

**Speech of Shri Nitish Kumar
Introducing the Railway Budget,
for 2003-04, on 26th February 2003.**

Mr. Speaker Sir,

1. I rise to present the Budget Estimates for 2003-2004 for the Indian Railways.

Introduction

2. At the outset, I express my profound gratitude to Hon'ble Prime Minister for launching the National Rail Vikas Yojana, which involves the strengthening of the Golden Quadrilateral, augmenting rail connectivity to ports and also the construction of four mega bridges. This non-budgetary initiative is bound to accelerate the growth of the Indian Railways, which is the lifeline of the Nation.

Financial Performance in 2001-2002

3. I will now give a brief review of the performance of the year 2001-2002. The year 2001-2002 ended with a freight loading of 492.5 million tonnes which was 3.50 million tonnes higher than the target of 489 million tonnes fixed in the Revised Estimates for the year. Freight earnings have consequently surpassed the revised target by Rs.235.40 cr. This improvement was attributable to better performance during the last quarter of the year as the economy started picking up. Passenger earnings, however, suffered a set back in the last quarter of the year due to various extraneous factors resulting in a shortfall in passenger earnings to the extent of Rs.204 cr. against the enhanced revised target of Rs.11400 cr. Taking into account the increase in Other Coaching and Sundry earnings and a lesser accretion to the Traffic Suspense as compared to the Revised estimate targets, the Gross Traffic Receipts for the year were Rs.118 cr higher than that envisaged in the Revised Estimates.

4. As a result of continued monitoring and control over expenditure, Railways were able to contain the Ordinary Working Expenses to Rs.28703 cr. resulting in a saving of Rs.397 cr as compared to the revised estimates. This, coupled with need-based appropriation to DRF and Pension Fund and also the variation in Net Miscellaneous receipts, resulted in an increase of Rs.197 cr. in Railways' net revenue. The operating ratio for the year improved to 96 percent as against 96.6 percent envisaged in the Revised Estimates. After deferment of Rs.1000 cr., as was envisaged in the Budget, Railways were able to discharge the balance dividend liability of Rs.1337 cr, besides repaying the loan of Rs. 249 cr taken from the General Exchequer for Capital Fund.

Review of Financial Performance in 2002-03

5. In the Budget for 2002-03, the originating revenue earning freight traffic has been estimated at 510 million tonnes. I am happy to inform the House that the performance during the first 10 months of the current fiscal has exceeded the proportionate target. Accordingly, the target for the originating revenue earning freight traffic has been revised upwards to 515 million tonnes in the Revised Estimates for the year. On the other hand, in the Passenger segment there has been a drop of nearly three percent in number of passengers to end December 2002.

6. The goods earnings are likely to exceed the budget target of Rs. 26,118 cr by Rs. 540 cr., whereas passenger earnings are likely to fall short of the budget target of Rs. 13450 cr by Rs. 720 cr. Taken together, the other coaching and sundry earnings are likely to be Rs. 24 cr below the budget target. Due to continued increase in the amount owed to Railways by the users, particularly, Electricity Boards, the unrealized earnings are likely to increase by Rs. 417 crores as against a budgeted clearance of Rs.50 crores. Therefore, the budgeted Gross Traffic Receipts of Rs.41,538 cr have been reduced to Rs. 40,867 cr in the Revised Estimates.

7. With sustained monitoring and continued austerity, there is likely to be a reduction of Rs. 850 cr in the Ordinary Working Expenses. Accordingly, the Revised Estimates for these are placed at Rs.30,310 cr as against Rs. 31,160 in the Budget Estimates.

8. The operating ratio budgeted at 94.4 percent is likely to improve to 92.5 percent in the Revised Estimates.

9. Besides discharging fully the dividend liability for the year, an amount of Rs. 50 cr is also proposed to be cleared from the Deferred Dividend Liability Account.

Customer Satisfaction

10. Sir, we are celebrating the 150th year of Indian Railways as 'Passenger Amenities Year'. Indian Railways will be completing 150 years of glorious service to the nation this year. On this occasion, Indian Railways expresses gratitude to its customers whose continued support has enabled all round development of this vast network. Mahatma Gandhi, the father of nation, had a close association with Railways. As stated by Bapu, the customer is the most important visitor on our premises. Hence, it is our primary duty to ensure the satisfaction of customers and for this reason I dedicate the year 2003-2004 to our customers and declare it as 'Customer Satisfaction Year'. This year several steps relating to safety, security, punctuality and cleanliness will be taken so that customers would derive greater satisfaction from the Railways.

Safety

11. I am aware of the concern expressed both inside and outside Parliament on the vital issue of safety. In pursuance of the commitment made by me during the Winter Session of Parliament, a White Paper covering the entire spectrum of the issues involved in safety in train operations would be presented during the course of this session.

12. One of the major contributing factors for accidents has been found to be human failure. In this context, the filling up of vacancies in safety categories in Group 'D' has assumed importance. It has been decided to fill up more than 20,000 such vacancies through Railway Recruitment Boards within the next one year. Training plays an important role in increasing the efficiency of the employees. Railways are determined to effect continuous improvement in Safety related training and to enable this, the training facilities at all Zonal Training Centres, seven Supervisory Training Centres and eight Central Engineering Training Centres are being suitably upgraded. Modules on Disaster Management are also being prepared. To this end, new works at a cost of Rs. 41 crores are proposed to be taken up.

Anti- Collision Device (ACD)

13. ACD is an intelligent microprocessor based equipment developed indigenously to prevent collisions. When installed on locomotives, brake vans and at stations and level crossing gates, these ACDs network among themselves to prevent accident like conditions involving collision of trains.

14. Extended field trials of this device on Jalandhar-Amritsar section of Northern Railway have been successfully completed on 19th January 2003. Now, deployment of this device on Indian Railways has started. Provision of ACDs on about 1800 route kms section and ACD survey on 1641 route Kms section are in progress. During 2003-2004, to accelerate the pace of this work, it is proposed to carry out ACD survey of 10,000 route kms. and provide ACD over additional 1750 route kms.

Continuous Track Circuiting

15. Continuous track circuiting enables detection of discontinuities caused by rail/weld fracture or acts of sabotage. This helps in taking timely precautionary measures and prevents possible accidents. This will also improve the line capacity and safety at level crossing gates. The work of track circuiting is being executed within station limits. Work of continuous track circuiting in block sections on selected sections of 'A', 'B' and 'C' routes at a cost of Rs 425 crores is now being proposed in this Budget.

