

Budget 2014-2015
Speech of
Shri D.V. Sadananda Gowda
Minister of Railways
July 8, 2014

Madam Speaker,

1. I rise to present before this august House the Statement of Estimated Receipts and Expenditure for 2014-15 for Railways. As I stand in this Temple of Democracy, I owe this opportunity to the people of this country who have elected us to represent them and to shape their destiny.
2. I am grateful to the Hon'ble Prime Minister Shri Narendra Modi ji for having reposed his faith in me and entrusting this huge responsibility of leading Indian Railways. I promise to fulfill this responsibility and make every endeavour not only to lead Indian Railways, but also aid in building a vibrant India under the dynamic leadership of Shri Narendra Modi ji.
3. It gives me immense pleasure to present my maiden Railway Budget. Indian Railways, being the nation's prime mover, is the structure and soul of Indian economy. It echoes rhyme and rhythm in the hearts of every citizen of this country - from Baramulla in the North to Kanyakumari in the South and from Okha in the West to Lekhapani in the East. Madam Speaker, we all know that Indian Railways cut across all barriers of regions, classes and creed and is a microcosm of India on the move.
4. From a man on the streets of Bengaluru to fish vendors in Kolkata to the hustle bustle at Nizamuddin Station, everywhere you find a citizen of this country rushing to connect with Indian Railways.
5. Madam Speaker, though I am hardly a month old in the office, I am flooded with requests and suggestions for new trains, new railway lines and better services from the Hon'ble Members of the Parliament, from my colleagues in the Government, from States, from stake holders, from organizations and from people of all walks of life. I know that everybody feels that they have a solution for the

challenges which Indian Railways face. I too thought so when I was an outsider to this system before I was exposed to the intricacies and complexities of this vast organization. Now, I am overwhelmed with the enormity of my responsibility in fulfilling these expectations as Minister of Railways.

This, Madam Speaker, reminds me of Kautilya's words -

प्रजासुखे सुखं राज्ञः प्रजानां च हिते हितम् ।
नात्मप्रियं हितं राज्ञः प्रजानां तु प्रियं हितम् ॥

In the happiness of the **people** lies the **Ruler's** happiness
Their welfare is his welfare
What pleases him, the **Ruler** shall not consider good
but whatever pleases his **people**
the **Ruler** shall consider good

- Kautilya's Arthashastra

6. Indian Railways run 12617 trains to carry over 23 million passengers per day connecting more than 7172 stations spread across the sub continent. It is equivalent to moving the entire population of the Australia. We run more than 7421 freight trains carrying about 3 Million Tonnes of freight every day. Madam Speaker, having achieved the distinction of entering the select club of railways of China, Russia and USA in carrying more than one billion tons of freight, I now target to become the largest freight carrier in the world.
7. Madam Speaker, as you know, apart from serving the passengers, Indian Railways carries coal
 - It carries steel
 - It carries cement
 - It carries salt
 - It carries food grains and fodder
 - and it also carries milk.

Thus, Indian Railways practically carries anything and everything and it never says no to 'a thing' if it fits in the wagons. Most importantly, we are the backbone of supply chain of the defence establishment and play a very crucial role in security of the nation.

8. Madam Speaker, while we carry 23 million passengers a day, there are still large number of people who have not set a foot on a train yet. We carry over one-billion tonnes of freight a year, connecting ports and mines to industrial clusters, but still there are vast tracts of hinterland waiting for rail connectivity. Though freight business has grown steadily over the years, Indian Railways carry only 31% of the total freight carried in the country by all modes. These are the challenges we have to face.
9. Madam Speaker, an organization of this magnitude vested with varied responsibilities, is expected to earn like a commercial enterprise but serve like a welfare organization. These two objectives are like two rails of the railway track, which though travel together but never meet. So far, Indian Railways have managed to do tight-rope walking by balancing these twin conflicting objectives.
10. Social service obligation rose from 9.4% of Gross Traffic Receipts in 2000-01 to 16.6% in 2010-11. In 2012-13, such obligations stood over ₹ 20,000 crore. The total investment, which is the Plan Outlay under budgetary sources, in the same year, was ₹ 35,241 crore. As an amount, the burden of social service obligation is more than half of the size of our Plan Outlay under budgetary sources.
11. Madam Speaker, an organization spending an amount equivalent to more than half of its Plan Outlay under budgetary sources on social obligations, can hardly have adequate resources for its development works.

However, Madam Speaker, Indian Railways would continue to fulfill its social obligations, but sustaining these objectives beyond a point is not possible without compromising on efficiency and safety of train operations.

12. We have a total track length of 1.16 lakh kilometers; 63,870 coaches; more than 2.4 lakh wagons and 13.1 lakh employees. This calls for

expenditure on fuel, salary and pension, track & coach maintenance and more importantly on safety works. This takes up most of our earning from the Gross Traffic Receipts. In the year 2013-14, Gross Traffic Receipts were ₹ 1,39,558 crore and total Working Expenses were ₹ 1,30,321 crore, which works out to an Operating Ratio of almost 94%.

13. This, Madam Speaker, implies that we spend 94 paise out of every rupee earned, leaving 6 paise only as surplus. This surplus, apart from being meager, is continuously on decline due to non-revision of fare. 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.

Madam Speaker, this meager surplus so generated is required to finance the Plan Outlay for safety, capacity expansion, infrastructure, improving passenger services and amenities.

14. Funds to the tune of about ₹ 5 lakh crore i.e. around ₹ 50,000 crore per year for next 10 years, are required for ongoing projects alone. This leaves a huge gap between what is available as surplus and what is needed.
15. While prudent efforts should have been made to address this gap, the tariff policy adopted lacked rational approach. Passenger fares were kept lower than costs, thus causing loss in the passenger train operations. This loss kept on increasing from 10 paise per passenger kilometer in 2000-01 to 23 paise in 2012-13, as the passenger fares were kept low always.
16. On the other hand, freight rates were revised periodically and kept high in order to compensate the losses sustained in passenger sector resulting in freight traffic getting diverted consistently. Also the share of railways in freight traffic came down consistently in the last 30 years. Madam Speaker, it is important to note that decline in the share of total freight traffic is potential revenue loss.
17. Madam Speaker, having spoken about how revenue was frittered away, now, let me touch upon how the investments were misdirected.

