased manner. Simultaneously, over the next five years, the feeder routes to the new freight corridor will be strengthened to make them fit for 25 tonne axle loads.

24. Sir, the changes made last year in the system of train examination have yielded positive results. Taking this further, on certain identified routes the validity of brake power certificate for closed circuit rakes has been increased from 6000 to 7500 km. With a view to increase the average lead of railway freight, Preferential Traffic Schedule has been modified and it has been decided that freight booked for distances beyond 800 kms. will be given priority within the class.

25. The development of terminals and execution of traffic facility works on the highest priority has been taken up in order to reduce the wagon turn round time. Efforts have been made to introduce round the clock working in major sidings and goods terminals and enable them to handle full rakes. Apart from this, the system for wagon maintenance and freight train examination and also crew links and locomotives of trains are being rationalized. In fact, the team-work, coordination and synergy of the various departments in the Railways has enabled this historic achievement.

26. To maintain double digit growth in the coming year, these measures would be further intensified. To ensure continued improvements in the wagon turn round time adequate fund allocation would be made to terminal improvement and traffic facility works. Information technology as a management tool would be extensively used in freight transportation, to enable a keen watch to be kept on the rakes, effective pipeline management and terminal management.

27. In order to meet the rising demand of traffic, an increase of about 25% will be made in the wagon manufacture next year. In addition to this, thousands of new wagons will be got manufactured and made available for traffic through wagon investment scheme and new container train operators. It is expected that the largest number of wagons will be manufactured in the year 2006-07 and a new milestone will be established. Considering the pace of growth of our freight traffic, expansion of the production capacity of wagons in the near future is essential. Similarly, it is proposed to increase the production of electric locomotives by 17% and diesel locomotives by 5%. Production of high power locomotives is also being increased to ensure optimum utilisation of line capacity.

Reduction of Losses in Passenger Business

28. Sir, we have succeeded in increasing profits in the freight segment by adopting the "increase volumes- reduce unit costs" strategy. It has been decided to adopt the same strategy in the passenger business too, and work towards cutting losses. It has been decided to 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.

29. Hon'ble Members have continuously been requesting to increase the speed and reduce the travel time of popular passenger trains. Sir, the All-India railway timetable was first published in the year 1866 by the "Bradshaw company". The benefits of modern rolling stock, signaling and track structure, however, have yet not been fully reflected in the existing timetable to increase the speed of passenger trains. Hence, I had decided to re-work this all-India timetable de-novo, that is, with Zero base in the current year. This work is proceeding on high priority and for this, computerized simulation techniques, as necessary, will be employed. As a result of the review conducted so far, it has been decided to convert more than 200 mail/express trains to superfast mail/express category by increasing their speeds. With the preparation of a new time table on zero base, the journey time of a majority of the Shatabdis, Rajdhani will reduce and certain Mail/Express trains is likely to decrease by up to four hours.

30. Sir, efforts are also being made to reduce the travel time of New Delhi-Howrah Rajdhani Express in two phases, by one hour in each, so that Howrah Rajdhani Express departs after office hours and reaches Howrah before office time. Similar efforts are being made to reduce the travel time of all Rajdhani Expresses including New Delhi-Patna Rajdhani.

31. Spare coaches made available by increased train speeds and better utilisation of rake links are being used for augmenting the number of coaches in popular passenger carrying trains. The number of coaches in about 190 popular passenger carrying trains is being increased up to 23-24 coaches. With the augmentation of these trains by about 500 coaches waitlisted passengers can get confirmed reservation thereby enabling Railways to earn Rs. 200 cr additionally every year.

32. The running of longer passenger trains results in reduction in the unit cost per train kilometre and increase in the revenues per train kilometre. Hence, a project to increase the platform lengths at 200 stations at a cost of Rs. 60 cr has been approved to enable running of more 23-24 coach length trains. In addition, it is proposed to extend the platform lengths on about 250 more stations. Sir, there will be no fund constraints in completing these projects and, in the course of the year, all infrastructure necessary to run longer trains will be put in place.

33. To improve the load factor of AC classes I had started a pilot project from 26 January 2006 for upgradation of lower class passengers to higher class without any additional payment. From today this is available on all Rajdhani and mail/express trains. Both Indian Railways and the passenger would gain together by this scheme :

“Hum na haare par wo jeete, aisa hai prayas
musafir ho rail ka raja, hum sabki ye aas.”

Reduction in losses in Parcel and Catering Business

34. While we do provide inexpensive transport to the traveling public, we do not provide free food nor do we book parcels at very low rates. Yet the Railways incur losses of over Rs. 1000 cr on these.

35. Policy of leasing out the pantry cars and catering units at large stations through open bids has yielded good results and the license fee received from pantry cars has increased manifold. As in the current year, next year also, the process of awarding licenses for pantry cars and catering units at major stations through open bids will be continued further.

36. Apart from regular meals, modern facilities to make available catering items will be made available at stations and trains. Food plazas, food courts, etc. will be opened and automatic vending machines will be installed to dispense cold drinking water and other beverages. This will not only improve catering facilities but will also help in cutting its losses.

37. The present capacity utilization in case of parcel is less than 25%, which is causing a loss in this business. During the current year, we have reduced these losses by registering a growth of 30% in parcel earnings through better capacity utilization. To achieve our objective the leasing policy of brake and parcel vans have been liberalized. To improve the capacity utilization, open tenders will be invited with the reserve price initially set at the scheduled parcel rates, and in case of inadequate response this would be reduced to 50% in the first instance and finally to 25%. Now 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. To eliminate the incidence of theft in luggage vans all brake vans carrying parcels and luggage will be strengthened with steel walls. Assistant Guards cabins could also be leased out to the lease holders of brake van and parcel van, apart from the courier companies. The 150 kg ceiling for booking luggage in the brake van has also been removed.

38. Generally, ordinary passenger trains have brake vans at both ends, each with four tonne capacity. Most of these brake vans are running vacant due to lack of demand. It has been decided that the luggage portion of all such brake vans of ordinary passenger trains would be converted to second-class compartments. Over a two-year period this would result in savings of around 300 GS coaches and also reduce parcel losses.

Year of Passenger Service with a Smile : 2006

39. Sir, we have decided that the year 2006 shall be the year of Passenger Service with a smile

“Mun me bhav seva ka, hotho par muskan,
Behtar seva wazib daam, rail ki hogi yeh pehchan.”

Strategy to shrink queues at booking counters

40. More than 10,000 tickets are being issued everyday through the internet. From today the facility of i-ticket and e-ticket has been made available on all mail and express trains. The charges leviable on issue of e-tickets have been reduced by Rs. 20 per ticket in higher classes and by Rs. 15 per ticket in sleeper class. Passengers can now buy i-ticket and e-ticket through Rail Travel Service Agents also. The extension of this facility will help reduce queues at PRS counters.

41. At present, PRS is functioning at 1290 locations in the country while UTS is functioning at 380 locations. By the end of the current year, in all 1310 PRS centres and 425 UTS centres will be operational. It is proposed to open 800 more UTS centres at all 'A', 'B', 'C' & 'D' category stations and some important 'E' category stations in the coming year. A pilot project is on the cards to install 200 automatic ticket vending machines in Mumbai suburban area of Central and Western Railways. These machines will be connected with the UTS and will dispense tickets automatically through smart cards.