Bridges

16. For upgrading and modernizing the bridge inspection and management systems, action has been taken to initiate underwater inspections, computerized non-destructive testing with state of the art equipment and introduce a modern Bridge Management System.

Crash Worthiness of Coaches

17. To minimize injuries during rail travel, coaches are being redesigned without any sharp corners in the interior and duly padding up vulnerable areas. In order to prevent coaches from climbing over each other in the event of a collision, tight lock couplers are being introduced progressively. Concurrently, redesigning coach ends to take the full impact of the collision has been undertaken so that passenger areas remain free from damage due to collision or heavy impact.

Special Railway Safety Fund - Financial & Physical Progress

18. During 2001-2002 the actual expenditure under SRSF stood at Rs. 1434 cr (Net) as against the

allotment of Rs 1400 cr. The safety surcharge fell short of the targeted collection by Rs.95 cr. Thus, the additional amount of Rs.129 cr required on both these counts was made available through Railways' normal revenues. In the current year, the total net allocation for SRSF was stepped up to Rs. 2210 cr as per the Budget Estimates, which included Rs. 1350 cr as contribution from General Exchequer and Rs 860 cr from the safety surcharge. This has been further increased by Rs.100 cr. in the Revised Estimates to keep up the pace of progress of safety works under SRSF. Railways are contributing this additional amount as well as the current year's shortfall of about Rs.200 cr. in surcharge collection from its own revenues.

19. As regards the physical progress of the works, I would like to inform that track Renewal of around 5,400 km is also expected to be completed by the end of the current year. Rehabilitation of approximately 745 bridges is likely to be completed by the end of the current financial year. So far signalling equipment replacement works have been completed at 298 stations. Further, about 1350 track circuits have been provided till now.

Security

20. Active consultations are on with the concerned Ministries to give a final shape to the proposal to amend the RPF Act and Railway Act in order to provide enhanced powers to the RPF .

21. To strengthen the Railway Protection Force and the Railway Protection Special Force, recruitment of over 3500 constables will be done through Railway Recruitment Board in the year 2003-2004.

Punctuality

22. For further improving the punctuality of passenger services, it is proposed to streamline and strengthen the monitoring mechanism so as to control the factors, barring force majeure, that affect punctuality. To this end, it is proposed to introduce a new computerized Coaching Operations Information System (COIS).

Operation Cleanliness

23. On the occasion of Independence Day, the Hon'ble Prime Minister announced the launching of 'Operation Cleanliness' to ensure cleanliness in trains and on railway premises. A task force has been constituted to frame an action plan for this. The responsibility of ensuring cleanliness in Railways rests with many departments. To cleanse the cleaning operations in Railways there is a need to establish a unified control. Apart from optimal utilisation of men and material resources available with Railways, it will also be necessary to induct costly equipment, in which the private sector will also be associated.

Passenger Amenities

24. Encouraged by the response to the pilot project of the **Unreserved Ticketing System** in Delhi, it is proposed to implement this in other areas of Northern Railway and on North Eastern, East Central, Eastern and Northeast Frontier Railways.

25. To obtain a refund against a reserved ticket after the departure of a train is still a problem for the passengers. Hence, in addition to the existing facilities, it is proposed to permit refunds of the amount due from any PRS center, three hours after the train has reached its destination.

26. In case a confirmed or RAC ticket is lost by a passenger, a duplicate ticket can be issued, before preparation of Reservation Chart, on payment of 10 percent or 25 percent of full fare based on the distance of journey or type of train. As a customer friendly measure, it is proposed that charges for issuing such a duplicate ticket would be refundable at a PRS Centre at the destination on completion of the journey performed on such a ticket.

Measures to Improve Rail Share

27. Encouraged by the utilization of the integrated warehousing facility at Whitefield terminal at Bangalore, Railways intend to enter into an MOU with the Central Warehousing Corporation as its strategic partner for development of similar integrated rail-side warehouse complexes at 22 locations.

28. Greater flexibility has been given to the General Managers to improve the rail share of freight, through delegated powers to offer concessions ranging from 10 percent to 24 percent on Station to Station rates and also bringing the consignees as well as the consignors within the scope of the scheme.

29. Five weekly Parcel Express trains are being run by railways, which include three trains

connecting Delhi, Mumbai and Chennai to Guwahati. One train each is running from Delhi to Kolkata and to Bangalore. More such trains would be introduced between Amritsar and Mumbai via Delhi; from Delhi to Guwahati routed through Moradabad, Lucknow and Gorakhpur and between Mumbai and Kolkata.

Refrigerated Vans

30. As announced in last year's Railway Budget, a prototype Refrigerated Van has been developed by Rail Coach Factory, Kapurthala. It is proposed to induct during 2003-2004 ten refrigerated vans in popular long distance passenger trains for moving perishable commodities.

Concessions to Passengers

31. Senior Citizens of our country are being granted 30 percent concession in fares in all classes and in all trains. This concession is available to men of the age of 65 years and above and women of age sixty and above. I am glad to announce that now both men and women will be entitled for the Senior Citizen concession on attaining the age of 60 years.

32. Cancer and "Thalassemia Major" patients and heart patients, travelling for the purpose of heart surgery, alone or accompanied by an attendant, are presently entitled to a concession of 75 percent in First Class and Second Class. It has been decided to extend 75 percent concession in AC 3-Tier and AC Chair Car and grant 50 percent concession in AC First Class and AC 2-Tier of Mail/Express trains. Kidney patients undertaking train journey for the purpose of treatment would also be granted similar travel concessions.

33. Accredited Press Correspondents are currently entitled to 50 percent concession for travel upto 30,000 kilometers per year, in all classes of Mail/Express trains, if they are residing within 25 kilometers from the concerned capital city or district headquarter. I am glad to propose that the limit on their concessional travel as well as the distance restriction for their place of residence is removed. Further, Accredited Press Correspondents would now be granted 30 percent concession in Rajdhani and Shatabdi Express trains also.

34. The communication system available on Rajdhani & Shatabdi Express trains for making public announcements and playing music on running trains are being extended to Jan Shatabdi Express trains also. It has now been decided to adopt a policy of playing only instrumental music, appropriate to the season and the time of the day, in all such trains.

Other Initiatives

Joint Venture with NTPC

35. As was reported last year, an MoU was signed by Ministry of Railways with NTPC for setting up of captive thermal power plants. I am happy to state that the project committee consisting of representatives from NTPC and Railways formed for the purpose has, after examining four different sites, recommended Nabinagar as a suitable site for a 1000 MW thermal plant, which has been accepted. It is now proposed to form a Joint Venture Company of Railways with NTPC for implementation of the scheme.