18. There has been focus on sanctioning projects rather than completing them. In the last 30 years, as many as 676 projects were sanctioned worth ₹ 1,57,883 crore. Of these, only 317 projects could be completed and 359 projects remain to be completed which will now require as much as ₹ 1,82,000 crore.
19. In the last 10 years, 99 New Line projects worth ₹ 60,000 crore were sanctioned out of which only **one** project is complete till date. In fact, there are 4 projects that are as old as 30 years, but are still not complete for one reason or another. The more projects we add, the thinner we spread our resources and longer it takes to complete them.

I am sure, if this trend is allowed to continue, many more thousands of crore will get spent yielding hardly any returns.

20. Madam Speaker, having spoken about never-ending projects of Indian Railways, let me throw some light on the kind of priority accorded in choosing projects. It is investment in doubling and tripling to decongest the over-utilized network, which brings money to Railways. On the other hand, construction of new lines, most of the times do not even meet operational cost as there is no commensurate demand.
21. In the last 10 years, Indian Railways made an investment of over ₹ 41,000 crore in laying 3738 kilometers of New lines. On the other hand, it spent only about ₹ 18,400 crore for doubling of 5050 kilometers though it was a priority for the health of the system.
22. I would like to read a comment on Indian Railways by someone, which I chanced upon. I did not understand it till I learnt about the facts I talked about so far:

“It is unheard of a business that has a monopoly,
that has nearly 125 crore customer base,
that has 100% sale on advance payment;
but still starved of funds.”

This, Madam Speaker, is the story of Indian Railways so far.

23. Railways serving the social obligation would not have been an issue. However, in the name of social viability, the chosen projects were populist in nature, bringing hardly any revenue to the Railways. Investments continued in non-remunerative projects in the name of social responsibility. On the whole, neither the projects brought returns to Railways nor the social responsibility was met in full for many years.
24. This mismanagement and apathy brought Railways into the situation of severe funds crunch for many years, which is a result of the 'decade of golden dilemma' - the dilemma of choosing between commercial viability and social viability.

Madam Speaker, I am sure, my esteemed predecessors were aware of this precarious situation, but they, however, fell prey to the '*nasha*' of claps in the House when they announced these projects.

25. Madam Speaker, I also can get claps from this august House by announcing many new projects, but that would be rendering injustice to the struggling organization. I would like to take claps throughout the year by setting things in order.
26. This state of affairs of Indian Railways needs immediate course correction. Among the many corrective steps that I have planned out, fare revision was one, which was a tough but a necessary decision. Madam Speaker, as they say -

यत्तदग्रे विषमिव परिणामे अमृतोपमम्।

“The medicine appears as bitter in the beginning,
but is like nectar in the end.”

This fare revision will bring Indian Railways an additional revenue of about ₹ 8,000 crore. However, we need more than ₹ 9 Lakh crore to complete the Golden Quadrilateral Network and about ₹ 60,000 crore for introducing one bullet train alone.

But Madam Speaker, can I depend only on hiking fare and freight rates and burden the public to realize these funds?

This is unrealistic. Thus, I need to explore the alternate means of resource mobilisation.

I. RESOURCE MOBILISATION

1. **Leveraging Railway PSU Resources**

Madam Speaker, Railway PSUs have done very well and are financially sound. I propose to launch a scheme to bring in investible surplus funds of Railway PSUs in infrastructure projects of Railways, which can generate attractive returns for PSUs.

2. **Private investment in Rail Infrastructure through Domestic and Foreign Direct Investment (FDI);**

Growth of Railway Sector depends heavily on availability of funds for investment in rail infrastructure. Internal revenue sources and government funding are insufficient to meet the requirement. Hence, Ministry of Railways is seeking Cabinet approval to allow FDI in Rail Sector.

3. **Public Private Partnership:**

There has been a lot of talk about public private partnership for raising resources. Railways being a capital intensive sector have not been successful so far in raising substantial resource through PPP route. Madam Speaker, it is my endeavor to pursue this in right earnestness. It is our target that bulk of our future projects will be financed through PPP mode, including the high-speed rail which requires huge investments.

Madam Speaker, apart from mobilizing resources, I also need to strategically manage other aspects of railway planning and administration.

4. To meet this end, I propose the following initiatives:

- a) Near Plan Holiday approach;
- b) Prioritizing and setting timelines for completion of the ongoing projects;

- c) Devising a mechanism for raising funds for Rail infrastructure;
- d) Decision Support System for project implementation;
- e) Strategic partnerships and transparency in procurements;
- f) Aggressive indigenization of imported products;
- g) Adopting safety standards matching international practices and setting up of Simulation Center to study causes of accidents.
- h) Encouraging development of Locomotives, Coaches and Wagon Leasing Market.

Now, Madam Speaker, let me place before this august House the Financial Performance of 2013-14:

II. FINANCIAL PERFORMANCE 2013-14:

1. Since presentation of Interim Budget and passing of the 'Vote on Account' in February last, financial position has undergone a change. Madam Speaker, Railways carried 1050.18 million tonnes. Goods Earnings were short only by ₹ 94 crore. Originating passengers, also, were less by 46 million over Revised target and Passenger earnings were short by ₹ 968 crore over Revised target.
2. Over all, though the Gross Traffic Receipts grew by 12.8% to reach ₹ 1,39,558 crore, it was short of Revised target by ₹ 942 crore. On the other hand, Ordinary Working Expenses stood at ₹ 97,571 crore, which was in excess by ₹ 511 crore.
3. Appropriation to Pension Fund had to be stepped up to match the actual outgo.
4. As a result, instead of ending the year with a surplus of ₹ 7,943 crore, the surplus was actually ₹ 3,783 crore i.e., a shortfall of ₹ 4,160 crore. This is after fulfilling the dividend commitment of ₹ 8,010 crore.
5. The internal resource generation for Plan, in 2013-14, was ₹ 11,710 crore, as against Revised target of ₹ 14,496 crore. This is short by ₹ 2,786 crore.