42. To make unreserved tickets available freely, we have formulated a 'Jansadharan Ticket Booking Scheme'. Under this scheme pre-paid UTS counters will be made available to unemployed youth. Apart from this, under the 'Gramin Ticket Booking Service', agency will be given at roadside stations to unemployed rural youth for issuing tickets. These two schemes will be introduced on identified stations on pilot basis.

Improvement in passenger amenities

43. To modernize the passenger amenities, we have decided to make all 'A' & 'B' category stations as model stations. It has been decided to take the help of architects in all divisions to make station buildings more beautiful, comfortable and with modern look. Sir, I would like to assure the House that passenger amenities works will not suffer from any fund constraints and the public will see a visible difference in the get up and available facilities at all major stations in next two years.

44. Sir, about 1.60 cr passengers travel on Indian Railways everyday. Apart from increasing non-fare revenues from commercial publicity, catering, parking, banking, etc. the stations offer immense possibilities as regard their beautification and modernization. To exploit this fully, modern facilities, such as ATM, cyber cafes, etc. would be provided at all major stations speedily.

45. A new policy for commercial publicity has been drawn up, under which the publicity rights for an entire division would be given to a single agency selected through open tender. Initially this would be implemented as a pilot project on a few divisions. A pilot project is on to upgrade retiring rooms, waiting rooms, station buildings, lavatories, etc. under public-private partnership schemes, at a few station. This would be further expanded.

Modern facilities in Passenger Trains

46. LHB design passenger coaches of new technology are available only in Lucknow-New Delhi Shatabdi Express and Mumbai-New Delhi Rajdhani and August Kranti Express. In the coming year, along with Patna and Sealdah Rajdhani, some more Rajdhani and Shatabdi trains will be run with these modern coaches.

47. Four popular trains would be provided with the world-class passenger amenities and interiors. These four trains are Hazrat Nizamuddin-Gwalior Taj Express, New Delhi-Patna Sampurn Kranti Express, Chennai Bangalore Vrindavan Express and New Delhi-Barauni Vaishali Express. Passengers will relish the experience of traveling in this modern, done-up coaches.

48. During rebuilding of coaches, it is proposed to provide facilities such as more comfortable seats, public address system and electronic information display, better lights, etc. The aesthetics of the coach interiors will be improved by using modern materials in coach flooring, inside walls and roof.

49. IRCTC has been entrusted with the entire responsibility of providing all passenger amenities in Mail and Express passenger trains. Corporation will award license through open bidding to provide all services including catering, bedroll and cleanliness of trains and toilets. These services will also be made available on such mail and express trains, which do not have a pantry car. Feedback forms taken from passengers will be monitored through a computerized system and all possible efforts would be made to improve services

based on these suggestions. All these activities will be started on a few trains as a pilot project. On successful implementation, it would be extended to other trains.

Railway Safety

50. Sir, I am happy to inform the House that overaged tracks and bridges and track circuiting works on all stations on A, B and C routes will be completed by March 2007. After completion of these railway safety works, light rails on golden quadrilateral and its diagonals will be replaced by heavy rails and the works of multi-aspect colour light signaling will be completed at all the stations located on A and C routes. The balance works under Special Railway Safety Fund will be completed by March, 2008. Sir, what is even more gratifying is that the renewal of assets becoming due after 2001 is being sanctioned on a concurrent basis and executed. Thus, all the renewal works due up to 2004 have been sanctioned. With the completion of above safety works there has been a remarkable reduction in railway accidents and the number of consequential trains accidents has come down from 473 in 2001 to 234. Sir, we are making sufficient fund provision under Depreciation Reserve Fund and I am confident that now the railways will not be short of funds for completing their safety related works.

Railway Security

51. The Railway Protection Force (RPF) is deploying escort parties for about 1000 passenger trains everyday. Access control and security at about 600 stations is being provided through the RPF. In order to provide security to women passengers, the Railways are providing special squads in compartments reserved for women in the suburban rail area also special arrangements are being made for the security of women. In view of the important role of the RPF in the security of passengers, the modernization of this force is being given special attention. On Republic Day this year, 7 RPF employees were honoured for exceptional work with bravery medals by His Excellency, the President of India.

Staff Welfare

52. Sir, with their continuous hard work 14 lakh railwaymen have effected a historic turn around in the financial position of the railways. In my New Year message to railway men I had assured them that to the extent possible their expectations would be met in the current year.

“Kaamgaaro ki lagan se, hai tarakki sabki,
hausla inka badhao, ki yeh kuchh aur baddhe.”

53. For the valuable contribution made by the railwaymen to the turnaround of the Indian Railways, I propose to increase the contribution to Staff Benefit Fund for the next year by almost nine times from the present level of Rs. 26 per employee to Rs. 226 per employee. To expand the facilities in staff quarters and staff colonies, the allocation is proposed to be enhanced significantly.

54. Sir, due to non-availability of community halls in railway colonies, non-gazetted employees face many difficulties for occasions such as marriages etc. For the facility of employees we have decided to construct 100 community halls.

55. Adequate funds would be made available for speeding the construction works of officers and staff quarters, community centres, staff institutes and officers' clubs in the headquarters of all new zones, divisions and other areas including the headquarter of East Central Railway at Hajipur. These construction works will be completed in a time bound manner, after acquisition of the land.

56. Sir, the running staff are required to stay in running rooms, which are often far from their headquarters. Away from their homes, the running staff face difficulties in arranging their food at odd hours. Therefore, based upon consensus achieved after consultations with all concerned staff federations food at nominal rates will be made available to running staff during duty hours.

57. Sir, gangmen and keymen maintain the track in difficult conditions. I myself have seen them working in adverse conditions like severe summer and biting cold. Therefore, for about 1 lakh such employees, I have decided to make available quality shoes, socks, gloves, summer/winter uniforms and necessary implements.

Improvement in medical facilities

58. It has been decided to set up one new super-specialty hospital with facilities in cardiology and nephrology at Patna in East Central Railway. Apart from this, three new divisional hospitals at Agra, Raipur and Nanded and construction of Phase I of new hospital building at Integral Coach Factory, Perambur have been sanctioned. It has been decided to construct guest rooms in Central Hospitals and super-specialty referral hospitals. It is proposed to make available sufficient funds to provide artificial limbs, etc. to physically challenged employees.

Human Resource Development

59. The staff strength of railways has, compared to 1990, come down by about 3 lakhs, while the throughput in this period has gone up considerably. As a result the staff productivity in this period has approximately doubled. To maintain improved productivity Railway's manpower needs have to be rationalized in such a way that there is no shortage of manpower in safety and operation and no staff are idling on unnecessary posts. At the same time, the railway employees have to be equipped with multiple skills and not just single skill. Given the growth rate of our throughput, we have to succeed in doubling the per employee productivity again in the next 7-8 years.

Special Recruitment Drive for filling up vacancies SC/ST/Backward Classes

60. Sir, a special recruitment drive is on in the current year for filling up vacancies scheduled castes and scheduled tribes. So far over 6,000 vacancies have been filled. As per the new decision of the government, a special drive will be launched to fill up the backlog of vacancies in the other backward castes next year.