Bio Diesel

36. The Railways are also exploring alternative fuel sources. A massive drive for planting Ratan Jyot plants on both sides of the Railway land has been embarked upon. Bio-diesel, which can be distilled from Ratan Jyot by a simple and inexpensive refining process, can be freely mixed with diesel oil used on our locomotives. This is an initiative that is not only environment friendly, but will also result in reducing our fuel bill.

37. An MoU has been signed on 12.2.2003 with Indian Oil Corporation for a pilot project in which they will grow Ratan Jyot plants on Railway land and sell the oil produced from them back to the Railways.

Formation of New Zones and Divisions

38. Hon'ble Members are aware of the decision to operationalise seven new zones and eight new divisions. The North Western Railway and East Central Railway headquartered at Jaipur and Hajipur respectively have become operational w.e.f. 01.10.2002. The remaining five new zones viz., East Coast Railway at Bhubaneswer, North Central Railway at Allahabad, South East Central Railway at Bilaspur, West Central Railway at Jabalpur and South Western Railway at Hubli and eight new Divisions headquartered at Agra, Ahmedabad, Guntur, Nanded, Pune, Ranchi, Rangiya and Raipur shall be operationalised w.e.f. 01.4.2003. OSDs in the rank of General Managers and DRMs to head these new zones and divisions

respectively are already in position. The feedback received indicates that the two new zones that were operationalised w.e.f. 01.10.2002, viz. North Western Railway and East Central Railway have been functioning with improved efficiency.

39. To give a greater focus to the R&D activities, the status of RDSO has been elevated to a 'Zonal Railway' from that of an 'Attached Office' to the Railway Board with effect from 01.01.2003.

Reform Agenda

40. To transform the Indian Railways into customer-oriented organization, it is proposed to improve its accounting system. In this regard, it is planned to review the existing accounting policies and practices and to introduce fully computerized accounting and Management Information System so as to generate costing data on passenger and freight services on commercial lines.

41. Our Production Units have been catering mainly to the needs of Indian Railways. Having acquired the State of the Art technology, Railway Production Units can now become competitive and can make their presence felt in the global market provided they are given the requisite autonomy. In order to facilitate this, it is proposed to restructure the production units as independent cost and profit centers.

Projects

National Rail Vikas Yojana

42. National Rail Vikas Yojana, announced on 15th August, 2002, at an estimated cost of Rs.15,000 crore, has been formally launched on 26th December, 2002 by the Hon'ble Prime Minister. A company named "Rail Vikas Nigam Limited" has been incorporated under the Companies Act for implementation of these projects including raising of resources. Strengthening of the Golden Quadrilateral and its diagonals through identified sub-projects costing about Rs.8,000 crore will form the major part of this yojana. A part loan of US\$ 313.6 million has been approved by ADB. It will be utilized, mainly, for execution of projects covered under the initiative of "strengthening of Golden Quadrilateral". A dialogue with World Bank has been initiated to mobilize funds for "mega bridges" and other NRVY projects. Projects under the initiative "port connectivity" have been identified and resource mobilization for the same is proposed to be organized through various public-private partnership initiatives and budgetary support.

43. Sir, as committed in my last budget speech, work has already commenced on three mega bridges i.e., Bogibeel bridge over river Brahmaputra, two bridges over river Ganga, one at Patna and the other at Munger. I am happy to inform the House that the requisite clearances for the mega bridge over river Kosi have been obtained and the work has been included in the budget.

National and strategic projects

44. Hon'ble Prime Minister, during his visit to Srinagar had announced that the first train will roll into Kashmir Valley by 15th August 2007. I express my gratitude to the Hon'ble Finance Minister, who has provided Rs. 500 cr for this National project in 2003-04, considering its importance. The work on Udhampur-Katra and Quazigund-Baramulla sections is already in progress. The stretch between Katra – Quazigund is very difficult requiring large scale tunneling and bridging works for which detailed surveys on ground need to be carried out. Considering the arduous nature of work, construction on this section has been entrusted to two technically sound organizations, viz., IRCON and Konkan Railway Corporation Limited while detailed survey has been entrusted to RITES. I am happy to inform that long pending project of Jammu-Udhampur is progressing at a satisfactory pace and is targeted for completion by March 2004. Further, rail link upto Katra is likely to be completed during 2004-2005.

45. The two strategic projects, namely, gauge conversion from Luni to Munabao and new line between Kolayat and Phalodi are progressing satisfactorily and gauge conversion up to Samdari has already been completed.

46. Over 1300 km of BG lines are likely to be added during the current year. Further, a target of addition of nearly 1340 kms of BG lines has been set for 2003-2004.

New Lines

47. Sir, I am happy to state that Kumarghat-Manu of Kumarghat-Agartala new line has already been completed and commissioned on 27.12.2002 for passenger services. The restoration of Fatuha-Islampur has also been completed. It is hoped to complete restoration of Duraundha-Maharajganj and new lines between Katra-Faizabad and Joruli-Keonjhar during the year. Further, the work of Daultpur-Malikpur and

Bajkul-Nachenda are also likely to be completed by March 2003. The balance targeted portion of these lines i.e. from Malikpur to Balurghat and Nachenda to Kanthi are expected to be completed by June 2003.

48. In 2003-2004, Railways propose to complete 225 km of new lines including following sections:-

- a. Panvel-Karjat
- b. Sasaram-Nokha of Ara-Sasaram
- c. Kakdweep-Namkhana of Lakshmikantapur-Namkhana
- d. Bajalta-Udhampur of Jammu-Udhampur
- e. Una-Chururu Takrala of Nangaldam-Talwara
- f. Kakinada-Kotipalli restoration
- g. Mahendralalnagar-Amta of Howrah-Amta
- h. Hassan-Sharavanabelagola of Hassan-Bangalore
- i. Tilaiya-Jagdishpur of Rajgir-Tilaiya

Gauge Conversion

49. During the year, the gauge conversion of Vadalur-Vriddhachalam, Dharmabad-Nizamabad and Jankampet-Bodhan has already been completed. I am happy to state that against the original target of 791 km of gauge conversion set for the current year, nearly 900 km of gauge conversion is likely to be achieved. This includes Latur-Latur Road new line portion of Miraj-Latur, Mangalore-Kabakaputtur, Virudunagar-Rajapalayam, Katpadi-Pakala-Tirupati, Surendernagar-Pipavav, Rajkot-Junagarh and Samdari-Jasai where the works of mega block are already in progress.