6. In simple language, in 2013-14, there was a decline in traffic growth as compared to Revised projections. Expenditure however, shot up and was more than what was estimated. The Operating Ratio deteriorated by 2.7% over Revised target to touch 93.5% by end of 2013-14 fiscal.
7. So far as our Plan Expenditure for 2013-14 is concerned, it fell short of Revised target of ₹ 59,359 crore mainly due to non-materialization of PPP targets.

Madam Speaker, now I proceed to present before this House the Budget Estimates for the year 2014-15.

III. BUDGET ESTIMATES FOR 2014-15:

1. Anticipating a healthier growth of economy, I hope to achieve total receipts of ₹ 1,64,374 crore and would peg total expenditure at ₹ 1,49,176 crore.
2. I anticipate freight traffic growth of 4.9% amounting to 1,101.25 million tonne, an increment of 51.07 million tonne over 2013-14, based on trends in the first two months. I also anticipate a small growth in Passenger Traffic over 2013-14. Earnings from Freight Traffic are estimated at ₹ 1,05,770 crore and from Passenger Traffic ₹ 44,645 crore.
3. The fare revision which came into effect from 25.06.2014 has provided Railways a much needed respite however little it may be. As I have considered the requests of the suburban passengers for revision in monthly season ticket fares, the Revenue foregone on this account would be around ₹ 610 crore.
4. Here I may point out that periodic revision in passenger fare and freight rates, as approved by this august House, will be linked to revisions in fuel prices in order to insulate the Railway revenues from fuel cost escalation.
5. Madam Speaker, out of total expenditure, the ordinary working expenses have been proposed at ₹ 1,12,649 crore, which is

₹ 15,078 crore higher than 2013-14. This has been necessitated by fuel price hike and increase in staff costs. Pension outgo in 2013-14 had grown by about 16%. Keeping the same trend, provision for pension is kept at ₹ 28,850 crore.

IV. ANNUAL PLAN 2014-15:

1. Madam Speaker, I thank the Finance Minister for extending Additional Budgetary Support of ₹ 1,100 crore as Capital and ₹ 273 crore as Railway share from diesel cess for important Road Safety works. Largely owing to this measure and to the additional resource mobilization efforts, I propose to increase the plan outlay under budgetary sources to ₹ 47,650 crore which is higher by ₹ 9,383 crore over 2013-14. A large part of this higher plan outlay goes to safety related works which is also a high priority of our Government.
2. As I have increased internal resource component of Plan, I propose to scale down market borrowings through Indian Railway Finance Corporation to ₹ 11,790 crore. Resources from PPP are kept at the interim level.
3. Madam Speaker, time overruns and consequential cost escalations in completion of most of the railway projects have been a chronic worry of Railways for years. I propose to provide full financial outlays to projects targeted for completion in the current year itself, keeping in mind the priorities and safety. I have ensured adequate allocations for 30 priority works for their timely progress.
4. It is my concern to allocate the available resources to high priority areas like safety and capacity augmentation in train operations and in improving amenities and services for passengers, with high emphasis on cleanliness.

Madam Speaker, let me now spell out details of the focus areas of this Budget:

V. PASSENGER AMENITIES & STATION MANAGEMENT

Amenities at Stations:

1. In the passenger amenities, Indian Railways envisage to provide foot-over bridges, escalators and lifts at all major stations including through PPP route.
2. Indian Railways would make earnest attempt this year to provide sufficient water supply, platform shelters and toilets at the Railway Stations.

Passenger Amenities through private entity:

3. Indian Railways propose to extend service of Battery-operated Carts to facilitate differently-abled and senior citizens to reach any platform comfortably at all major stations.
4. We propose to involve individuals, NGOs, Trusts, Charitable Institutions, Corporates, etc. to provide passenger amenities at stations.

Office on Wheels:

5. As Indian Railways carry lot of business travellers who spend substantial time on travel, in order to add best value to their time, I propose to provide workstations in select trains on payment basis. A pilot project will be launched by this year.

e-Booking of Railway Retiring Room:

6. Online booking facility of Railway Retiring Room will be extended to all the stations during the course of the year.
7. Madam Speaker, extending passenger friendly services is the motto of Indian Railways. In this direction, I am expanding the scope of online booking:

People can book a Train
People can book a Coach
People can book a Berth and
People can book a Seat in Chair Car

VI. CATERING

Madam Speaker, catering on Railways has been a major issue of concern for long.

1. In order to improve the quality, hygiene of on-board catering services and to provide variety, I propose to introduce Pre-cooked (Ready-to-eat) Meals of reputed brands in a phased manner.
2. Further, I sincerely desire to bring perceptible improvement in the catering services by introducing Quality Assurance Mechanism through Third Party Audit by NABCB certified agencies.

In addition to the third party audit, a system of collecting feedback through IVRS mechanism, from the travelling passengers on the quality of food served, will be launched shortly.

If the service is not to the standards set, especially in hygiene and the taste, severe action would be initiated against the vendors including cancellation of the contract.

Food Courts at Stations and Regional Cuisine while onboard:-

3. Indian Railways also proposes to set up Food Courts at major stations to provide the option of ordering regional cuisine while onboard, through emails, SMS and Smart Phones, etc. A pilot project will be started shortly between New Delhi-Amritsar and New Delhi-Jammu Tawi sections.

VII. CLEANLINESS

Madam Speaker, 'Cleanliness is next to Godliness', said Mahatma Gandhi, our beloved Father of the Nation.

1. Madam, I am aware of the sorry state of affairs of cleanliness in the trains and stations. Railways have been attaching high priority to cleanliness, but it has always been a challenge to maintain the acceptable level of cleanliness owing to the sheer number of passengers handled at the stations.

