

## HIGHLIGHTS OF THE RAILWAY BUDGET 2014-15

### Thrust

1. Safety
2. Project Delivery
3. Passenger Amenities/Services with focus on food services & on cleanliness, sanitation, toilets
4. Financial Discipline
5. Resource Mobilization
6. IT Initiatives
7. Transparency & System Improvements.

### Major Challenges facing the Railway System

- Vast tracts of hinterland waiting for rail connectivity.
- Railways expected to earn like a commercial enterprise but serve like a welfare organization.
- Railways carry Social Service Obligation of more than Rs 20,000 cr by carrying services below cost. This is nearly 16.6% of GTR and is almost half of Railways' Plan Outlay under budgetary sources.
- Surplus revenues declining; Hardly any adequate resources for its development works.
- Tariff policy adopted lacked rational approach; passenger fares kept lower than costs; loss per passenger kilometer increased from 10 Paise per Km in 2000-01 to 23 Paise in 2012-13.
- 'Decade of Golden Dilemma' – choosing between commercial and social viability.
- Share of Railways in freight traffic coming down consistently.
- Rs 5 lakh crore required for ongoing projects alone.
- Focus so far in sanctioning more and more projects with inadequate prioritization rather than completing them; Of the 674 projects worth Rs 1,57,883 cr sanctioned in the last 30 years, only 317 could be completed. Completing the balance requires Rs 1,82,000 cr.
- Most of Gross Traffic Receipts is spent on fuel, salary and pension, track & coach maintenance and on safety works . In the year 2013-14, Gross Traffic Receipts were ₹ 1,39,558 crore and total Working Expenses were ₹ 1,30,321 crore,
- The surplus, after paying obligatory dividend and lease charges, was ₹ 11,754 crore in 2007-08 and is estimated to be ₹ 602 crore in the current financial year.

## **Course Correction and Initiatives**

- Works to be re-prioritized with more focus on doubling and tripling to decongest the over-utilized network.
- Recent fare and tariff hike to mop additional revenue of about ₹ 8,000 cr.
- Alternate resource mobilization need to be explored as enlisted.
  - Leveraging Railway PSU Resources by bringing in their investible surplus funds in infrastructure projects of Railways.
  - Domestic investments and FDI in rail infrastructure.
  - Pursuing Public Private Partnership.
- Near Plan-holiday approach.
- Prioritizing and setting timelines for completion of the ongoing projects.
- Decision Support System for project implementation.
- Strategic partnerships and transparency in procurements.
- Aggressive indigenization of imported products.
- Developing locomotives, coaches and wagon leasing Market.

## **Passenger Amenities/Services & Station Management - including Cleanliness & Catering**

- Provision of foot-over bridges, escalators, lifts, etc. at all major stations including through PPP route.
- Provision of sufficient water supply, platform shelters and toilets at Railway Stations.
- Battery operated cars for differently-abled and senior citizens at platforms of all major stations.
- Involvement of individuals, NGOs, Trusts, Charitable Institutions, Corporates to provide passenger amenities at stations.
- Provision of workstations in select trains on payment basis.
- Expanding scope of online booking of train, coaches, berth & chair car.
- Introduction of parking cum platform combo tickets.
- E-booking of railway retiring rooms.
- Introduction of Ready-to-eat meals of reputed brands in a phased manner.

- Introduction of Quality Assurance Mechanism through Third Party Audit by NABCB certified agencies.
- Launching feedback service through IVRS on the quality of food.
- Setting up of Food Courts at major stations for providing regional cuisine while onboard through emails, SMS and Smart Phones, etc. Pilot project between New Delhi-Amritsar and New Delhi-Jammu Tawi sections.
- Substantial increase of 40% in budget allocation for cleanliness.
- Outsourcing of cleaning activities at 50 major stations to professional agencies.
- Setting up of separate Housekeeping Wing for maintaining cleanliness and sanitation at stations.
- Setting up of Corpus Fund at Stations' upkeep.
- Extending use of CCTVs at stations to monitor cleanliness activities.
- Printing of all India level complaint/helpline number on PRS tickets and introduction of system of third party inspections.
- Extension of onboard Housekeeping services to all important trains.
- Increasing mechanized laundries for quality bedrolls in AC coaches.
- Introduction of RO drinking water units at Stations and in trains on experimental basis.
- Encouraging reputed and willing NGOs, charitable institutions and Corporate Houses for adopting and maintaining stations.

### **Measures for improving Safety & Security**

- Provision of ₹ 1,785 crore for Road-over-bridges and Road-under-bridges; speedy clearances, online design standardization and decentralised sanctioning powers.
- Multi-pronged approach to eliminating Unmanned Level Crossings.
- Advanced technology for rail-flaw detection - Vehicle Borne Ultrasonic Flaw Detection System to detect rail and weld fractures and pilot trials on Ultrasonic Broken Rail Detection System (UBRD) at two locations.
- Safety standards to match international practices. Simulation Center to study causes of accidents.
- Pilot project on Automatic door closing in mainline and sub-urban coaches.
- 4000 women RPF constables to be recruited in addition to 7000 RPF constables.