50. During the year 2003-2004, a target of over 775 km of gauge conversion has been proposed which include the following sections:

- (i) New Jalpaiguri / Siliguri-Samuktala of New Jalpaiguri-New Bongaigaon
- (ii) Bandikui-Bharatpur of Bandikui -Agra
- (iii) Jasai-Munabao of Luni-Munabao
- (iv) Kabakaputtur-Subrahmanya Road of Hassan-Mangalore
- (v) Villupuram-Pondicherry
- (vi) Rajapalayam-Tenkasi of Quilon-Tiruchendur and Virudunagar-Tenkasi
- (vii) Vadalur-Cuddalore of Salem-Cuddalore
- (viii) Thanjavur-Kumbakonam of Thanjavur-Villupuram
- (ix) Gondia-Balaghat of Jabalpur-Gondia
- (x) Junagarh-Veraval with extension to Somnath of Rajkot-Veraval
- (xi) Dhola-Bhavnagar

51. Further, I am happy to announce that the works of Bhind-Etawah new line as part of Guna-Etawah and Mansi-Saharsa gauge conversion are in good progress and likely to be completed during the year 2004.

Doubling

52. During the current year about 200 km of doublings are likely to be completed, while in the next financial year a target of 340 km has been proposed.

53. Hon'ble Members will be happy to know that doublings of Pakni-Mohol, Mansi-Maheshkhunt, Rohtak-Jakhal, Hapur-Kankather, Sahibabad-Anand Vihar 3rd and 4th line, Ambaturai-Kodaikkanal, Chennai Beach-Korukkupet, Kataiya Dandi-Lohgara, Shujalpur-Akodia, Barauni-Tilrath, Barharwa-Tinpahar, Kayankulam-Cheppad and Kayankulam-Mavelikara, Jahanabad-Bela and Chandpara-Bangaon have been included in the budget. Further, doubling of Raichur-Guntakal, Cuttack-Barang, Khurda-Barang 3rd line and Aligarh-Ghaziabad 3rd line have also been included to strengthen Golden Quadrilateral. The completion of these works is expected to ease the traffic flow and create additional capacity on some of the saturated sections.

Mega Terminals

54. While there have been persistent demands for introducing new trains from the Metros, terminal constraints are a major bottleneck. To overcome this, proposals for development of additional terminals at Chitpur, Kolkata and Anand Vihar, Delhi have been included in this Budget.

Suburban Transport Projects

55. I am happy to state that necessary approvals for the Mumbai Urban Transport Project – Phase-I have been obtained. The project envisages upgradation of the rail infrastructure in the city of Mumbai and will go a long way in reducing the overcrowding of commuters in the Mumbai Suburban Rail System. The project involves a loan component of Rs.1613 crores, which has been sanctioned by the World Bank. The work is expected to be completed in 5 years.

56. I am glad to inform the House that the work on the balance portion of 5th line from Andheri to Borivali has been completed. The work of automatic block signalling from Virar to Dahanu Road has also been completed, enhancing the line capacity of the section.

57. EMU services on Barasat-Hasnabad have been commissioned on 22.12.2002. The extension of Kolkata Metro from Tollyganj to Garia is progressing satisfactorily. Extension of Circular Railway from Princepghat to Majerhat and its connection to Netaji Subhash Chandra Bose Airport is likely to be completed by December 2004.

58. I am happy to state that gauge conversion of Chennai Beach to Egmore has been commissioned recently. The section from Tambaram to Chengalpattu is likely to be completed by March, 2004.

59. Hon'ble Members would be pleased to know that considering the public need, it has been decided to provide a direct link between Chennai Central and Chennai Egmore. This link would benefit commuters as well as long distance passengers and would relieve them of the irksome transshipment between the two stations. As regards MRTS, the work of Tirumailai to Vellachery is expected to be completed by June, 2003.

60. The multi-modal transportation system for the twin cities of Hyderabad and Secunderabad, is making satisfactory progress and upgradation of railway infrastructure in Hyderabad-Secunderabad-Falaknuma section and Hyderabad-Lingampalli sections is likely to be completed by March 2003.

61. There have been demands of beautification of the stations on circular railway at Kolkata in order to improve overall ambience along the bank of river Hoogly. I am happy to inform that it is proposed to give face-lift to the stations along with plantation and ornamental fencing in between the stations so as to bring about overall improvement in the surroundings.

Railway Electrification

62. Railway Electrification works have progressed satisfactorily during the year and 208 route kms. have been energized up to January, 2003. It is proposed to electrify a total of 375 route kms. during the current year. By the end of March 2003, 16376 route kms (25.98 percent) on Indian Railways will be electrified.

Railway Recruitment Board

63. Presently, for the written test (objective type) for Group 'D' recruitments by RRBs, there is provision for setting of the question papers in Hindi and English only. Since recruitment in Group 'D' in Railways is Division-wise, it has been decided that henceforth, the question paper will also be set in the local language, listed in the VIII schedule of the Constitution, prevalent in the concerned division. This will provide opportunity for seeking Group 'D' employment in Railways to those who know only such local language.

Public Sector Undertakings

64. Hon'ble Members will be happy to know that the performance of the Public Sector Undertakings has been satisfactory during the year 2001-2002. During 2001-2002, IRCON International Ltd. had registered a turnover of Rs. 907 cr and earned a net profit of Rs. 104 cr. The company has paid a dividend of Rs. 17.3 cr. The company bagged export awards from Overseas Construction Council of India for maximum turnover in foreign exchange in overseas construction contracts. RITES Limited achieved its

highest ever turnover of Rs. 283 cr during the year 2001-2002, recording a net profit of Rs. 39 cr and paid a dividend of Rs. 3.75 cr. The Container Corporation of India Ltd. (CONCOR) registered a turnover of Rs. 1286 cr., earning a net profit of Rs. 249.85 cr. It has paid a dividend of Rs. 41 cr. During 2001-2002, IRFC achieved a net profit of Rs. 292 cr and paid a dividend of Rs. 100 cr.

Konkan Railway Corporation

65. Konkan Railway Corporation witnessed a modest growth in its operation and has been able to generate sufficient revenues to cover its working expenses. However, the Corporation still needs considerable financial assistance for its debt redemption and interest liabilities incurred by it during construction phase. As it is a vital rail link for millions of passengers and for freight in the region, Ministry of Railways reiterates its support to the Corporation in meeting its debt servicing obligations.

Indian Railway Catering & Tourism Corporation

66. IRCTC has paid Rs. 20 lakh to the Ministry of Railways as first dividend for the financial year 2001-2002. For the year 2002-2003, the first full year of its operation, IRCTC is likely to pay Indian Railways nearly Rs. 3.5 crore covering concession and license fees and other charges.