2. Madam Speaker, I have substantially increased budget allocation for cleanliness in the current year, which is a 40% increase over the previous year. I propose to outsource cleaning activities at 50 major stations to professional agencies and to set up a separate Housekeeping Wing to have focused attention and exclusive responsibility of maintaining cleanliness and sanitation at stations.
 3. Madam Speaker, a Corpus Fund for upkeep will be set up at Stations.
 4. Use of CCTVs at Stations will be extended to monitor cleanliness activities. All-India level complaint / helpline number will be printed on the back of all PRS tickets. System of periodic third-party inspections will be introduced.
 5. Further, Bio-toilets will be increased in sufficient numbers in trains in order to mitigate the problem of direct discharge of human waste on the tracks and platform aprons at stations.
 6. Onboard Housekeeping Services, currently operational in 400 trains, **has received** good feedback from passengers. This will be extended to all the important trains. I also propose to increase Mechanized Laundries in order to improve quality of the bedrolls provided in AC Coaches.
- Potable Water:**
7. We will introduce on an experimental basis RO drinking water units at Stations and in trains.
 8. Reputed and willing NGOs, charitable institutions and Corporate Houses will be encouraged to adopt and maintain stations for better cleanliness and upkeep.

VIII. SAFETY

1. Madam Speaker, safety of passengers is of paramount importance for Indian Railways. It is estimated that over ₹ 40,000 crore would be needed to be invested in track renewals, elimination of unmanned level crossing and construction of Road-under-bridges and Road-over-bridges.

2. I have received lot of requests from various States for construction of Road-over-bridges and Road-under-bridges. I am making provision of ₹ 1,785 crore for Road-under-bridges and Road-over-bridges in this Budget. I would request concerned State Governments to expedite their proposals and pass on their share of the cost. I have decided to introduce a system of speedy clearances.

We intend to standardize designs and make these online. Delegation shall be done so that power of sanctioning is decentralized.

Elimination of Unmanned Level Crossings

3. Indian Railways have 30348 Level Crossings, out of which 11563 are unmanned. Each unmanned level crossing is being examined in detail and depending on **the** site condition, action will be taken to eliminate it by suitable modality.
4. Indian Railways propose to use modern Vehicle Borne Ultrasonic Flaw Detection System to detect rail and weld fractures. In addition Ultrasonic Broken Rail Detection System (UBRD) will also be tried at two locations as a Pilot Project.
5. In order to improve the safety of travelling passengers, I propose to bring in technology for automatic closing of doors before start of train, both in main line and in sub-urban coaches. A pilot project for limited number of trains will be taken up.

IX. SECURITY

1. In order to strengthen security in trains and at Stations, 17000 RPF constables have been recruited and shall be shortly available for deployment. We also propose to recruit 4000 women RPF constables.
2. **In order to ensure security of ladies travelling alone, special instructions are being issued for their safety in each class of travel. With the induction of women RPF constables, coaches for ladies will be escorted. Additional care will be taken for ladies travelling alone in all classes.**

3. RPF escorting teams in trains will be provided mobile phones so that passengers can contact them when in distress. Security helpline will be augmented.
4. We will explore the possibility of building of boundary walls around stations through PPP route.

X. RAIL TOURISM

1. Madam Speaker, I foresee a huge untapped potential in the field of domestic tourism in our country. **We plan to take up Eco-Tourism and Education Tourism in North Eastern States.**
2. Special Pilgrim Circuits like Devi Circuit, Jyotirling Circuit, Jain Circuit, Christian Circuit, Muslim / Sufi Circuit, Sikh Circuit, Buddhist Circuit, Famous Temple Circuit etc. have been identified. I propose to introduce specially packaged trains for these circuits. Private participation in this area will also be encouraged. I intend to introduce some trains for Pilgrims and Tourists in short run also.
3. One Tourist Train will run from Gadag to Pandarpur via Bagalkot, Bijapur and Solapur covering the pilgrim and tourist places of Karnataka and Maharashtra. Another such train will start from Rameshwaram covering pilgrim and tourist places like Bengaluru, Chennai, **Ayodhya, Varanasi and Haridwar**. I also plan to run a special train featuring life and work of Swami Vivekananda to inculcate good moral values and propagate the teachings of Swami Vivekananda.

XI. REVAMPING RAILWAY RESERVATION SYSTEM

1. Madam Speaker, Railway Reservation System will be revamped into Next Generation e-Ticketing System. Ticket booking through mobile phones and through Post Offices will be popularized.
2. We will improve the system capabilities in e-ticketing to support 7200 tickets per minute as against 2000 tickets per minute and allow 1,20,000 simultaneous users at any point in time.

3. Facility of Coin Operated Automatic Ticket Vending Machines will be experimented.
4. Efforts will also be made to provide facility of buying Platform Tickets and unreserved tickets over internet.
5. Parking-cum-Platform Combo Tickets will be launched to facilitate the passengers and to save their time.

XII. STRUCTURAL REFORMS

Madam Speaker, at the moment, the Railway Board, due to overlapping roles of policy formulation and implementation, has become unwieldy. Therefore, I propose to separate these two functions.

XIII. STAFF WELFARE - CARE OF OUR RAILWAY FAMILY

Indian Railways has 13.1 lakh staff most of whom work on the cutting edge of providing rail services. It is my duty that they are taken care by providing adequate facilities. In this direction, I am initiating the following:

- i) Presently an amount of ₹ 500 per capita is contributed towards Staff Benefit Fund. I propose to increase this amount to ₹ 800 per capita.
- ii) I propose to announce a **special scheme for the meritorious wards of Railway persons for their** outstanding performance in academics and sports for such children.
- iii) The **Hospital Management Information system** will be used to integrate all health units, Divisional hospitals and Central Hospitals as well as our empanelled hospitals.
- iv) Examine feasibility of providing air-conditioning in loco cabins;

XIV. SKILL DEVELOPMENT OF STAFF

1. I am contemplating on setting up of a Railway University for both technical and non-technical subjects.
2. We will tie up with technical institutions for introducing railway oriented subject for graduation and skill development.