Extension of the period of concession in the maximum age limit of the candidates belonging to SC/ST/Backward Classes

61. Owing to socio-economic condition, candidates belonging to scheduled castes, scheduled tribes and backward classes living in rural areas are not able to apply for Government jobs within the prescribed age limit. Hence, I have extended the period of concession of the maximum age limit, expiring on 3rd February, 2006, by a year.

Railway Recruitment Boards

62. To simplify the recruitment process in railways, the application form has been simplified. Candidates can now also download the application form from the RRB website or use a photocopy of the Employment Notification. On-line examinations have been successfully organized by RRB, Bangalore and Chennai, for recruitments in certain categories. It is planned to expand this to other categories of posts and other recruitment boards.

63. Sir, the average candidate seeking a job in the Railways finds it difficult to obtain necessary verification of certificates from gazetted officers. Hence, it has been decided that it would now not be necessary for candidates appearing in RRB examinations to send attested copies of the certificates along with the application except caste Certificate.

Concessions

64. In the last budget, I had announced 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. Considering the requests received from farmers all over the country, I propose to give this concession in Sleeper Class also.

65. It is proposed to give 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 like Jaipur Foot, etc. along with one attendant.

Public Sector Undertakings

66. The performance of Public Sector Undertakings has been satisfactory during the year 2004-05 also. During 2004-05, Indian Railway Finance Corporation registered a turn over of Rs. 1959 cr, posted a net profit after tax of Rs. 405 cr and paid a dividend of Rs. 115 cr. Container Corporation of India Limited

registered a turnover of Rs. 2052 cr with a net profit of Rs.429 cr and paid a dividend of Rs.94 cr. IRCON International Ltd. has registered a turnover of Rs.1014 cr with a net profit of Rs. 62 cr and paid a dividend of Rs.20 cr. RITES Ltd. registered a turnover of Rs.240 cr with net profit of Rs. 41 cr and paid a dividend of Rs.12 cr. IRCTC earned incomes of Rs.128 cr as against Rs.70 cr during the previous year and posted a net profit of Rs. 5 cr. RailTel Corporation of India registered a revenue of Rs. 65 cr against Rs. 26 cr in the previous year. RVNL incurred an expenditure of Rs. 393 cr on capital account on works in progress. The total revenues of KRCL have increased from Rs. 245 crores to Rs. 288 crores showing an increase of 18% compared to the previous year.

Outstanding achievements of Railways in sports

67. An international World Railway Badminton Championship was organized by Railway Sports Promotion Board in November 2005 at New Delhi. Indian Railways emerged as champion in this competition. In the Commonwealth Wrestling Championship 2005 held at Cape Town, South Africa, Indian Railway wrestlers won 6 Gold, 3 Silver and 3 Bronze medals. Apart from this, Indian Railway sportspersons have, this year, won nine national titles in athletics, basketball, diving, handball (Women), Kabaddi(Women) and powerlifting.

68. The Neelgiri Mountain Railway has been declared a World Heritage site by UNESCO. This, along with Darjeeling Himalayan Railway have been described as Mountain Railways of India.

69. While presenting the Budget for the current year, I had announced that free training would be imparted to railway personal of BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral, Technical and Economic Cooperation) countries. The training programme has received overwhelming response and has generated good will for Indian Railways. It has been decided to extend this training programme to Mekong-Ganga Cooperation countries as well.

Passenger Services

70. Sir, on the 18th of February "the Thar Express" has been introduced between Munabao in India and Zero Point railway station near Khokhrapar in Pakistan. This weekly broad-gauge express passenger train would help cultivation of people to people contact of the two countries.

71. People of all religions and communities from all corners of the country visit dargah of Khwaja Garib Nawaz Hazrat Muinuddin Chishti Saheb in Ajmer to pay their obeisance. For the convenience of devotees, I propose to run Garib Nawaz Express from Ranchi, Kishanganj and Bangalore (Yashwantpur) to Ajmer.

72. Indian Railways have started running 150 kmph speed trains in Delhi - Agra Section. Now the journey between Delhi – Agra can be covered in just 1 hour 56 minutes. Soon a 150-kmph passenger train will be started on the Delhi-Kanpur-Lucknow route also. Next year the maximum speed of some mail/express trains connecting towns such as Ajmer, Jaipur, Varanasi, Chapra etc will be increased from 110 kmph to 120 kmph.

New Trains

73. I propose the following services for the year 2006-07 :

- 1 Valsad-Udhna(Surat)-Chhapra-Sonpur Shramik Express (weekly)
- 2 Ahmedabad-Patna Azimabad Express (weekly)
- 3 Muzaffarpur-Kolkata (Chitpur) Tirhut Express (weekly)
- 4 Darbhanga-Kolkata (Chitpur) Mithilanchal Express(bi-weekly)
- 5 Kishanganj Garib Nawaj Express (weekly)
- 6 Yeswantpur Garib Nawaj Express (weekly)
- 7 Ranchi Garib Nawaj Express via Varanasi (weekly)
- 8 Saharsa-Patna Kosi Express (daily)
- 9 Sonpur-Chhapra-Jammu Tawi Mour Dhvaj Express (weekly)
- 10 Delhi-Patna Garib Rath (AC) (weekly)

- 11 Delhi-Mumbai Garib Rath (AC) (weekly)
- 12 Delhi-Chennai Garib Rath (AC) (weekly)
- 13 Saharsa-Amritsar Garib Rath (AC) (bi-weekly) via Barauni, Hajipur, Sonpur, Chhapra, Gorakhpur
- 14 Bangalore-Darbhanga Express via Chennai, Patna (weekly)
- 15 Link Express between Darbhanga and Guwahati with 5609/5610 Avadh-Assam Express (daily)
- 16 Delhi (New Azadpur)-Saharsa Poorabiya Express via Lucknow (weekly)
- 17 Valsad-Udhna(Surat)-Kanpur Udyogkarmi Express (weekly)
- 18 Rae Bareli-Pratapgarh-Lokmanya Tilak (T) Link Express (bi-weekly)
- 19 Bhubaneswar-Baripada Express(tri-weekly)
- 20 Durg-Gorakhpur Express via Faizabad(weekly)
- 21 Delhi-Raibareli Express (tri-weekly)
- 22 Chennai-Mangalore Express(tri-weekly)
- 23 Chennai-Tiruvananthapuram Express(daily)
- 24 Chennai-Tiruvananthapuram Express(weekly)
- 25 Chennai Egmore-Nagercoil Express(weekly)
- 26 Chennai-Coimbatore Express(weekly)
- 27 Madurai-Tirupati-Manmad Express(weekly)
- 28 Howrah-Puri Express(bi-weekly)
- 29 Bhubaneswar-Pondicherry Express(weekly)
- 30 Visakhapatnam-Nizamabad Express(bi-weekly)
- 31 Howrah-Mumbai Express(weekly)
- 32 Tatanagar-Yesvantpur Express(weekly)
- 33 Chennai-Bilaspur Express(weekly)
- 34 Nagpur-Raipur Intercity Express(daily)
- 35 Pune-Lucknow Express(weekly)
- 36 Indore-Bhopal Intercity Express(daily)
- 37 Bhuj-Bareilly Express(tri-weekly)
- 38 Jabalpur-Jammu Tawi Express(weekly)
- 39 Jaipur-Amritsar Express(bi-weekly)
- 40 Radhikapur-Sealdah Link Express with 3453/3454 Gour Express(daily)
- 41 Mathura-Alwar Passenger (Daily)
- 42 Machilipatnam-Tirupati Fast Passenger(tri-weekly)
- 43 Gudur-Tirupati Passenger (daily)
- 44 Hajipur-Sonpur-Chhapra-Siwan-Thawe Passenger(daily)
- 45 Mailani-Palia Kalan Passenger (MG)(daily)
- 46 Jalandhar City-Nakodar DMU(daily)
- 47 Asansol-Bokaro (MEMU)
- 48 Bankura-Ranchi Passenger via Purulia
- 49 Jogbani-Kolkata Express (tri-weekly) (after gauge conversion)
- 50 Ajmer-Udaipur City Express (after gauge conversion)
- 51 Purna-Nanded-Patna Express (after gauge conversion) (weekly)
- 52 Purna-Adilabad Passenger (after gauge conversion)(weekly)
- 53 Nanded-Adilabad Passenger (after gauge conversion)(daily)