- RPF escorting teams in trains to be provided mobile phones helping passengers in contacting them in distress. Coaches for ladies will be escorted. Care to be taken for ladies travelling alone.
- Building boundary walls around stations through PPP route to be explored.

### **Green Initiatives**

- Harnessing solar energy by utilizing roof top spaces of stations, railway buildings and land including through PPP mode.
- Use of bio-diesel up to 5% of total diesel fuel consumption.
- Increasing bio-toilets in sufficient numbers in trains to mitigate the problem of direct discharge of human waste on the tracks and platforms.

### **Rail Tourism**

- Eco-Tourism and Education Tourism in Northeastern States.
- Special Packaged trains on identified pilgrim circuits like Devi Circuit, Jyotirling Circuit, Jain Circuit, Christian Circuit, Muslim/Sufi Circuit, Sikh Circuit, Buddhist Circuit, Famous Temple Circuit, etc.
- Tourist Train from Gadag to Pandarpur via Bagalkot, Bijapur and Solapur covering the pilgrim and tourist places of Karnataka and Maharashtra.
- Tourist Train from Rameshwaram covering pilgrim and tourist places like Bengaluru, Chennai, Ayodhya, Varanasi and Haridwar.
- Special Train featuring life and work of Swami Vivekananda.

### **IT Initiatives including revamping reservation system**

- Revamping Railway Reservation System into Next Generation e-Ticketing System.
- E-ticketing to support 7200 tickets per minutes to allow 1,20,000 simultaneous users.
- Augmentation of Coin operated Automatic Ticket Vending Machines.
- Provision of platform tickets and unreserved tickets over internet.
- Shift towards large scale Integrated computerization of major functions of Indian Railways to take place.
  - Paperless offices in Indian Railways in 5 years.
  - Wi-fi Services in A1 and A category stations and in select trains.
  - Real-time tracking of trains and rolling stock.
  - Mobile based Wakeup Call System for passengers.
  - Mobile based Destination Arrival Alert.

- Station Navigation Information System.
  - Extension of Dual Display Fare Repeaters at all the Ticket Counters through PPP.
  - Digital reservation charts at Stations (Bangalore model).
  - Extension of Computerized Parcel Management System.
  - Extension of logistics support to various e-commerce Companies by providing designated pick-up centres at identified Stations.
  - Providing education to children of Railway staff at remote locations through Railtel OFC (optical fibre cable) network.
- GIS mapping and Digitisation of Railway land.

### **Staff Welfare**

- Per capita contribution to Staff Benefit Fund increased from ₹ 500 to ₹ 800.
- Special scheme for meritorious wards of railway persons.
- Hospital Management Information System to integrate all railway health units and hospital.
- Provision of air-conditioned loco cabins to be examined.

### **Training**

- Setting up of Railway University for both technical and non-technical subjects.
- Tie up with technical institutions for introducing railway oriented subjects for graduation and skill development.
- Short duration courses for ground level officers.
- Exposure to specialized areas like high-speed, heavy haul operations, etc., for all level of staff and officials at institutes in India and abroad.

### **Speed of Trains**

- Bullet train proposed on identified Mumbai-Ahemdabad sector.
- Setting up of Diamond Quadrilateral Network of High Speed Rail connecting major metros and growth centers of the country; ₹ 100 cr provided for initiating the project.
- Increasing of speed of trains to 160-200 kmph in select 9 sectors.
- All experimental stoppages to lapse after 30.09.2014.
- Only operational feasibility and commercial justifications for new stoppages; alternate train connectivity to meet genuine demands.

### **Resource Augmentation**

- PPP through BOT and Annuity route and identification of 8 to 10 capacity augmentation projects on congested routes; Zonal Railways to be suitably empowered to finalize and execute such projects.
- Facilitating connectivity to new and upcoming ports through PPP.
- Speedy work on critical coal connectivity lines to bring nearly 100 MT of incremental traffic to Railways and facilitating faster transportation of coal to power houses.
- Developing identified stations to international standards with modern facilities on lines of newly developed airports through PPP mode.
- Setting up of Logistic Parks to modernize logistics operations; Top priority to mechanization of loading and unloading.
- Suitable pricing mechanism to garner additional revenue from empty flow - Pilot project for automatic rebate to customers offering traffic through computerized FOIS system.
- Launching scheme to facilitate procurement of parcel vans or parcel rakes by private parties.
- New design of parcel vans with better tare to pay load finalized.
- Setting up of Private Freight Terminal on PPP model to develop network of freight terminals.
- Boost to rail movement of fruit and vegetables in partnership with Central Railside Warehousing Corporation at 10 locations.
- Provision of special milk tanker trains in association with National Dairy Board and Amul to facilitate transportation of milk through rail.

