

Plan Head. Railways' expenditure upto 31.03.2005 was Rs.969.81 crore. The target date for completion of the project is June, 2008. In addition to above, Thane-Turbhe-Vashi (18.50 kms.), a double line commuter corridor, has been commissioned on 9.11.2004. Belapur-Seawood-Uran new double line project is also progressing satisfactorily.

Chennai

- (i) Chennai MRTS Phase-II: MRTS single line section from Tirumailai to Tiruvanmiyur -7.0 km. (part of Tirumailai-Velachery section) has been commissioned for passenger services on 26.01.2004. Work on remaining section is in progress.
- (ii) Chennai Beach-Chengalpattu gauge conversion from MG to BG: The gauge conversion project on Chennai Beach-Tambaram-Chengalpattu section has been completed and opened for commuter service.

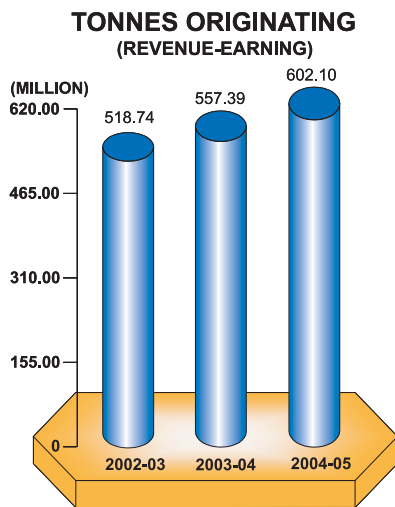
Freight Operations

IR loaded 626.18 million tonnes of freight traffic in 2004-05, of which 602.10 million tonnes was revenue-earning and 24.08 million tonnes non-revenue earning, generating total net tonne kilometres (NTKms) of 411.28 billion in 2004-05 as against 384.07 billion in 2003-04. The freight earnings increased from Rs.27,403.15 crore in 2003-04 to Rs.30,489.23 crore in 2004-05, registering an increase of 11.26%.

Revenue-earning freight traffic for 8 important commodities/ commodity groups for 2004-05, compared to that for 2003-04, was as follows:

Commodity/Commodity group	2003-04	2004-05	(In million tonnes)	
			Variation over last year Tonnage	%age
Coal	251.75	271.40	(+) 19.65	(+) 7.81
Raw materials to steel plants	43.65	44.26	(+) 0.61	(+) 1.40
Pig iron and finished steel from steel plants	14.66	15.24	(+) 0.58	(+) 3.96
Iron ore for export	26.64	36.41	(+) 9.77	(+) 36.67
Cement	49.25	53.77	(+) 4.52	(+) 9.18
Foodgrains	44.32	46.52	(+) 2.2	(+) 4.96
Fertilisers (Chemical manures)	23.73	28.75	(+) 5.02	(+) 21.15
P.O.L. (Mineral oils)	*32.02	32.00	(-) 0.02	(-) 0.06
Balance other goods	*71.37	73.75	(+) 2.38	(+) 3.33
Total	557.39	602.10	(+) 44.71	(+) 8.02

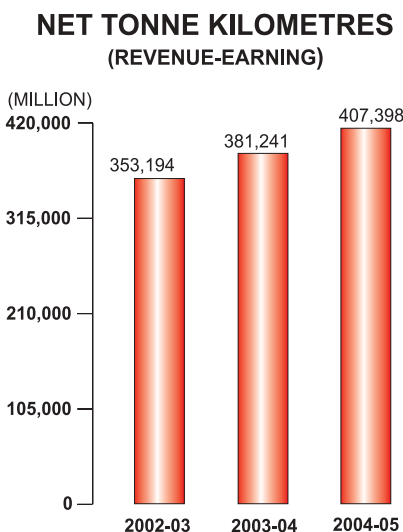
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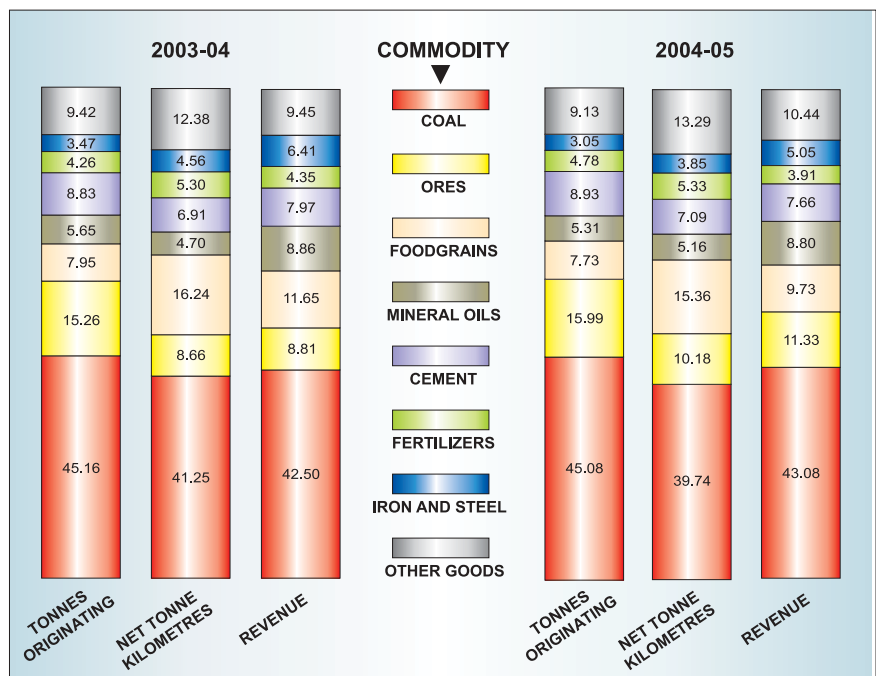
The pattern of revenue-earning freight traffic for major bulk commodities/commodity groups for 2004-05 vis-a-vis 2003-04, was as follows:

Commodity/Commodity group	Tonnes originating (million)		Net tonne kms. (million)		Revenue (Rs. in crore)	
	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05
Coal	251.75	271.40	157,256	161,906	11,646.43	13,134.41
Ores	85.05	96.26	33,024	41,484	2,414.75	3,456.28
Cement	49.25	53.77	26,349	28,888	2,185.18	2,334.93
P.O.L. (Mineral oils)	*32.02	32.00	*18,219	21,024	2,428.30	2,682.54
Foodgrains	44.32	46.52	61,930	62,597	3,192.13	2,965.21
Fertilisers (Chemical manures)	23.73	28.75	20,212	21,713	1,192.26	1,192.61
Iron & steel	19.32	18.36	17,386	15,668	1,755.35	1,538.36
Limestone & dolomite	10.90	9.97	5,454	6,644	375.49	494.29
Stones (incl. Gypsum) other than marble	7.29	10.24	3,324	4,636	204.53	337.53
Salt	3.80	4.17	5,582	5,534	274.75	252.99
Sugar	2.81	2.10	3,834	2,609	201.45	153.55
Total	*530.24	573.54	*352,570	372,703	25,870.62	28,542.70
Commodities other than above	*27.15	28.56	*28,671	34,695	1,532.53	1,946.53
Grand total	557.39	602.10	381,241	407,398	@27,403.15	@30,489.23

@ Excludes 'Other goods earnings' such as wharfage, demurrage, etc. * revised



PATTERN OF REVENUE-EARNING FREIGHT TRAFFIC (PERCENTAGE TO TOTAL)



Trends of revenue-earning freight traffic for the last 3 years, are as follows:

	2002-03	2003-04	2004-05
Tonnes originating (millions)	518.74	557.39	602.10
Net tonne kms. (millions)	353,194	381,241	407,398
Average lead (kms.)	681	684	677
Goods earnings @ (Rs. in crore)	26,231.45	27,403.15	30,489.23

@ Excludes 'Other goods earnings' such as wharfage, demurrage, etc.

Freight Structure

There was no across-the-board increase in freight rates. However, the Freight Classification for Coal, Iron Ore, Limestone, Dolomite, Gypsum, Bauxite, Manganese Ore, Cement and Clinker was increased to Class-140 for train load movement with effect from 27th November, 2004. Thus, the freight for Coal, Iron Ore, Manganese Ore and Clinker was increased by 7.7% and that for Cement by 3.7%.

10% rebate in freight charges was granted for the transportation of heavy machinery consignments by special trains in special type of wagons owned by the customers, which can not be hauled by ordinary goods trains. In this context, the technical staff of the customers and the railway staff escorting the heavy machinery consignment by special trains was also permitted free of charge.

The pilot project for setting up Electronic Payment Gateway for freight was implemented for Badarpur Thermal Power Station in January, 2005. All the Zonal Railways have now been permitted to extend the scheme to all major customers.

Freight Marketing

A number of innovative schemes introduced during the year to attract freight traffic, were:

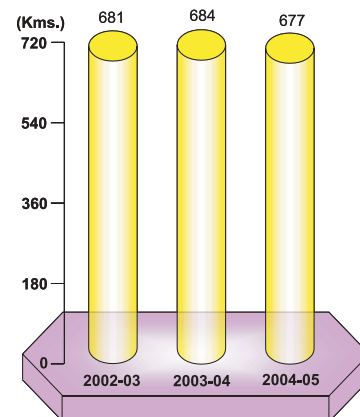
Parcel Policy:

- (i) Leasing of one compartment of the rear SLRs of certain nominated Mail/Express trains;
- (ii) Leasing of Assistant Guard's compartment in the front SLR to courier services for carriage of small packages;
- (iii) Leasing of under-utilised front SLRs of Mail/Express trains on short term lease for a period of one year by lowering the reserve price and linking it with capacity utilisation; and
- (iv) Leasing of SLRs of ordinary passenger trains by permitting loading/unloading at en route stations and linking the reserve price with capacity utilisation.