- 54 Madurai-Rameswaram Passenger (after gauge conversion) (daily)
 55 Kumarghat –Agartala (after commissioning of new metre gauge line) (daily)

Extension of trains

74. It gives me great pleasure to announce the extension of run of the following services :
- | | | |
|----|-----------|--|
| 1 | 6039/6040 | Chennai-Varanasi Ganga Kaveri Exp.(4 days a week) to Chhapra (2 days a week) |
| 2 | 3245/3246 | Danapur-New Jalpaiguri Capital Express to Kamakhya (Guwahati) (4 days a week) |
| 3 | 7605/7606 | Mumbai-Nanded Nandigram Express to Nagpur (after gauge conversion) |
| 4 | 7203/7204 | Vijayawada-Lokmanya Tilak(T) Express to Kakinada Town & Bhavnagar |
| 5 | 439 | Tirupati-Ongole Passenger to Chirala |
| 6 | 1321/1322 | Pune-Nanded/Mudkhed Passenger to Nizamabad |
| 7 | 355/356 | Hyderabad-Chittapur Passenger to Wadi |
| 8 | 6513/6514 | Bangalore-Bijapur Express to Bagalkot (after gauge conversion) |
| 9 | 385/386 | Sholapur-Bijapur Passenger to Bagalkot (after gauge conversion) |
| 10 | 7227/7228 | Vasco-Vijayawada Express (4 days a week) to Howrah |
| 11 | 8507/8508 | Visakhapatnam-Nizamuddin Hirkud Express to Amritsar |
| 12 | 8305/8306 | Raipur-Sambalpur Express to Bhubaneswar |
| 13 | 8467/8468 | Puri-Jaipur Express to Jodhpur |
| 14 | 8563/8564 | Bangalore-Visakhapatnam Prashanti Express to Bhubneswar |
| 15 | 211/212 | Puri-Sambalpur Passenger to Rourkela |
| 16 | 8239/8240 | Bilaspur-Itwari Express to Nagpur |
| 17 | 9105/9106 | Ahmedabad-Delhi Mail to Haridwar |
| 18 | 207/208 | Okha-Surendranagar Passenger to Bhavnagar |
| 19 | 4887/4888 | Haridwar/Kalka-Jodhpur Express to Barmer |
| 20 | 5631/5632 | Guwahati-Jodhpur Express to Barmer |
| 21 | 1095/1096 | Pune-Ahmedabad Ahimsa Express (tri-weekly) to Jodhpur (once a week) |
| 22 | 6311/6312 | Tiruvananthapuram-Jodhpur Express to Bikaner |
| 23 | 9777/9778 | Jaipur-Agra Fort Express to Gwalior |
| 24 | 1469/1470 | Jabalpur-Kota Express to Jaipur |
| 25 | 1271/1272 | Itarsi-Bina Vindhyachal Express to Habibganj |
| 26 | 193/194 | Jaipur-Kota Passenger to Shamgarh |
| 27 | 5267/5268 | Lokmanya Tilak(T)-Muzaffarpur Express to Raxaul |
| 28 | 1DM/2DM | Delhi-Meerut City Passenger to Muzaffarnagar |
| 29 | 2967/2968 | Jaipur-Chennai Express to Coimbatore |
| 30 | 823/824 | Tiruchirappalli-Kumbakonam Passenger to Mayiladuturai (after gauge conversion) |
| 31 | 6231/6232 | Mysore-Kumbakonam Express to Mayiladuturai (after gauge conversion) |
| 32 | 895/896 | Tiruchirappalli-Thanjavur Passenger to Mayiladuturai (after gauge conversion) |
| 33 | 751/752 | Madurai-Manamadurai Passenger to Rameswaram (after gauge conversion) |
| 34 | 753/754 | Madurai-Manamadurai Passenger to Rameswaram(after gauge conversion) |
| 35 | 4201/4202 | Mathura-Lucknow Express(via Faizabad-Varanasi) to Patna (3 days a week) |
| 36 | 4845/4846 | Jodhpur-Ahmedabad Express to Bandra (T) |
| 37 | 2555/2556 | Gorakhpur-Rohtak Gorakhdham Express to Bhiwani |

Increase in Frequency

75. Hon'ble Members will be happy to know that frequencies of some popular trains shall be increased. Details are given below :

1	1037/1038	Patna-Pune Express from weekly to bi-weekly
2	2683/2684	Bangalore-Ernakulam Express from weekly to bi-weekly
3	2661/2662	Chennai Egmore-Tenkasi Pothigai Express from bi-weekly to 3 days in a week (will run daily to Sengotai after gauge conversion)
4	2715/2716	Amritsar-Nanded Sachkhand Express from 5 days in a week to daily
5	377/378	Belgaum-Miraj Passenger from 5 days in a week to 6 days in a week
6	379/380	Belgaum-Miraj Passenger from 4 days in a week to 6 days in a week
7	2811/2812	Hatia-Lokmanya Tilak (T) Express from weekly to bi-weekly
8	5625/5626	Bangalore-Guwahati Express from bi-weekly to tri-weekly
9	2501/2502	New Delhi-Guwahati Sampark Kranti from bi-weekly to tri-weekly
10	2345/2346	Howrah-Guwahati Saraighat Express from tri-weekly to 5 days in a week
11	2327/2328	Howrah-Dehradun Upasana Express from weekly to bi-weekly
12	4319/4320	Kathgodam-Dehradun Express from bi-weekly to tri-weekly

76. I have been receiving requests that the 2649/2650 Karnataka Sampark Kranti Express running daily between Hazrat Nizamuddin and Yeshwantpur (Bangalore) should cover more territory of Karnataka. In deference to these suggestions, I propose to re-route the 2649/2650 Karnataka Sampark Kranti Express to run via Itarsi, Manmad, Pune, Hubli, Arsikere, Yeshwantpur twice a week.

77. In response to public demand, I propose to re-route 3289/3290 Rajendranagar-Jammu Tawi Archana Express, presently running via Varanasi, Sultanpur and Lucknow to run via Raebareilly, Pratapgarh and Lucknow.