### **Other Initiatives**

- Setting up of Project Management Groups consisting of professionals and State Government Officials at Railway Board and Zonal level for coordinating and expediting project management with respective State Governments.
- Establishing Innovations Incubation Centre to harness the ideas generated from staff and converting them into practical solutions.

- Summer internships for under-graduates of engineering and management studies.
- Structural Reforms – separation of overlapping roles of policy formulation and implementation.
- Top priority to transparency in administration and execution of projects.
- Adopting strategic procurement policies to make procurement process transparent and most efficient.
- Status of ongoing projects to be made available online.
- E-procurement to be made compulsory for procurements worth ₹ 25 lakhs and more.
- Launching online registration of demands for wagons in next two months for facilitating online payment of Wagon registration fee.
- Initiating process for ERR (Electronic Railway Receipt) during the year.
- Introduction of corrosion-free wagons with low tare weight for movement of salt.
- Close monitoring of Dedicated Freight Corridor Project Implementation of Eastern and Western DFCs; Target of nearly 1000 kms of civil construction contracts.

#### **Metropolitan/Suburban Services**

- Passenger centric focus to urban transport infrastructure by coordinating with other transport Ministries and Urban Bodies.
- 864 additional state-of-the-art EMUs for Mumbai in two years.
- Study to explore possibility of enhancing existing IR network of Bengaluru for meeting better connectivity needs of Bengaluru city with its suburban areas and hinterland.
- Byyappanahalli in Bengaluru area to be developed as a coaching terminal.

#### **Financial Performance 2013-14**

- Traffic growth declined and expenditure registered excess in 2013-14 as compared to Revised Estimates.
- Originating passengers achieved less by 46 million; and passenger earnings short by ₹ 968 cr over Revised Estimates.
- Gross Traffic Receipts at ₹ 1,39,558 cr though short of RE by ₹ 942 cr grew by 12.8% over the previous year.

- Ordinary Working Expenses and Pension outgo is higher than the Revised Estimates.
- The year ended with a surplus of ₹ 3,783 cr by registering a shortfall of ₹ 4,160 cr over the revised target.
- Dividend liability of ₹ 8,010 cr to government fully discharged.
- Railways generated internal resources of ₹ 11,710 cr in 2013-14 for plan finance.
- Operating Ratio at 93.5% deteriorated by 2.7% over R.E.

### **Budget Estimates 2014-15**

- Freight loading of 1101 MT, 51 MT more than 2013-14.
- Growth in passenger traffic - 2%.
- Freight Earnings – ₹ 1,05,770 cr.
- Passenger Earnings – ₹ 44,645 cr, after revenue foregone of ₹ 610 cr on account of rollback in monthly season ticket fares.
- Total Receipts - ₹ 1,64,374 cr; Total Expenditure – ₹ 1,49,176 cr;
- Pension estimated at ₹ 28,850 cr.
- Dividend payment estimated at ₹ 9,135 cr.
- Operating Ratio to be 92.5%, an improvement of 1% over 2013-14.

### **Annual Plan 2014-15**

- Highest ever plan outlay of ₹ 65,445 cr.
  - Gross Budgetary Support - ₹ 30,100 cr
  - Railway Safety Fund - ₹ 2,200 cr
  - Internal Resources - ₹ 15,350 cr.
  - EBR - Market Borrowing - ₹ 11,790 cr;
  - EBR - PPP - ₹ 6,005 cr.
- Plan Outlay under budgetary sources placed at ₹ 47,650 cr which is higher by ₹ 9,383 cr over 2013-14 – higher plan outlay goes to safety related works.
- Full financial outlays to projects targeted for completion during the year.
- Adequate allocations made for 30 priority works for timely completion.



## **Projects for Remote Areas, North-East, Andhra Pradesh and Telengana**

- Higher funds for ongoing 23 projects in Northeast including 11 National Projects; ₹ 5,116 cr outlay earmarked for projects of Northeast i.e. 54% higher than previous year.
- Udhampur-Katra Rail link dedicated to the Nation; tie up with Government of J&K for bridging Udhampur-Banihal portion by bus to help passengers reach Srinagar with single ticket from origin to destination.
- Focus on completion of missing link of Banihal to Katra.
- 29 Projects, costing ₹ 20,680 cr, currently running in Andhra Pradesh & Telengana.
- Setting up of Committee of Railways and officials from Andhra Pradesh and Telengana on coordination, requirement and issues.

## **New Surveys**

- 18 new line surveys.
- 10 surveys for doubling, 3<sup>rd</sup> and 4<sup>th</sup> lines and gauge conversion.

## **Trains**

- 5 new Jansadharan trains to be introduced.
- 5 Premium and 6 AC trains to be introduced.
- 27 new Express trains to be introduced.
- 8 new passenger services, 5 DEMU services and 2 MEMU services to be introduced and run of 11 trains to be extended.

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