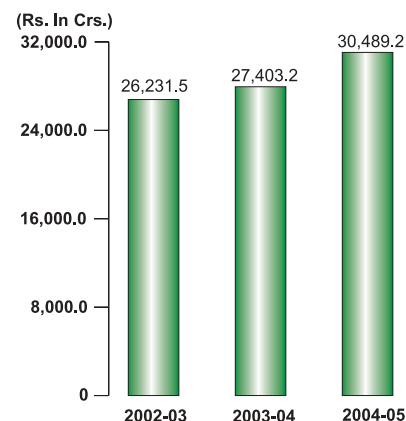
Development of rail-side integrated warehouses:

With a view to provide seamless door-to-door transportation, IR

AVERAGE LEAD
AVERAGE DISTANCE OF MOVEMENT OF
A TONNE OF GOODS
(REVENUE-EARNING TRAFFIC)



GOODS EARNINGS



and Central Warehousing Corporation (CWC) initiated a pilot project at Whitefield Satellite Goods terminal at Bangalore in February, 2003. Under this project CWC built a state-of-the art godown with 15,000 tonnes capacity along a railway track in the goods yard. It also provided ancillary facilities in the integrated goods shed complex. A road has also been provided on the other side of the track for unloading of consignments from wagons directly into trucks. The unloading of goods is the responsibility of CWC, who are also providing facilities for delivery of goods at the door-step of the consignees. The value-addition in freight services has resulted in additional traffic to rail.

Encouraged by the customer's response to the facilities at Whitefield terminal, IR has entered into a Memorandum of Understanding with CWC as its strategic partner, for development of similar rail-side warehouse complexes at 22 locations in the country.

A scheme for development of more such warehouses has been launched. Under the scheme, private entrepreneurs are encouraged to develop state-of-the-art warehouses with modern loading-unloading and customer facilities on railway land on revenue sharing basis. This will facilitate a single window service in providing value added service to the customers in the form of forwarding, handling, warehousing and road bridging. It will also aggregate piece-meal (wagon load) traffic to train load traffic and help Railways in improving their market share.

Liberalisation of Siding Rules:

To clear bottleneck in functioning of sidings and remove some of the major irritants to siding owners, IR has further liberalized the siding rules, salient features of which are as follows:

- (i) The concept of assisted sidings has been revived. Under this concept, Railways shall share the cost of new sidings if the industry comes up with a long-term commitment of traffic for 10 years or more, commensurate with the investment of Railways.
- (ii) Within the premises of the private customer, all expenditure is to be borne by him.
- (iii) For the portion between the railway station to the gate of the customer's premises, cost of sub-structure is to be borne by the customer and cost of super structure like ballast, sleepers, rail, OHE, etc. (which can be dismantled) will be borne by Railways.
- (iv) Capital cost of additional traffic facility works will also be borne by Railways, so that the party is required to pay nearly half the cost only.
- (v) Over-head equipment maintenance will be at Railway's cost.



*Unloading from container at Cosipore depot,
Kolkata.*

Wagon Investment Scheme:

Under this scheme, individuals as well as, corporate entity as producers and association or groups like SAIL are eligible to participate in the procurement of wagons (BCN and BOX'N'). The benefits to the customers under the scheme are as under:

- (i) Assured supply of a guaranteed number of rakes every month;
- (ii) Rebate in freight for a specified period;
- (iii) Bonus rakes without concession/penalty;
- (iv) Additional rakes without concession to the investors opting for Engine on Load (EOL) scheme; and
- (v) No maintenance charges required to be paid.

The scheme is now proposed to be extended to other types of wagons.

Parcel and Luggage:

Freight rates for Parcel and Luggage traffic were rationalized. There was an increase of 7.1% in the parcel rates by Rajdhani Express trains, under Scale-R. The parcel rates under Scale-P were increased by 33.33%. The rates under Scale-S remained unchanged and the lowest Scale-E was abolished.

The three rate scales for booking of Parcels, in their descending order, were as under:

Scale-R: For Rajdhani Parcel Service, by Rajdhani Express trains.

Scale-P: For Premier Parcel Service, by notified Mail/Express and Shatabdi Express trains and all types of special Parcel trains, including Millenium Parcel trains.

Scale-S: For Standard Parcel Service, by all Ordinary Passenger trains and other Mail/Express and Shatabdi Express trains.

Newspapers and Magazines were fixed at concessional rates uniformly at 45% of Scale-S rates by all trains, including Rajdhani Express trains.

Refrigerated Parcel Vans:

RCF, Kapurthala manufactured 10 Refrigerated Parcel Vans (VPR) for transporting consumable items such as fishes, fruits, vegetables and other perishable items.

Claims

The number of claims received by Railways was 0.54 lakh in 2002-03, 0.65 lakh in 2003-04 and 0.51 lakh in 2004-05.