RailTel Corporation of India

67. During the current year RailTel Corporation of India Ltd. has earned Rs.5.22 cr by leasing of bandwidth and other telecom infrastructure. The company is expected to earn Rs.12.5 cr during the current year.

68. Phase-I and Phase-II network of RailTel are targeted to be completed in the year 2003-2004 and 150 important cities and 1500 stations are expected to be connected on Optical Fibre Network.

69. RailTel plans to provide Internet kiosks at New Delhi Railway Station as a pilot project and is also planning to provide Internet service on one of the selected trains as a pilot project during the next financial year.

Personnel Relations

70. Personnel relations over Indian Railways remained peaceful and cordial during the year. The grievance redressal machinery under PNM and JCM schemes functioned satisfactorily at all levels. I am grateful to the Hon'ble Prime Minister, Hon'ble Deputy Prime Minister and Hon'ble Finance Minister for resolving two long pending problems relating to two different categories of railway men. Decisions to improve the pay scales of Railway Promotee Officers and to set right the anomaly arising out of the recommendations of the Fifth Central Pay Commission in respect of the organized Accounts Cadre of the Railways have been taken. Both these decisions will go a long way in boosting the morale of the organization.

Sports

71. The performance of Indian Railways in the field of sports during the current year has been outstanding both at National and International levels.

72. Sportspersons from Railways won four Gold, five Silver and four Bronze Medals in the Commonwealth Games and thirteen medals (6 Gold, 5 Silver, and 2 Bronze) out of a total of 35 medals won by the country in the Asian Games. I would like to make a special mention of Smt. Neelam J.Singh, who won a Gold medal in Discus Throw in the Busan Asian Games by breaking a twelve year old record. The performance of Ms K.M.Beenamol who won 2 Gold and 1 Silver Medal in athletics is also commendable.

73. **Sir, I would now like to mention about introduction of new trains, increase in frequency of trains and extension of services.** Following additional Express trains are proposed to be introduced in the year 2003-2004 :-

- (i) Sealdah-Asansol via Bardhaman (Daily)
- (ii) Jabalpur-Kota via Bina (Daily)
- (iii) Surat-Mumbai (Bandra) (Daily)
- (iv) Azamgarh-Delhi via Lucknow (Daily)
- (v) Secunderabad-Sirpurkagaznagar via Kazipet (Daily)

- (vi) Sambalpur-Raipur via Titlagarh (Daily)
- (vii) Tinsukia-Mariani (Daily)
- (viii) Chennai Egmore-Erode via Tiruchchirappalli (Daily)
- (ix) Jaipur-Udaipur via Ajmer & Chittaurgarh (Daily) (MG)
- (x) Ballia-Sealdah via Barauni (Daily)
- (xi) Gaya-New Delhi via Allahabad (Daily)
- (xii) Vijayawada -Secunderabad (Daily)
- (xiii) Lucknow-Agra Cantt (Daily).
- (xiv) Rewa- New Delhi via Allahabad (Daily)
- (xv) Chirimiri-Rewa via Katni (Daily)
- (xvi) Salem-Bangalore (Yeshwantpur) (Daily)
- (xvii) Jaynagar-Narkatiaganj (Daily) (MG)
- (xviii) New Alipurduar-Siliguri (Daily) after Gauge conversion
- (xix) New Alipurduar-New Jalpaiguri (Daily) after Gauge conversion
- (xx) New Jalpaiguri-Siliguri (Daily) after Gauge conversion.
- (xxi) Bhavnagar-Ahmedabad (Daily) after Gauge conversion
- (xxii) Bhavnagar-Mumbai (Bandra) (Daily) after Gauge Conversion
- (xxiii) Lucknow - Mumbai (Lokmanya Tilak Terminus) via Jhansi (Tri-weekly)
- (xxiv) Jabalpur-Nagpur via Itarsi (Tri-weekly)
- (xxv) Ajmer-Mumbai Central (Tri-weekly)
- (xxvi) Allahabad – Haridwar via Pratapgarh & Lucknow (Tri-weekly)
- (xxvii) Bangalore (Yeshwantpur)-Nizamuddin via Secunderabad (Tri-Weekly)
- (xxviii) Varanasi - Howrah via Mughalsarai & Patna (Tri-weekly)
- (xxix) Pune-Nagpur via Manmad (Bi weekly)
- (xxx) Tatanagar-Amritsar via Mughalsarai & Lucknow (Bi-weekly)
- (xxxi) Durg-Gorakhpur via Bilaspur, Katni & Allahabad (Bi-weekly)
- (xxxii) Bangalore-Mumbai (Lokmanya Tilak Terminus) via Hubli & Pune (Bi-weekly)
- (xxxiii) Chennai-Dehradun and Chandigarh via New Delhi & Saharanpur (Weekly)
- (xxxiv) Bikaner-Secunderabad via Kazipet (Weekly)
- (xxxv) Puri - Guwahati via Asansol (Weekly)
- (xxxvi) Ranchi (Hatia) –Bangalore (Yeshwantpur) via Jharsuguda & Visakhapatnam (Weekly)
- (xxxvii) Pune – Patna via Allahabad (Weekly)
- (xxxviii) Bhubaneshwar-Bangalore (Yeshwantpur) via Visakhapatnam (Weekly)
- (xxxix) Vasco - Chennai via Hubli (Weekly)
- (xl) Trivandrum-Jodhpur via Madgaon (Weekly)
- (xli) Ranchi-Mumbai (Lokmanya Tilak Terminus) via Rourkela & Nagpur (Weekly)
- (xlii) Chennai-Bangalore (Weekly)
- (xliii) Dibrugarh-Amritsar via Varanasi & Lucknow (Weekly)
- (xliv) Sealdah-Jaipur via Tundla (Weekly)
- (xlv) Vijayawada-Mumbai (Lokmanya Tilak Terminus) via Wadi (Weekly)
- (xlvi) Ahmedabad – Dhanbad via Tundla, Mughalsarai & Parasnath(Weekly)
- (xlvii) Guwahati-Secunderabad via Vijayawada (Weekly)

- (xlviii) Muzaffarpur – Bangalore (Yeshwantpur) via Katihar & Howrah (Weekly)
- (xlix) Okha-Guwahati via Varanasi & Patna (Weekly)
- (l) Indore – Nagpur via Dewas & Maksi (Weekly)