In the meantime, staff at the ground level will be sent for short duration courses of technical and non-technical nature, involving locally available technical institutions. The exposure for specialized areas like high-speed, heavy haul operations, etc. will be undertaken for all level of staff and officers at appropriate institutes in India and abroad.

XV. SPEED OF TRAINS

1. It is the wish and dream of every Indian that India runs a bullet train as early as possible. Madam Speaker, Indian Railways is on its way to fulfill that long cherished dream. We propose bullet trains by starting off with an already identified Mumbai-Ahmedabad sector, where a number of studies have been done.
2. Madam Speaker, it was the vision of our great leader, Shri Atal Behari Vajpayee ji, that gave India the Golden Quadrilateral Road Network. Today, under the leadership of Shri Narendra Modiji, we are embarking on an ambitious plan to have a Diamond Quadrilateral Network of High Speed Rail, connecting major Metros and growth centers of the country. A provision of ₹ 100 crore has been made in this Budget for high Speed project to RVNL / HSRC (High Speed Rail Corridor) for taking further steps.
3. Madam Speaker, while bullet trains would require completely new infrastructure, higher speed for existing trains will be achieved by upgrading the present network. Hence, an effort will be made to increase the speed of trains to 160-200 kmph in select sectors so as to significantly reduce travel time between major cities.

The identified sectors are:

- i) Delhi-Agra
- ii) Delhi-Chandigarh
- iii) Delhi-Kanpur
- iv) Nagpur-Bilaspur
- v) **Mysore-Bengaluru-Chennai**
- vi) Mumbai-Goa
- vii) Mumbai-Ahmedabad
- viii) Chennai-Hyderabad and
- ix) Nagpur-Secunderabad.

XVI. I.T. INITIATIVES

1. Madam Speaker, as you know, the I.T. revolution has permeated into all spheres of human life. It has not only made life comfortable, but also made the service delivery efficient and the onus now is on us to make governance transparent and accountable using I.T. solutions.
2. Though Indian Railways has taken up computerization in a large way, all the efforts have not been in synergized. Hence, the desired results are not achieved. Need of the hour is to bring in a total change in the work culture of Railways and delivery of Railway Services by going in for large scale integrated computerization of major functions of Indian Railways.
3. Madam Speaker, Indian Railways is also going for a computer assisted Enterprise Resource Planning Solution, so that synergy is brought in. To begin with, following initiatives will be taken up:
 - i) Moving towards paperless offices in Indian Railways in 5 years;
 - ii) Next Generation Ticket Reservation System;
 - iii) Wi-fi Services in all A1 and A category stations and in select trains;
 - iv) Real-time tracking of trains and rolling stock;
 - v) Mobile based Wakeup Call System for passengers;
 - vi) Mobile based Destination Arrival Alert;
 - vii) Station Navigation Information System;

- viii) Extension of Dual Display Fare Repeaters at all the Ticket Counters through PPP;
- ix) Digital reservation charts at Stations (Bengaluru model);
- x) Extension of Computerized Parcel Management System;
- xi) Extension of logistics support to various e-commerce Companies by providing designated pick-up centres at identified Stations;
- xii) Providing education to children of Railway staff at remote locations through Railtel OFC (optical fibre cable) network.

Digitization of GIS mapping of land assets of Indian Railways:

- 4. Indian Railways hold vast land assets which need to be digitized and GIS mapped for better management and usage. This would help Railways in protecting the lands as well as leveraging it for raising resources. The resource mobilization using land assets will be explored through private participation in setting up railway related business in railway lands as well as for commercial development

XVII. INNOVATIONS INCUBATION CENTER

- 1. Madam Speaker, in an effort to keep pace with developments of the modern world, Railways have to adopt and reinvent itself constantly. Challenges of tomorrow cannot be met by the tools of yesterday. In this direction, I propose to set up an Innovations Incubation Center. This Center will harness the ideas generated from the staff of Indian Railways and convert them into practical solutions to increase efficiency of the system. Such innovations which result in cost saving as well as revenue generation will be suitably rewarded in the form of incentive.
- 2. As part of this exercise, I also propose to set up summer internships for the under-graduates of engineering and management studies. Students can intern at any of the various units of Railways i.e. Divisions, PSUs and Production Units.

XVIII. GATHERING MORE RESOURCES

- 1. With a large backlog of sanctioned projects, funding continues to be the biggest challenge for the Railways. While private investment and customer funding for some port connectivity projects and few other

Power Sector Projects has started, much more needs to happen if infrastructure creation has to keep pace with the requirement. We will interact with Industry and take further steps to attract investment under PPP through BOT and Annuity route and 8 to 10 capacity augmentation projects on congested routes will be identified for this purpose. Zonal Railways will be suitably empowered to finalize and execute such projects.

2. Madam Speaker, Indian Railways has taken up port connectivity on a priority through PPP mode of funding in tandem with Sagar Mala Project of Port Development. Railways will facilitate connectivity to the new and upcoming ports through private participation. So far, in principle approval has been granted for building rail connectivity to the Ports of Jaigarh, Dighi, Rewas, Hazira, Tuna, Dholera and Astranga under Participative Model Policy of Indian Railways, amounting to a total of over ₹ 4,000 crore.

Coal Connectivity

3. Railways will speed up construction of critical coal connectivity lines in Tori-Shivpur-Kathautia Area, Jharsuguda-Barpalli-Sardega and Bhupdeopur -Raigarh- Mand Area. This will bring nearly 100 Million Tonnes of incremental traffic to railways and will also facilitate faster transportation of coal to Power Houses.

Total Station Development

4. Madam Speaker, we will take up development of identified stations to international standards with modern facilities and passenger amenities on the lines of newly developed airports through PPP mode. Initially, Indian Railways would develop at least 10 major stations of metro cities and important junctions with state-of-the-art facilities, leveraging land and air space in and around the stations.

Private Investment in Railway Logistics

5. Madam Speaker, Indian Railways propose to modernize its logistics operations by setting up Logistic Parks that provide for warehousing, packaging, labeling, distribution, door-to-door delivery and consignment tracking. In order to achieve better efficiency, mechanization of loading and unloading will be given top priority.