Construction of Freight Corridor

78. Sir, in my reply to the Railway Budget Discussion in April 2005, I had informed the House the importance of constructing a Dedicated Rail Freight Corridor on the Golden Quadrilateral and its diagonals. Hon'ble Prime Minister had also announced from the ramparts of the Red Fort that a Dedicated Rail Freight Corridor would be developed. I am happy to inform the House that, it is now proposed to construct Dedicated Multimodal High Axle Load Freight Corridor with computerised control on Western and Eastern routes at an estimated cost of Rs. 22,000 crores. In the first phase of the Eastern Corridor Project, a separate freight corridor will be built from Ludhiana to Sonnagar via Ambala, Saharanpur, Khurja and Allahabad. The primary feeder routes from Sonnagar to Durgapur via Gomoh, Sonnagar to Tatanagar via Garhwa Road and Barkakana to Bokaro via Chandrapura will be upgraded in order to carry heavier trains of coal and steel traffic. It will also be extended upto ports in West Bengal as per traffic needs. The primary feeder routes will be converted to dedicated freight corridor at the appropriate time. The Western Corridor will start from Jawaharlal Nehru Port and will be routed via Vadodara, Ahmedabad, Palanpur, Jaipur and Rewari to Tuglakabad and Dadri. Both the corridors will be joined by a link between Dadri and Khurja. The feeder routes of the Western Corridor connecting ports of Gujarat will be upgraded. Hon'ble Prime Minister would be inaugurating these projects soon.

Enhancement of production capacity of Rail Wheel Factory Chhapra

79. Sir, in my last Budget Speech I had announced the setting up of a new wheel manufacturing plant in Chhapra. Due to unprecedented increase in freight loading, the demand for our wagons has increased significantly. Therefore, we have decided to increase the capacity of this plant from 50,000 to 1,00,000 wheels per year.

Capacity expansion of Integral Coach Factory, Chennai

80. The production capacity of Integral Coach Factory, Chennai, is proposed to be increased from 1250 to 1500 coaches. The expansion of the production capacity of RCF, Kapurthala is also underway. With this our annual coach production capacity will go up by 26% to 2900 coaches. The metre gauge workshop at Bhavnagar will be converted to broad gauge to be able to overhaul 50 broad gauge coaches every month.

This year, maintenance facilities for freight stock at 34 places will be upgraded. Similarly, the maintenance facilities for coaches will be upgraded at 19 places.

Expansion of Samastipur Workshop

81. Presently Samastipur Workshop produces 25 new wagons every month. The production capacity of this workshop will be increased and it will also rehabilitate 50 wagons every month.

Construction of DMU Shed and Wagon Workshop at Sonpur

82. Diesel Multiple Unit (DMU) services in and around Sonpur are being increased. This would require DMU coaches to be homed at Sonpur. Hence, the setting up of a DMU shed at Sonpur is being proposed. The setting up of this shed will enable proper maintenance of DMU coaches. At present there is no wagon overhauling workshop in East Central Railway. In view of increasing requirement, it is proposed to set up a wagon overhauling workshop at Sonpur, with the capacity to overhaul 180 wagons per month.

Proposal regarding Rail Coach Factory, Kapurthala

83. The production units of the Railways are second to none in quality. They only need full autonomy to enable them to compete with other companies at home and abroad. Many cities in India are likely to have metro systems in the next few years. To face the challenges thrown up by the changing scenario, the suggestion to declare RCF Kapurthala a wholly owned PSU under Ministry of Railways is being considered and a decision will be taken after discussions with the factory staff and all other stakeholders.

Investment strategy

84. Sir, under the new investment strategy of the railways, highest priority is being given to route-wise throughput enhancement works on high-density network. Due to completion of low-cost high return traffic facility and terminal improvement works, there has been a remarkable improvement in the productivity of the wagons. All the pending throughput enhancement works will be completed in the next three years and funds will not be a constraint for them. The gauge conversion of alternative route between Delhi and Mumbai via Rewari-Ringus-Phulera will be completed by 2007-08 and the doubling work of alternative route between Delhi and Howrah via Moradabad-Lucknow-Mugalsarai will be completed by 2008-09. The doubling of Gonda-Gorakhpur-Chhapra-Barauni-Katihar will be done on priority and will be completed by 2008-09. Similarly, port connectivity and throughput enhancement works of iron ore circuit will be completed in the next three years in a time-bound manner.

85. Sir, since the Budget of 2002-03, allocations to projects have been made on the basis of State-wise formula. With such distribution, difficulties have been faced in time bound completion of doubling and electrification projects required for throughput enhancement. Therefore, it is proposed that such projects be kept out of the purview of this formula.

Annual Plan 2006-2007

86. Sir, I would now like to present the Annual Plan 2006-07. The Plan outlay for 2006-07 has been kept at Rs. 23,475 cr. This is the largest ever plan and is 32% higher than the plan outlay for the current year, excluding outlay provided for national projects. It is a matter of pride for every railway servant that more than two-thirds of the proposed plan outlay will be mobilized through internal generation and extra budgetary resources. The internal resources will contribute as much as 46%.

87. The Plan outlay includes a provision of Rs. 1,720 cr towards payment of capital component of lease charges and an outlay of Rs. 2,240 cr on safety related works being carried out through the Special Railway Safety Fund (SRSF). For the year 2006-07, the total funds received from General Exchequer are Rs. 7,511 cr, which include Rs. 1,365 cr for SRSF, Rs. 711 cr from the Central Road Fund leaving a net budgetary support of Rs. 5,435 cr for distribution to different planheads. The corresponding figure of last year's Budget Estimates was Rs. 7,231 cr, including almost Rs. 2,700 cr for the SRSF and Rs. 711 cr from the Central Road Fund.

88. In addition to the budgetary support, a provision of Rs.10,794 crore is proposed through internally generated resources, which is higher than last year's budgeted amount by Rs.6,076 crore. The total amount to be mobilized through extra-budgetary resources is Rs. 5,170 crore out of which Rs. 4,170 crore will come through market borrowing to be utilized for the procurement of rolling stock, Rs.500 crore is expected to be

raised by RVNL for investment in various railway projects and balance Rs. 500 crore will be raised through newly launched Wagon Investment Scheme.

89. The thrust of the Annual Plan is towards early completion of throughput enhancement works, safety, development and expansion of the network to sustain higher growth rate in Railways. This year, the total outlay for five major plan-heads has been kept at Rs.4,396 crore with Rs.1,510 crore on New Lines, Rs.1,300 crore on Gauge Conversion, Rs.1,052 crore for Doubling and Rs.226 crore for Electrification. The outlay on metropolitan transport projects has been kept at Rs.308 crore. Apart from this, Rs.1,750 crore will be spent through RVNL for projects to be executed by them. The outlay on safety related planheads, is Rs.2,922 crore for Track Renewals, Rs.590 crore for the 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.

90. Additional funds of Rs. 2,092 crore have been sought from Ministry of Finance for the national projects of Jammu and Kashmir and Northeast region, namely Udhampur-Srinagar-Baramulla, Jiribam-Imphal Road (Tupul) and Kumarghat-Agartala new line and gauge conversion project of Lumding-Silchar-Jiribam. Funds will be made available by the Ministry of Finance during the course of the year depending on the progress of the work.