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

- (i) 2313/2314 Sealdah-New Delhi Rajdhani Express from 4 days to 5 days
- (ii) 2443/2444 Bhubaneshwar-New Delhi Rajdhani Express from 1 day to 2 days.
- (iii) 2439/2440 Ranchi-New Delhi Rajdhani Express from 1 day to 2 days.
- (iv) 2441/2442 Bilaspur-New Delhi Rajdhani Express from 1 day to 2 days
- (v) 2129/2130 Pune-Howrah Azad Hind Express from 4 days to 5 days.
- (vi) 2561/2562 Darbanga-New Delhi Swatantrata Senani Express from 4 days to daily.
- (vii) 5025/5026 Gorakhpur-Mumbai (Lokmanya Tilak Terminus) Godaan Express from 1 day to 3 days.
- (viii) 4311/4312 Bareilly-New Bhuj Ala Hazrat Express from 2 days to 4 days
- (ix) 7017/7018 Secunderabad-Rajkot Express from 2 days to 3 days.
- (x) 2101/2102 Mumbai (Lokmanya Tilak Terminus) - Howrah Jnaneshwari Express from 3 days to 4 days
- (xi) 5631/5632 Guwahati-Jodhpur and Bikaner Express from 1 day to 2 days.
- (xii) 2141/2142 Patna-Mumbai (Lokmanya Tilak Terminus) Express from 4 days to 6 days.
- (xiii) 2905/2906 Howrah-Hapa Express from 1 day to 2 days

75. It gives me great pleasure to announce the extension of run of the following services:-

- (i) 2983/2984 Jaipur - Durg Express to Bilaspur
- (ii) 9113/9114 Jammu Tawi-Amritsar Express to Ferozepur
- (iii) 7029/7030 Hyderabad-Ernakulam Sabari Express to Trivandrum on 3 days a week
- (iv) 9169/9170 Varanasi-Ahmedabad Express to Okha
- (v) 6512/6511 Bangalore (Yeshwantpur) - Durg Express to Bilaspur
- (vi) 8611/8612 Ranchi-Garwa Road Express to Varanasi
- (vii) 6513/6514 Bangalore (Yeshwantpur)-Solapur Express to Bijapur
- (viii) 2905/2906 Howrah-Hapa Express to Porbander
- (ix) 6305/6306 Ernakulam – Calicut Express to Cannanore
- (x) 8189/8190 Alleppey - Bokaro Express to Dhanbad
- (xi) 297/298 Kota-Gwalior Passenger to Bhind
- (xii) 9503/9504 Jamnagar – Ahmedabad Inter City Express to Surat
- (xiii) 9307/9308 Indore-Gwalior Express to Bhind
- (xiv) 8183/8184 Danapur-Bilaspur South Bihar Express to Durg (Daily)
- (xv) 1/2 CCM Mirzapur-Chopan Passenger to Shaktinagar and Allahabad
- (xvi) 409/410 Bilaspur-Shahdol Passenger to Rewa
- (xvii) 3149/3150 Sealdah-New Jalpaiguri Kanchan Kanya Express to Alipurduar after Gauge conversion
- (xviii) 1463/1464 Jabalpur-Rajkot Express to Veraval after Gauge conversion
- (xix) 103/104 Chennai Egmore-Villupuram Passenger to Pondicherry after Gauge conversion

- (xx) 437/438 & 439/440 Mankapur-Katra Passenger trains to Faizabad
- (xxi) 3467/3468 Bhagalpur-Patna Vikramshila Express to New Delhi.
- (xxii) 2069/2070 Raigarh-Durg Janshatabdi to Dongargarh.
- (xxiii) Delhi-Kota Coaches of 9019/9020 Mumbai (Bandra) – Dehradun Express to Nimach
- (xxiv) 7225/7226 Vijayawada-Hubli Amravati Express to Vasco once a week.

76. I also propose to introduce **MEMU/DEMU** services on the following sections:-

- (i) Pendra Road-Bilaspur
- (ii) Adra-Bhaga
- (iii) Bhojudih-Chandrapura
- (iv) Jaunpur-Aunrihar
- (v) Adra-Midnapur
- (vi) Virar – Dahanu Road
- (vii) Mokama-Patna –Buxar
- (viii) Adra-Purulia
- (ix) Bhojudih-Bhaga
- (x) Bishnupur- Adra
- (xi) Adra-Bhojudih

Annual Plan, 2003-2004

77. Sir, I would now like to present the Annual Plan 2003-2004. The Plan outlay for 2003-2004 has been kept at Rs 10,607 cr. Taking into account the outlay of Rs 2,311 cr on safety related works through the Special Railway Safety Fund (SRSF), the total outlay comes to Rs 12,918 cr. This is Rs 603 cr higher than the Revised Estimates of last year. For the year 2003-2004, the total funds received from General Exchequer are Rs 6,577 cr, including Rs 1,600 cr as contribution towards the SRSF and Rs 433 cr from the Central Road Fund. This also includes Rs 730 cr specifically for investment in the newly created Rail Vikas Nigam. The corresponding figure for 2002-2003 was Rs 5,840 cr, including Rs 1,350 cr for the SRSF and Rs 450 cr from the Central Road Fund.

78. In addition to the budgetary support, Railways propose to provide Rs 2,630 cr for plan expenditure through internal resource generation. This is at the same level as was budgeted for last year. The balance requirements of the Plan would be met through extra-budgetary resources, which include Rs 2,970 cr as market borrowing from Indian Railways Finance Corporation and Rs 30 cr as investment through a "BOT" project in the Viramgam-Mehsana Gauge Conversion work. For the Special Railway Safety Fund, the contribution of the Central Government would be supplemented to the extent of Rs 711 cr through Safety Surcharge, taking the total outlay under SRSF to Rs 2,311 cr.

79. Sir, the total outlay under Capital on the five major plan project heads this year has been kept at Rs 2,716 cr with Rs 1,005 cr on New Lines, Rs 703 cr on Gauge Conversion, Rs 443 cr for Doubling and Rs 122 cr for Electrification. The outlay on metropolitan transport projects, which has been kept at Rs 443 cr, includes multi-lateral funding for the Mumbai Urban Transport Project.

80. Apart from this, Rs 730 cr are being allotted to several works in the planheads New Lines, Doubling, Gauge Conversion and Railway Electrification, which are to be executed by the Rail Vikas Nigam.

81. The outlay on safety related planheads, inclusive of outlay given under the Special Railway Safety Fund, is Rs 2605 cr for Track Renewals, Rs 302 for the Bridges and Rs 689 cr for Signalling & Telecommunications.