6. In the existing pattern of traffic movement of Indian Railways, more than 33% of freight trains over the system run empty since return traffic at existing freight rates is not forthcoming. In order to garner additional revenue by a suitable pricing mechanism, I propose to launch a pilot project whereby automatic rebate from the computerized FOIS system will become available to customers offering traffic over the present expected levels of loaded movement. This would help reduce the empty flows on the Indian Railway System apart from garnering additional revenue.

Parcel traffic:

7. While there has been incremental growth in our parcel earning, I see a huge untapped potential in this segment which needs to be trapped by the Indian Railways. At present, most of the parcel business is hindering the movement of passengers on platforms. It is, therefore, necessary that parcel traffic is segregated to separate terminals where requisite facilities for storage/handling of parcels are made available to the customers and parcel consignments move in dedicated parcel trains running on fixed time table. Accordingly, a scheme for private participation in parcel movement will be launched shortly whereby procurement of parcel vans or parcel rakes by private parties shall be facilitated.
8. **A new design of parcel vans with better tare to pay load is being finalized.** It is expected that by putting these measures in place, we would be able to substantially improve our earnings from the parcel segment.

Private Freight Terminals (PFT)

9. **To develop network of freight terminals, policy of Private Freight Terminals on PPP model is being further refined.**

Movement of Agri-Products

10. I propose to give a boost to rail movement of fruits and vegetables in partnership with the Central Railside Warehousing Corporation (CRWC) by providing requisite facilities of temperature controlled storages at 10 locations viz Vatva, Vishakhapatna, Badagara, Cheriyanad, Bhivandi Road, Azara, Navlur, Kalamboli and Sanand

on Indian Railways in the first phase. The aggregation and distribution from Railway terminal points shall be organized by the CRWC. I hope, apart from avoiding national wastage of these products, this would help producers of fruits and vegetable in different parts of the country in getting better prices for their produce.

11. Madam Speaker, Indian Railways propose to facilitate transportation of milk through rail by providing special milk tanker trains in association with National Dairy Development Board and Amul.

XIX. ENERGY CONSERVATION

1. Madam, it is proposed to harness solar energy by utilizing roof top spaces of Railway Stations, other Railway buildings and land, including through the PPP mode.
2. Indian Railways will start using Bio-Diesel up to 5% of the total fuel consumption in diesel locomotives. This will save precious foreign exchange substantially.

XX. PROJECT COORDINATION & MANAGEMENT GROUP

Railways have been suffering heavily because of time overrun and cost overrun due to poor project management. In order to overcome delays in project execution, I propose to set up Project Management Group **at the level of Railway Board. Similarly, to expedite the projects at the ground level, a Project Monitoring & Coordination Group consisting of officials of State Government, Railways and professionals will be set up.**

XXI. TRANSPARENCY IN RAILWAY FUNCTIONING

1. Simplification of procedures and easy access to information bring transparency and trust in public. Transparency in administration, execution of projects and procurement will be given top priority.

2. Strategic Procurement Policies will be adopted to make the procurement process transparent and most efficient. E-procurement will be made compulsory for procurements worth ₹ 25 lakhs and above.
3. For the convenience of State Governments and other stakeholders, the status of ongoing projects will be made available online.

XXII. CONNECTIVITY TO REMOTE AREAS

Expansion of railways in Hilly States & Northeast regions:

1. Madam Speaker, I am happy to inform the House that there are 23 projects underway in the Northeast, of which 11 are National Projects. I propose to allocate substantially higher funds for these projects compared to previous years. In 2014-15, an outlay of ₹ 5,116 crore is earmarked for projects of North-East. This is 54% jump over allocations in the previous year. With higher allocations and by close monitoring of works in this region, I hope that **Dudhnoi-Mendipathar New Line; Lumding-Badarpur-Silchar Gauge Conversion; Harmuti-Murkongselek and Balipara-Bhalukpong** sections will soon get commissioned. These measures will also give a boost to the State capital connectivity projects in the region.
2. Madam Speaker, this august House is already aware that the Udhampur-Katra Rail link has recently been dedicated to Nation by Hon'ble PM fulfilling the long cherished dream of millions of pilgrims across the country. We have also tied up with Government of J&K for bridging Udhampur-Banihal portion by bus so that passengers can reach Srinagar with one single ticket from origin to destination.
3. Now, Railways will focus on the completion of missing link of Banihal to Katra.

XXIII. RAILWAY PROJECTS IN THE STATES OF ANDHRA PRADESH and TELANGANA

1. There are 29 projects running in Andhra Pradesh and Telangana at an estimated cost of ₹ 20,680 crore. I intend to hold coordination meetings with the officials of the newly created States and consider their requirements so as to give necessary economic boost.

2. On the issues concerning Railways in the twin states of Andhra Pradesh and Telangana, a committee has already been set up of the Railways and State Government officials. Further action will be taken after receipt of the Report of the Committee.

XXIV.GIVING BOOST TO SUBURBAN TRAFFIC

Urban Transport

1. With the challenges posed by the steadily increasing urban population concentration in metros and in million plus cities, a holistic approach to urban transport is required. A smooth and seamless inter-modal access is essential to improve urban mobility and, therefore, a Passenger centric focus will be given to urban transport infrastructure creation. We will coordinate with other transport Ministries and urban bodies to develop optimal systems of integration of Railways with other transport modes.
2. Mumbai city will get 864 additional state-of-the-art EMUs over a period of two years. With completion of the conversion of traction from 1500 Volts DC to 25 KV AC in Mumbai Suburban Railways, the efficiency of operations would improve besides reducing cost of operations.
3. Madam Speaker, as you are aware, Bengaluru with bustling business activity attracts large commuters from surrounding rural areas and towns necessitating better connectivity of Bengaluru City with its suburban areas and hinterland. Study to Explore Possibility of enhancing the existing IR network of Bengaluru for meeting the above need will be taken up.