Ongoing Projects

91. Sir, National Projects are progressing expeditiously. To connect Agartala, the capital of Tripura, with rail network the work of Kumarghat-Agartala new line will be completed during 2006-07. Similarly, on Udhampur-Srinagar-Baramulla new line project, sections from Udhampur to Katra and Quazigund to Badgam have been targeted for completion during 2006-07. The completion of Udhampur-Katra section will provide rail link to the famous pilgrim centre of "Mata Vaishno Devi."

92. A provision of Rs. 500 crore has been made for speeding up the progress of construction of Bogibeel bridge on Brahmaputra river in Assam, road-cum-rail bridges over river Ganga at Digha near Patna and at Munger and rail bridge over river Kosi at Nirmali in Bihar. Regarding the construction of Road-cum-Rail bridge in Digha, discussions are being held with the Department of Road Transport and Highways to get their support and the construction will be completed in a time bound manner.

93. State Government of Haryana has agreed for sharing 50% cost of Rewari-Jhajjar-Rohtak new rail line. This project will be completed in a time bound manner in the next three years.

New Lines

94. I am happy to state that new lines from Chandigarh to Morinda of Chandigarh-Ludhiana, Banka-Barahat of Deogarh-Sultanganj and Hassan-Shravanabelagola of Hassan-Bangalore have already been completed. Sanjauli-Bikramganj of Ara-Sasaram, Bishrampur-Ambikapur and part of Kolayat-Phalodi are expected to be completed during the year. The work on Gandhinagar-Kalol is also in advance stages.

95. In 2006-07, Railways propose to complete over 550 kms of New Lines. The sections include :

Bikramganj- Ara of Ara-Sasaram
Muzaffarpur-Sitamarhi
Keonjhar-Daitari of Banspani-Daitari
Sakri-Biraul of Sakri-Hassanpur
Manu-Agartala of Kumarghat-Agartala
Hathua-Bathua Bazar of Hathua-Bhatni
Udhampur-Katra and Quazigund-Badgam of Udhampur-Srinagar-Baramulla
Karimnagar-Jagityal of Peddapalli-Nizamabad

96. With the completion of these sections, the new line projects of Ara-Sasaram, Muzaffarpur-Sitamarhi, Daitari-Banspani and Kumarghat-Agartala would get fully completed.

Gauge Conversion

97. Gauge conversions of Secunderabad-Bolarum of Secunderabad-Mudkhed, Barsoi-Radhikapur of Jogbani-Katihar-Radhikapur, Sakleshpur-Subramaniya Road of Arsikere-Hassan-Mangalore and Thawe-Siwan of Kaptanganj-Thawe-Siwan-Chhapra have already been completed. Further, gauge conversions of

Delhi-Rewari, Kanpur-Farukhabad of Kanpur-Kasganj-Mathura, Palanpur-Samakhiali of Gandhidham-Palanpur, Kumbakonnam-Mailaduturai of Tanjavur-Villupuram, Vriddhachalam-Attur of Cuddalore-Salem and Thanjavur-Tiruvarur of Trichy-Nagore-Karaikal are likely to be completed during the current year.

98. During the year 2006-07, a target of completion of over 1100 kms of gauge conversion has been fixed. The sections include:

Jayanagar-Darbhanga of Jayanagar-Narkatiaganj
 Senchoa-Silghat of Lumding-Diburgarh
 Katihar-Barsoi of Jogbani-Katihar-Radhikapur
 Ajmer-Chhitaurgarh of Ajmer-Udaipur
 Kinvat-Mudkhed of Mudkhed-Adilabad
 Sonamukhi-Rainagar of Bankura Damodar Railway line
 Tirunelveli-Tiruchendur of Quilon-Tirunelveli-Tiruchendur, Tenkasi-Virudunagar
 Attur-Salem of Cuddalore-Salem
 Mailaduturai-Villupuram of Thanjavur-Villupuram
 Puddukotai-Karaikudi of Trichy-Manamadurai
 Basavanabagewadi-Bagalkot of Solapur-Gadag
 Mysore-Chamrajnagar
 Neemuch-Ratlam
 Samakhiali-Gandhidham of Gandhidham-Palanpur

Doubling

99. During 2005-2006, doubling of about 300 kms is likely to be completed while for the year 2006-07, a target of 435 kms has been fixed. The completion of doubling of Gonda-Mankapur, Cheonki-Lohagara-Katiadandi, Kanpur-Panki 3rd line, Bhimsen-Juhi in Uttar Pradesh, Chhapra-Hajipur, Chhapra-Ekma, Maheshkunt-Thana Bihpur, Kursela-Semapur in Bihar, Yeswantpur-Tumkur and Hospet-Tornagallu in Karnataka, Titlagarh-Kesinga, Sambalpur-Sarala and Jharsuguda bye-pass in Orissa, Kalapipal-Phanda in Madhya Pradesh, Singur-Nalikul, Baruipur-Dhapdhabi, Bansberia-Triveni in West Bengal, Ernakulam-Mulanturutti, Kayankulam-Mavelikara in Kerala and 78 kms of Jalandhar-Jammu Tawi in Punjab and Jammu & Kashmir would add to the line capacity on certain congested routes. The doubling of Patna-Gaya line would be speeded up so as to complete it in the next two years.

100. Hon'ble Members will be happy to know that the works of new lines of Manoharabad-Kothapalli, Chhapra-Muzaffarpur via Garkha, Maker, Rewaghat and Oblavaripalli-Krishanpatnam have been included in the budget. Proposals for Araria-Galgaliya, Chhota Udepur-Dhar and Tindivanam-Tiruvannamalai via Ginjee New Line, Aluabari-Siliguri gauge conversion and Chengalpattu-Villupuram doubling have been sent to Planning Commission. The construction work would be taken up after requisite approvals. Gauge conversions of Virudhunagar-Manamadurai, Kolar-Chickballapur, Dindigul-Pollachi-Palghat, Pollachi-Coimbatore and Bharuch-Samani-Dahej have been included in the budget. Doubling of Padapahar-Banspani, Guntur-Krishna canal, Dausa-Bandikui, Munderwa-Babhnan, Gorakhpur-Baitalpur, Ghaghraghat-Chowkaghat, Bhatni-Jiradei and Chengannur-Chengavanam have also been included in the budget. In addition, works of doubling of 148 km section of Utretia-Sultanpur-Jaffrabad, Sambalpur-Titlagarh and Khodri-Annupur, Vijaynagram-Kotvalasa third line and Tugalakabad-Palwal fourth line have been included in the Budget.

Railway Electrification

101. Against the Tenth Five Year Plan target of 1800 route kms. of electrification, 1280 kms. have been completed and by the end of the coming year the set target will be achieved. I am happy to inform the House that the electrification of the Chennai-Kolkata route of the golden quadrilateral has been completed and electric traction train services have been introduced. By the end of this financial year electrification of Ernakulam-Tiruvananthapuram section will also be completed. The electrification of diesel sidings of public sector undertakings, aimed at enhancing throughput, is also progressing speedily. A feasibility study will be carried out for electrification of Gonda-Gorakhpur-Chhapra-Barauni-Katihar-Guwahati rail route.