Budget Estimates, 2003-2004

82. Sir, I shall now deal with the Budget Estimates for 2003-2004.

83. The Railways are expecting to carry 540 million tonnes of revenue earnings originating traffic during 2003-2004, which is 25 million tonnes more than the traffic of 515 million tonnes likely to be lifted in the current year and this increase is higher than the average incremental freight achieved in the last few

years. However, taking note of the prevailing trend in the economy and the various measures being taken by the Railways, this target is expected to be achieved. The originating passenger traffic is estimated to go up by about 3 per cent resulting in increase in earnings of 7 per cent over the Revised Estimates of the current year. The 'Other Coaching' earnings are expected to grow by 7 per cent. Sundry Other Earnings, for 2003-2004 have been estimated at Rs 990 cr, representing a growth rate of 5 per cent over the Revised Estimates of the current year.

84. On the basis of these assumptions, the Gross Traffic Receipts (GTR) are estimated at Rs 43,495 cr. These are Rs 2,628 cr higher than the Revised Estimates of the current financial year.

85. Railways' Ordinary Working Expenses estimated at Rs 32,460 cr are 7 per cent higher than the Revised Estimates of the current year. Appropriation to Pension Fund is placed at Rs 6,385 cr. Based upon the anticipated requirement for plan resources, a provision of Rs. 2005 cr has been made towards Appropriation to Depreciation Reserve Fund .

86. The total Working Expenses will, thus, amount to Rs 40,850 cr leading to the Net Traffic Receipts of Rs 2,645 cr. Net Miscellaneous Receipts are estimated at Rs 888 cr, which also take into account the amount likely to be collected through levy of surcharge on passenger fares for being appropriated to the Special Railway Safety Fund. Thus, the Net Revenue works out to Rs 3,533 cr.

87. A memorandum on the rate of dividend payable to General Revenues has been submitted to the Railway Convention Committee. Meanwhile, dividend for 2003-2004, has been provided at the same rate as adopted for 2002-2003. On this basis, dividend liability for 2003-2004 works out to Rs 2,930 cr. Along with certain other dues, an amount of Rs 2,978 cr becomes payable to the General Revenues. This liability will be discharged in full.

88. The above projections are expected to yield funds sufficient to meet the requirement of the Plan outlay for the year, from the internal resources.

89. With a view to make the Freight rates and Passenger fares competitive and increase Railways' share in transport sector, it is necessary to continue the process of rationalisation and re-balancing of Tariffs. In order to attract more traffic to rail, I am proposing certain other measures and reforms.

Freight Services

90. Sir, for year 2002-2003 I did not make any across-the-board increase in freight rates. For the year 2003-2004, I do not propose any increase in freight rates for any commodity.

91. While rationalising the freight structure, the total number of classes was reduced from 59 to 32 with Class-90 as the lowest class and Class-300 as the highest class. In freight structure so rationalised, the ratio between the highest and the lowest freight rate was reduced from 8.0 to 3.3. It is proposed to reduce further the band of freight rates through compaction in freight classification by lowering the highest class from Class-300 to Class-250. In the revised classification, the total number of classes will be reduced from 32 to 27 and the ratio between the freight rates for the highest and the lowest class will be further reduced from 3.3 to 2.8.

92. To make the freight rates competitive, it is proposed to reduce the classification of certain commodities where Railways are facing stiff competition due to high freight rates. The classification of Petrol for trainload movement is proposed to be reduced by three stages from Class-280 to Class-250, lowering the freight rates by 10.7 per cent. The classification of certain other commodities is proposed to be reduced by two stages. These commodities include High Speed Diesel Oil (HSD), Furnace Oil, Crude Oil, Naptha, Liquefied Petroleum Gas (LPG), Compressed Gases, Lubricating Oils, Iron & Steel, Pig Iron, Iron Scrap, Cement sheets, Petroleum Coke and Soda ash. Some of the liquid commodities, carried in tank wagons, namely Molasses, Bitumen, Refined vegetable oils (Div. A), and Sulphuric acid are also proposed to be charged two stages lower than their existing classes. The proposed reduction in freight rates due to lowering of classification by two stages will range from 5.3 per cent to 9.5 per cent. The classification of Cement, Clinker, Manganese Ore and Caustic Soda Liquid (in tank wagon) are proposed to be reduced by one stage, which will reduce the freight rates by around 3.7 per cent. Details of the re-classification of these commodities, along with the existing and proposed freight rates for selected distances, are given in the Memorandum Explaining the Budget Proposals for Adjustment in Freight Rates and Fares.

93. There are certain groups of commodities, which are assigned different classes based on their different physical forms such as lumps, powder etc. In order to initiate simplification in the classification of such groups of commodities, which are loadable upto the full carrying capacity of wagons, a single uniform class will be assigned for each such group. Iron Ore, in its different forms, such as lumps, powder, fines,

pellets etc., which are currently classified from class-120 to class-125 would now be charged uniformly under class-120 for trainload. Similarly, other selected groups of commodities, namely Manganese Ore, Gypsum, Bauxite, Limestone & Dolomite, Soapstone and Chalk will be assigned a single uniform class for each group. The details of the existing and proposed classification of these groups of commodities are given in the Memorandum Explaining the Budget Proposals for Adjustment in Freight Rates and Fares.

94. In order to increase its share in transportation of Petroleum products, Railways are ready to consider long-term agreements with individual oil companies for further reduction in freight rates on sector-to-sector basis if guaranteed volumes of additional traffic are committed for rail movement.

95. With the liberalisation of Indian economy, the pattern of industrialisation is undergoing a significant change with production centres coming closer to the source of raw materials or consumption centres. The average distances over which some of the major commodities are moved by rail have been gradually declining and Railways have to take various measures to capture short lead traffic. In the Railway Budget 1999-2000, freight concession of 25% was granted to traffic booked for distances upto 50 km. as the minimum distance for charge is 100 km. This measure has shown positive results and generated additional revenue to the Railways. It is now proposed to rationalise the charging of freight for all traffic booked upto 100 km. through a scheme of graded concessions. Under this scheme, 50 per cent freight concession will be allowed for traffic booked upto 50 km. followed by 25 per cent concession from 51 km. to 75 km. and 10 per cent concession from 76 km. to 90 km. In the proposed rationalisation, the freight rate per tonne per kilometer for these distance slabs would be exactly the same.