In addition, to cater to the demand of Passenger Traffic in Bengaluru area, Byyappanahalli will be developed as a coaching terminal.

XXV. FREIGHT BUSINESS

Online Wagon Demand registration:

1. Online registration of demand for wagons will be launched in the next two months. This will facilitate online payment of Wagon Registration fee as well as registering demand for wagons. Further a process for ERR (Electronic Railway Receipt) will also be initiated during the year.

2. Indian Railways propose to introduce corrosion-free wagons with low tare weight for movement of salt.
3. Dedicated Freight Corridor Project Implementation of Eastern and Western DFCs, a critical infrastructure project, will be closely monitored. The World Bank loan agreement for Kanpur-Mughalsarai section of Eastern corridor of Dedicated Freight Corridor will be signed in the current year for US\$ 1100 million. During 2014-15, award of nearly 1000 kms of civil construction contracts is targeted.

XXVI. TRAIN STOPPAGES

1. Ever since assuming office, I have received innumerable requests for continuance of experimental stoppages from Hon'ble Members of Parliament and various public representatives. I understand that large number of stoppages have been provided on experimental basis over a period of time. While I appreciate the wish of everyone wanting a stoppage close to their place of work or residence, there is a cost to the system for each stoppage. Also too many stoppages result in slowing down of trains and increase the travel time particularly for long distance passengers. If this trend continues, most of our express trains will become passenger trains.
2. I would like to inform the House that I have allowed continuation of these experimental stoppages for a further period of 3 months, that is up to 30th of September 2014. These stoppages will be reviewed solely on the basis of operational feasibility and commercial justification. Demand for new stoppages hereafter will also be considered on the same criteria. We will try to provide alternate train connectivity to meet genuine demands of the public.

XXVII. SURVEYS

1. Besides expansion and capacity augmentation projects, assessment of future needs and requirements in the form of providing connectivity to hitherto unconnected regions, requirement of movement of goods from new production / consumption centre needs to be assessed on a continuous basis. I have also been

receiving requests for projects from the Hon'ble Members, State governments and other public representatives. To honour their requests, I propose to undertake 18 Surveys for New Lines and 10 Surveys for Doubling, 3rd & 4th line and Gauge Conversion Projects in 2014-15. A list is appended at **Annexure-1**.

2. Surveys for Sagar-Chatarpur-Khujraho-Bhopal and Jabalpur-Udaipura-Sagar New line have been completed. I will get them examined expeditiously. Survey for Indore-Jabalpur New line will be expedited.
3. I am happy to announce that the survey for Mysore-Kushalnagar portion of Mysore-Kushalnagar-Medekere New line has been completed and State Government has agreed to share cost of the project. This will provide Rail connectivity to important tourist destinations in Kodagu (Coorg). I propose to pursue this project for obtaining requisite approvals after completion of remaining survey up to Madikere.
4. A survey for new line between Tarighat and Ghazipur has been completed. However, the same needs to be examined by extending survey up to Mau so as to connect the line to the rail network further. It will be undertaken expeditiously.

XXVIII. NEW TRAINS:

1. I would like to inform this august House that while I have received innumerable requests from various quarters for running new train services, resource constraints preclude me from meeting many of them. Nonetheless, to meet the critical demands of the un-reserved and reserved segments for different sectors, I have decided to run Jansadharan group of trains and a Premium group of trains respectively, including those announced in the interim Railway Budget 2014-15. These services would be meeting the demand surges which manifest themselves on special occasions. Special trains would continue to run to meet the holiday and festival rush including services for Melmaruvathur, Velankanni, Jhalawar etc. for which I have received special requests from the public representatives.

2. I also propose to introduce 5 Jansadharan Trains, 5 Premium Trains, 6 AC Express Trains, 27 Express Trains, 8 Passenger Trains, 2 MEMU services and 5 DEMU services. Besides, I also propose to extend the run of 11 existing trains. These have been listed at **Annexure-2**.

Madam Speaker, I am aware that I would receive both praise and criticism alike.

Lastly, I would like to recall a popular verse of Shri D.V. Gundappa, a famous poet, philosopher and writer of Kannada, who wrote under the penname - Mankutimma.

ಸಂದೇಹವೀ ಕೃತಿಯೊಳಿನ್ನಿಲ್ಲವಂದಲ್ಲ /
ಇಂದು ನಂಬಿಹುದೆ ಮುಂದೆಂದುಮೆಂದಲ್ಲ //
ಕುಂದು ತೋರದದನು ತಿದ್ದಿಕೊಳೆ ಮನಸುಂಟು /
ಇಂದಿಗೀ ಮತವುಚಿತ - ಮಂಕುತಿಮ್ಮ

*"It is not that after reading this book, there will be no more doubts.
It is not that what we believe today will hold up forever.
If someone points at some shortcoming,
I have an open mind to correct.
But for now, I believe this is right."*

- Mankutimma

XXIX. With these words, Madam Speaker, I commend the Railway Budget for 2014-15 to the august House.

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अनुलग्नक / ANNEXURE

**Annexure 1
(XXVII, Para No.1)**

List of New Surveys

A) NEW LINES:

- i) Kanhangad-Panathur-Kaniyuru
- ii) Mughalsarai - Bhabua vai Naughar
- iii) Hoshiarpur - Amb - Andaura
- iv) Aurangabad - Chalisgaon
- v) Singrauli - Ghorawal Lusa
- vi) Gabbur - Bellary
- vii) Shimoga - Sringeri - Mangalore
- viii) Badovan - Jhargram via Chandil
- ix) Talguppa-Siddapur
- x) Bhabua-Mundeshwari
- xi) Jind - Hissar
- xii) Gadag- Harphanhalli (Updating)
- xiii) Una-Hamirpur
- xiv) Ujjain-Jhalawar-Agar-Susner-Soyath (Updating)
- xv) Hissar-Narwana
- xvi) Solapur-Tuljapur (Updating)
- xvii) Rail connectivity to Char-Dham, Kedarnath, Badrinath, etc.
- xviii) Rail connectivity to Iron ore mines between Nayagarh-Banspani