Surveys

102. A number of surveys have been taken up in the last two years. 65 surveys have already been completed. The remaining surveys are in various stages of progress. A large number of demands are

continuously being received for taking up new projects, which are difficult to be fulfilled in the present scenario with large shelf of projects and limited resources. However, based on demands, following surveys are proposed to be taken up:

New Lines

1. Prantik-Siuri
2. Murkongselek-Pasighat
3. Kusheshwarsthan-Saharsa
4. Gunjaria-Gazole
5. Loharu-Bhiwani
6. Rama Mandi-Maur Mandi via Talwandi Saheb
7. Khurja-Raya new line via Mat, Surir, Bajna
8. Tanakpur-Bageshwar
9. Rail link to Tonk - Devli
10. Anupgarh to Kolayat via Khajuwala
11. Khammam to Podattur
12. Edapally-Guruvayur
13. Sabarimala-Chenganur
14. Nagapattinam-Thirucheraipundi
15. Erode-Satyamanglam
16. Talguppa-Honavar
17. Sivok-Rangpo
18. Kalyan-Ahmednagar
19. Lohna-Muktapur via Alinagar, Trimuhani, Bahedi, Shivajinagar
20. Sitamarhi-Jayanagar via Sursand, Bhithamod
21. Bhagwanpur –Samastipur via Mahua , Patepur, Tajpur
22. Veer-Hari Hareshwar
23. Lalganj-Bachhrawan via Gurubakshganj

Gauge Conversion

1. Kosamba-Umarpada

Doubling

Koraput-Kirandul
 Kottavalasa-Koraput
 Bhadrak-Nergundi 3rd line
 Hajipur-Bachwara
 Muzzafarpur-Hajipur
 Baruiapur-Sealdah 3rd line.
 Lucknow-Varanasi via Rae Bareilly, Amethi
 Burnpur-Asansol

SUBURBAN TRASPOT PROJECTS

103. Sir, Hon'ble members have often apprised me of the problems of suburban rail services of Mumbai City. For improvement and expansion of these services, the work of DC-AC conversion is in progress. I am happy to inform the House that last week, the DC-AC conversion between Igatpuri-Kasaraghat section of Central Railway has been completed in the first phase of this work. The conversion of Kasara-Titwala section will be completed during 2006-07. Thereafter, the conversion work up to Mumbai CSTM and Churchgate will be completed in coming years, in a time bound manner. Despite the limitations of the present system, keeping the problems of the metropolitan commuters in mind, I have directed that four additional rakes for the suburban services of Western Railway be made available in the coming year. In addition, two more rakes for passenger services in the Thane-Turbhe section of Central Railway will be made available by March, 2007.

104. I am happy to mention that the extension of Kolkata Circular Railway from Princepghat to Manjherhat has been completed and commissioned to traffic. The extension from Dum Dum to Netaji Subhash Chandra Bose Airport will also be completed soon. On Chennai MRTS, Tirumailai-Tiruvamniyur section of Tirumailai-Velacheri phase II has already been commissioned. There have been geotechnical

problems on the remaining section from Tiruvamniyur to Velacheri which have been sorted out and this section is targeted for completion during 2006-07.

105. Sir, I am happy to inform the House that the work of extension of Chennai MRTS from Vellacheri to St. Thomas Mount has been included in the Budget.

Part –II

Budget Estimates 2006-07

106. Sir, I shall now deal with the Budget Estimates for 2006-07.

107. For the year 2006-07, the freight loading target has been set at 726 million tonnes and freight output at 479 btkms. Continuing the double digit growth in freight, passenger and parcel businesses, a growth target of 11% has been set for the freight and passenger revenues and 19% in the other coaching segment. Revenues in freight, passenger, other coaching and sundry other earning segments in the year 2006-07 are expected to be Rs. 40,320 cr, Rs. 16,800 cr, Rs. 1400 cr and Rs. 1308 cr, respectively. On the basis of these assumptions and considering the various rationalization measures proposed in the Budget, the gross traffic receipts (GTR) are estimated at Rs. 59,978 cr. These are Rs. 5278 cr higher than the Revised Estimates of the current financial year.

108. Ordinary working expenses are estimated to be Rs. 38,300 cr, around 9% more than the revised estimates of the current year. It is proposed to appropriate Rs. 7790 cr and Rs. 4307 cr respectively to the Pension Fund and the Depreciation Reserve Fund. The total working expenses will, thus, amount to Rs. 50397 cr, leading to Net Traffic Receipts of Rs. 9,581 cr. As per the budget estimates, the internal generation before dividend would be Rs. 14,293 cr and the operating ratio is expected to be 84.3% in 2006-07. At the end of next year, fund balances are expected to be at a level of Rs. 12,819 cr.

109. A memorandum on the rate of dividend payable to General Revenues for 2006-07 is presently under the consideration of the Railway Convention Committee. Based on the recommended rate of 6.5% for 2005-06 the dividend liability for 2006-07 works out to Rs. 3208 cr. Along with payment of Rs. 663 cr towards deferred dividend, an amount of Rs. 3871 cr becomes payable to General Revenue. This, liability will be discharged in full.

110. The above provisions are expected to fetch the internally generated funds required for the annual plan, which are Rs. 10,794 cr.

Proposals relating to freight rates & passenger fares.

Dynamic Pricing Policy

111. Railways' passenger fares and freight rates remain unvarying for all seasons and for all routes, whereas tariffs in the airline and road sectors vary depending upon the demand and the season. In order to be able to effectively face the challenges posed by stiff competition, in the current year we had started a discount scheme for non-peak season and empty flow direction for freight rate, which has been successful. As an extension of this policy, I propose to introduce a Dynamic Pricing Policy for freight as well as passenger, for peak and non-peak seasons, premium and non-premium services, and for busy and non-busy routes. As per this policy the rates for non-peak season, non-premium service and empty flow directions will be less than the general rates and the rates for peak season and premium services could be higher than normal. For the freight the non-peak season would be 1st July to 31st October. For the passenger segment this period would be 15th January to 15th April and 15th July to 15th September.

112. Sir, generally the public apprehends that fares and freight would increase in the Rail Budget. This apprehension has, however, been proved baseless in every Railway Budget presented by me. In my view the basic "mantra" for success in a competitive market is not increasing tariffs, but reaching the benefits of reduced costs to customers. I would like to express this in the following words :

"Aam admi hee hamara devta hai,
vah jeetega toh hum bhi jeet payenge,
tabhi toh yeh tay karke baithey hain,
faisle ab usi ke hak mein jaayenge."

113. It was in the interest of common man that while replying to the debate on "Supplementary Demand" last year, I had announced a reduction of Re. 1/- in passenger fares and a rebate of up to 20% in respect of freight, in empty flow direction. As a continuing exercise, I propose no increase in passenger and freight services, and instead announce the following reductions of up to 30%.

Freight Services

114. I do not propose any across the board increase in freight rates for 2006-07.

115. Sir, to simplify and rationalize goods tariff, I had, last year, reduced the classification of items from over 4000 to 80 groups of commodities. As a result, goods tariff, which was running into more than 500 pages earlier, has been condensed to a few pages. Continuing this process further, I propose to reduce the number of commodity Groups to a mere 28. In 2005-06, the total number of classes in the freight tariff schedule were reduced from 27 to 19. The highest class - 250 for charging freight was lowered to 240 in 2005-06. In the next year, I propose to lower this highest class to 220. With this, there will be a reduction in freight rates of diesel and petrol by around 8%. Over the next three years the highest class will be lowered below 200. Over the next three years, except rates of some light commodities, the rates for the highest classification would be less than double that of the lowest classification.