96. The rail users have an option to pay freight charges either at the time of booking or at the time of delivery at destination station. Presently, if the freight is not paid at the time of booking, a 'to-pay' surcharge of 10 per cent on normal freight is levied for all commodities other than Coal. In the case of coal traffic, 15 per cent "to-pay" surcharge is levied. The rail users consider this surcharge excessive. Therefore, it is proposed to reduce the 'to-pay' surcharge from 15 per cent to 10 per cent for coal and 10 per cent to 5 per cent for all other commodities.

97. There are many commodities, which have a wagonload class only. It has been decided that any commodity, which has only a wagonload class, will be assigned a trainload class one stage lower than its wagonload class. As a result, the freight will get reduced by around 4.00 per cent to 5.26 per cent if such a commodity is now offered for trainload booking.

98. Freight movement on the Indian Railways is predominantly in the form of block rakes from one originating station to a single destination point. However, with a view to reduce the carrying cost of the customers, block rake movement from one originating station to two destination points close to each other and vice-a-versa is also being permitted. At present, such two-point block rakes enjoy the benefit of lower trainload rates only upto the common point of movement. It has been decided that two-point block rakes will now be granted the benefit of trainload rate for the entire distance of transportation.

99. At present, clubbing upto six consignments is permitted in a broad gauge 8-wheeler wagon. In order to provide rail transportation to a larger number of traders and retailers, it has been decided to allow clubbing upto twelve consignments, on payment of Rs 100 for every additional Railway Receipt.

100. The wages of the railway staff deployed in private sidings are being traditionally charged to the siding owners. In order to give relief to the siding owners, Zonal Railways will undertake a thorough review to reduce the cost of railway staff being charged to the private siding owners in a phased manner.

101. Siding owners generating freight earnings of more than Rs. 25 crore per annum from traffic originating from their sidings have been designated as Premier Customers of the railways. An incentive scheme for the Premier Customers to help them increase the rail share of transport is being introduced. Premier Customers would be granted a freight rebate of 2 per cent for every five crore rupees of net additional originating freight earnings over the previous financial year generated to the railways. The rebate under this scheme will be granted in addition to any other freight concession availed by them. However, this incentive scheme will be applicable to net additional originating freight earnings from commodities placed in Class-135 and above.

Passenger Services

102. Sir, this year I do not propose any increase in Passenger fares.

103. Last year, the fare structures of Mail/Express, Ordinary Passenger trains and Monthly Season Tickets (MST) were rationalised. This year, it is proposed to rationalise the fares of Rajdhani and Shatabdi Express trains. A separate fare structure for Rajdhani and Shatabdi Express trains was introduced in the

year 1995-96 which does not have a fixed relationship with the fares of Mail/Express trains. It is now proposed to link the fares of Rajdhani and Shatabdi Express trains to the rationalised fare structure of Mail/Express trains, fixing the basic fare for each class of Rajdhani and Shatabdi Express trains 15 per cent higher than the fares of corresponding class of Superfast Mail/Express trains on a uniform basis. Charges for catering services, as per requirement of the journey, would be added to the basic fares. Sir, as a result of this rationalisation, the basic fares of different classes of Rajdhani and Shatabdi Express trains will be lower for most of the pairs of stations. In exceptional cases, fares may be marginally higher for a few pairs of stations in which case, the existing fares will apply. The details of the existing and proposed end-to-end fares for Rajdhani and Shatabdi Express trains are given in the Memorandum Explaining the Budget Proposals for Adjustment in Freight Rates and Fares.

104. I am glad to inform that all the sixteen Jan Shatabdi Express trains, announced during last year's Railway Budget have been introduced. The fare structure for Jan Shatabdi Express trains was fixed 10% higher than the fares of Superfast Mail/Express trains. Additional charges for catering services were included in the ticket fare. To make Jan Shatabdi Express trains more popular, it is proposed to reduce the basic fare from the existing mark-up of 10% to 5% over the fares of corresponding class of Superfast Mail/Express trains and make the catering services optional on these trains.

105. In order to benefit the passengers and also to give competitive edge to rail travel, it is proposed to introduce the concept of reduced fares in selected trains during the non-peak period. As an experimental measure, 10 per cent reduction in the basic fares of AC First and AC 2-tier of all Rajdhani Express trains would be given for travel during the period from 15th July to 15th September this year.

106. At present, if a wait-listed passenger boards a Rajdhani or Shatabdi Express train, excess fare, equal to the ticket fare, is charged. It is felt that this penal charge needs a revision. It has been decided that the rules in respect of waitlisted passengers boarding Mail/Express trains will now be applicable to waitlisted passengers of Rajdhani, Shatabdi and Jan Shatabdi Express trains also.

Parcel and Luggage Service

107. In order to simplify the booking procedure of Parcel and Luggage traffic and optimize the use of transport capacity available for carriage of parcels by different trains, it is proposed to rationalise the rate structure for booking of Parcel and Luggage traffic. At present, parcels are charged under seven different Scales based on the type of the commodity. It is proposed that all types of commodities, including Luggage, will now be charged uniformly at the same rate, under four Scales, depending on the type of service selected by the customer. The highest Scale-R, for Rajdhani service, will be applicable to all Rajdhani Express Trains. The next Scale-P will be for Premier service by certain notified Mail/Express trains. The next lower Scale-S, for Standard service, will apply to other Mail/Express, Shatabdi Express and Parcel Express trains. The lowest Scale-E will be for Economy service by Ordinary Passenger trains. In the rationalised structure, the number of Scales for charging of Parcel and Luggage traffic will be reduced from 7 to 4 and the ratio between the highest and the lowest rates will reduce from 8.7 to 6.2 Newspapers and Magazines will now be charged at the same rates under the lowest Scale-E by all trains. The rationalised rates for Parcel traffic under the new structure will be lower than the existing rates. The details of the existing and proposed rates for different commodities between a few selected pairs of stations are given in the Memorandum Explaining the Budget Proposals for Adjustment in Freight Rates and Fares.

108. All the above proposals will come into effect from 1.4.2003.

109. Sir, achievements of a vast organisation like Indian Railways reflect the sincerity and dedication of the railwaymen, who deserve appreciation. They will ever be ready to fulfil the public expectations and aspirations. I express my gratitude to respected Prime Minister for his continued encouragement and kind support and I firmly believe that Indian Railways would establish new dimensions of progress under his guidance. I also thank and express my gratitude to Hon'ble Finance Minister for giving adequate support to the Railways. I am confident that they would be obliging the Railways by providing additional funds generously in the coming year for accelerated execution of the Railway Projects. I thank Hon'ble Members for their support and suggestions and hope that they would continue the same in future too.

110. Sir, with these words I commend the Railway Budget 2003-2004 to the House.