B) DOUBLING, 3rd and 4th LINES and GAUGE CONVERSION:-

- i) Doubling of Jaipur - Kota
- ii) Doubling of Chandna-Fort - Nagbhir
- iii) Doubling of Mangalore-Ullal - Surathkal
- iv) Doubling of Rewari-Mahendergarh
- v) Bhusawal- Badnera- Wardha 3rd line
- vi) Kasara- Igatpuri 4th line
- vii) Karjat-Lonavala 4th line
- viii) Itarsi-Bhusawal 3rd line
- ix) Gauge Conversion of Meter Gauge line in Ahmedabad area upto Mahesana.
- x) Gauge Conversion of Pilibhit-Shahjahanpur (Updating)

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Annexure 2
(XXVIII, Para No.2)

List of new Jansadharan Trains, Premium Trains, AC Express Trains, Express Trains, Passenger Trains, MEMU services, DEMU services and Extension of run of existing Trains:

A) Jansadharan Trains

- i) Ahmedabad - Darbhanga Jansadharan Express via Surat
- ii) Jaynagar - Mumbai Jansadharan Express
- iii) Mumbai - Gorakhpur Jansadharan Express
- iv) Saharasa - Anand Vihar Jansadharan Express via Motihari
- v) Saharasa - Amritsar Jansadharan Express

B) Premium Trains

- i) Mumbai Central - New Delhi Premium AC Express
- ii) Shalimar - Chennai Premium AC Express
- iii) Secunderabad- Hazrat Nizamuddin Premium AC Express
- iv) Jaipur - Madurai Premium Express
- v) Kamakhya - Bengaluru Premium Express

C) AC Express Trains

- i) Vijayawada-New Delhi AP Express (Daily)
- ii) Lokmanya Tilak (T) - Lucknow (Weekly)
- iii) Nagpur - Pune (Weekly)
- iv) Nagpur - Amritsar (Weekly)
- v) Naharlagun - New Delhi (Weekly)
- vi) Nizamuddin - Pune (Weekly)

D) Express Trains

- i) Ahmedabad - Patna Express (Weekly) via Varanasi
- ii) Ahmedabad - Chennai Express (Bi-weekly) via Vasai Road
- iii) Bengaluru - Mangalore Express (Daily)
- iv) Bengaluru - Shimoga Express (Bi-weekly)
- v) Bandra (T) - Jaipur Express (Weekly) Via Nagda, Kota
- vi) Bidar - Mumbai Express (Weekly)
- vii) Chhapra - Lucknow Express (Tri-weekly) via Ballia, Ghazipur, Varanasi

- viii) Ferozpur - Chandigarh Express (6 days a week)
- ix) Guwahati - Naharlagun Intercity Express (Daily)
- x) Guwahati - Murkongselek Intercity Express (Daily)
- xi) Gorakhpur - Anand Vihar Express (Weekly)
- xii) Hapa - Bilaspur Express (Weekly) via Nagpur
- xiii) Hazur Saheb Nanded - Bikaner Express (Weekly)
- xiv) Indore - Jammu Tawi Express (Weekly)
- xv) Kamakhya - Katra Express (Weekly) via Darbhanga
- xvi) Kanpur - Jammu Tawi Express (Bi-weekly)
- xvii) Lokmanya Tilak (T) - Azamgarh Express (Weekly)
- xviii) Mumbai - Kazipeth Express (Weekly) via Balharshah
- xix) Mumbai - Palitana Express (Weekly)
- xx) New Delhi - Bhatinda Shatabdi Express (Bi-weekly)
- xxi) New Delhi - Varanasi Express (Daily)
- xxii) Paradeep - Howrah Express (Weekly)
- xxiii) Paradeep - Visakhapatnam Express (Weekly)
- xxiv) Rajkot - Rewa Express (Weekly)
- xxv) Ramnagar - Agra Express (Weekly)
- xxvi) Tatanagar - Baiyyappanahali (Bengaluru) Express (Weekly)
- xxvii) Visakhapatnam - Chennai Express (Weekly)

E) Passenger Trains

- i) Bikaner - Rewari Passenger (Daily)
- ii) Dharwad - Dandeli Passenger (Daily) via Alnavar
- iii) Gorakhpur - Nautanwa Passenger (Daily)
- iv) Guwahati - Mendipathar Passenger (Daily)
- v) Hatia - Rourkela Passenger
- vi) Byndoor - Kasaragod Passenger (Daily)
- vii) Rangapara North - Rangiya Passenger (Daily)
- viii) Yesvantpur - Tumkur Passenger (Daily)

F) MEMU services

- i) Bengaluru - Ramanagaram 6 days a week (3 Pairs)
- ii) Palwal - Delhi - Aligarh

G) DEMU services

- i) Bengaluru - Neelmangala (Daily)
- ii) Chhapra - Manduadih (6 days a week) via Ballia
- iii) Baramula - Banihal (Daily)
- iv) Sambalpur - Rourkela (6 days a week)

v) Yesvantpur- Hosur (6 days a week)

H) Extension of run of existing Trains

- i) 22409/22410 Anand Vihar – Sasaram Garib Rath Express to Gaya
- ii) 12455/12456 Delhi Sarai Rohilla – Sriganganagar Express to Bikaner
- iii) 15231/15232 Gondia – Muzaffarpur Express to Barauni
- iv) 12001/12002 New Delhi – Bhopal Shatabdi Express to Habibganj
- v) 54602 Ludhiana – Hissar Passenger to Sadulpur
- vi) 55007/55008 Sonpur – Kaptanganj Passenger to Gorakhpur
- vii) 55072/55073 Gorakhpur – Thawe Passenger to Siwan
- viii) 63237/63238 Buxar – Mughalsarai MEMU to Varanasi
- ix) 63208/63211 Jhajha – Patna MEMU to Jasidih
- x) 64221/64222 Lucknow – Hardoi MEMU to Shahjahanpur
- xi) 68002/68007 Howrah – Belda MEMU to Jaleswar

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