116. To ensure that the process of rationalization does not result in abnormal increase in freight rates of lighter commodities, I had announced introduction of new classes 90 W1, 90 W2 and 90 W3 for charging of lighter commodities. The existing rates for these classes are not evenly spaced from the rate of break even class 100. These classes are therefore proposed to be replaced with new classes, namely, LR1, LR2, LR3, LR4 and LR5. The new classes will be equivalent to 90%, 80%, 70%, 60% and 50% respectively of the class 100.

Non-peak season incremental freight discount scheme

117. The demand for freight transportation dips from 1st July to 31st October on account of monsoon. Hence, during this period, under non-peak season incremental freight discount scheme, freight rebate of 15% will be offered for incremental freight revenues of over Rs.5 cr in a month and 10 % if the incremental earning is less than Rs. 5 cr. This rebate will be applicable for all commodities except coal, minerals and items with classification below 120.

Empty flow Direction Freight Discount Scheme

118. Sir, the truck rate for Delhi to Guwahati is considerably higher than the rate for the return trip whereas the railways charge the same rate in both directions. It is seen that 40 out of 100 freight trains return empty. The additional expenditure in loading freight in the empty flow direction trains is quite low. Hence, I announce a heavy discount on incremental freight in the empty flow direction. For distances beyond 700 kms., the discount will be 30% during non peak season and 20% in the peak season. The scheme will be applicable for all items loaded in covered wagons. In the case of open wagons, the discount will be applicable for all commodities except coal, coke and iron-ore for export. In peak season, this discount will be applicable for open wagons for distances over 1000 kms. only.

Loyalty Discount Scheme

119. Sir, to encourage the transportation of cement and iron & steel by rail, I announce Loyalty Discount Scheme. Under this scheme, during the non-peak season, if over 90% of the production of any steel or cement factory is transported by rail, a discount of 1% in freight would be given. The discount will be half percent if the share of rail transportation is above 50% but less than 90% of the total production. This discount will be applicable on the transportation of finished products only. The discount will not be given for the transportation of raw materials or clinker being used in these industries.

Long-term freight discount scheme

120. Merchants want to make transportation arrangement for goods on a long term basis. Hence, we have empowered zonal railway administrations to offer long-term freight discount to attract new customers and new freight traffic. Under this scheme, zonal railway administration will be able to offer a discount of up to 20% during non-peak season and up to 10% in the peak season, over the normal rates, for a period of

three years. For loading in empty flow direction, the discount would be up to 20% and 30% during peak season and non-peak season, respectively.

Terminal Incentive Engine-on-load Scheme

121. With a view to bring down the wagon turn round time, we have, as announced in the last Budget, formulated a new Terminal Incentive cum Engine-on-load Scheme. Customers who fulfill the conditions laid down in the scheme and invest in their terminals so as to bring down the loading and unloading time, and complete loading/unloading in lesser time, will qualify for 5% rebate in the first year. Over the next ten years the rebate will be given at a diminishing rate and would be 1% from the fifth year onwards.

Mini Rake and 2-point rake scheme

122. Considering the popularity of mini rake and two-point rake scheme, this facility will now be made available both in the peak and non-peak season. During the non-peak season, mini-rakes, 2-point rakes will be made available without any additional charge, whereas during the peak season, for commodities up to class 130, the freight rates charged for commodities loaded in such rakes will be 5% more than the rate for block rake trains.

Freight Forwarder Scheme

123. Sir, to increase Railways' share in the piecemeal traffic segment, I announce a new Freight Forwarder Scheme. For goods booked under this scheme during non-peak season, freight will be charged under Class LR2 in empty flow direction and under Class 100 in the loaded direction. During peak season, the freight will be charged under Classes 100 and 130 respectively. For round-trip loading i.e. for loading offered simultaneously for both the directions, the freight will be charged under LR2 during non-peak season and under Class LR1 during peak season. This scheme will be applicable only for freight offered for more than 700 kms.

Passenger services

124. Sir, in the context of Railways' sound financial position, I present the outline of my new vision.

***“Maine dekhe hain saare khwab naye,
likh raha hoon main inqilab naye”***

125. Sir, the fares of AC First Class and AC Second Class are more than the fare for general class by over 14 times and 7 times, respectively. This has blunted our competitiveness in air-conditioned classes, which is having an adverse effect on the occupancy of these classes. Hence, I propose to rationalize the passenger tariff structure as has been done for the freight tariff structure. In the new structure, the fares of AC First and AC Second Class will be 11.5 times and 6.5 times the Second Class fare, respectively. With this, there will be a reduction of about 18% in the fares of AC-I and 10% in that of AC-II. Sustained rationalization measures over the next three years will sharpen the competitive edge of the Railways.

Fully Air-conditioned Garib Rath

126. Sir, with a view to providing fully air-conditioned but affordable service to passengers in long distance trains, it has been decided to run a fully air-conditioned Garib Rath on a pilot project basis. Initially the superfast AC Garib Rath will run between Delhi-Patna, Delhi-Mumbai, Delhi-Chennai and Saharasa-Amritsar. The fares on these trains will be about 25% lower than the present AC-3 tier fares. In line with this objective of providing affordable air-conditioned service, we will also make efforts to start fully air-conditioned double decker trains.

127. For the convenience of passengers, the renewal period of Monthly Season Tickets is being increased from 3 days to 10 days. Simultaneously, the superfast charges applicable on MSTs and QSTs is being reduced to one-fourth of the current levels.

128. Railway Fare and Freight Committee and some other committees have recommended rationalisation and simplification of the complex military goods and coaching tariff. Therefore, we have decided to rationalise and simplify the tariff fixation mechanism for military traffic on no-profit no-loss basis. Instead of fixing it on the basis of cost incurred in earlier years, this tariff will be based now on the principle of no profit no loss on current prices. Similarly, parcel and luggage tariffs have also been rationalized.

Conclusion

129. Sir, the excellent performance of railways has been possible only due to the able guidance provided by Hon'ble Prime Minister. He has always encouraged us and provided constructive assistance. On behalf of the entire railway family, I express my gratitude to him. I also thank all the railwaymen who, working as an excellent team, have completed the given tasks with dedication and devotion. I also profusely thank passengers and other railway users who have continuously cooperated with us and I hope that they would continue to do so in future also.

130. Sir, I consider myself fortunate for having the opportunity to serve the nation through the railway service. I would like to assure the House that we will be continuously striving to meet the expectations of public by constantly improving railway services. During discussions on the Railways, Hon'ble Members have always boosted our morale. While wishing that they continue to harbour these sentiments, I would like to say

***'Yeh inaayat nahin, mera vishwas hai,
daurey mehengai mein rail sasti rahe,
apnaa inaaam humko to mill jayega,
rail par aapki sarparasti rahe.'***

131. With these words, Sir, I commend the Railway Budget 2006-07.
