

**Speech of Shri Lalu Prasad**  
**Introducing the Railway Budget 2009-10**  
**On 13<sup>th</sup> February 2009**

1. Mr. Speaker, Sir I rise to place before the House, the Revised Estimates for 2008-09 and the estimated receipts and expenditure for 2009-10 for the Indian Railways. The estimates for 2009-10 are for the whole year, but, at present I seek from the august House, a vote on account, sufficient to cover the estimated expenditure for the first four months of the fiscal. The requirements for the remaining part of the year are to be voted separately, later on.

2. Speaker sir,

**Shukriya se main shuroo karta hoon apni bat aaj,  
Sath lekar main chala hoon desh, duniya aur samaj,  
Main chukata he rahoonga desh ki mitti ka karj,  
Rashtra sewa reet meri aur yahi mera rivaj.**

3. I have great pride that, in its journey of service to the nation, the Indian Railways have reached an important milestone. Being an integral part of this journey for the last five years, I can proudly say that Indian Railways scaled a new pinnacle every year and now stand at the zenith of success from where, without imposing any burden on the common man, the railways are set to establish the historic landmark of earning a cash surplus before dividend of more than Rs 90,000 cr, in five years. The same Railways which faced a paucity of funds for replacement of over aged assets in 2001 and which had to defer payment of Rs. 2,800 cr as dividend to General Revenues, have now surprised the whole world with a historic financial turnaround. Sir, the year 2008 witnessed a financial turmoil and worldwide recession making it difficult for even Fortune 500 companies to raise debt from the international markets. This august House would be pleasantly surprised to know, that even in such adverse times, the Indian Railway Finance Corporation, in November 2008, has successfully raised a 10 cr dollar loan, equivalent to Rs 500 cr, at a rate of only 4 percent, from the international market.

4. Sir, the transformation of the Railways is fundamentally different from the financial turnaround witnessed in private sector companies. While private companies resort to anti-people measures like increase in prices, retrenchment of employees and lockouts, Railways have kept the human aspect as the central focus and achieved an extraordinary feat without putting any extra burden on the common man or the

employees. In the last five years the Railways have stepped up the annual growth rate of freight loading from an average of 3 percent during the decade of 90's to an average of 8 percent. The declining trend of railways share in transportation of steel and cement, witnessed during the past several years has also been arrested as the Railways increased their share in transportation of these commodities, over the last five years. This transformation has been possible through the significant improvement in productivity of railway assets and efficient working by railway employees. Sir,

**Karigari ka aisa tareeka bata diya,  
Ghate ka job hi daur tha beeta bana diya,  
Bharat ki rail vishwa me is tarah ki buland,  
Hathi ko chust kar diya cheeta bana diya.**

5. To make true the dream of financial turnaround, the entire Railway family worked as a team, with out of the box thinking, adapting themselves in tune with customer requirements and bravely faced the ever arising new challenges. This has earned the Railways and its personnel the respect of the entire nation which has in turn imbued railway employees with renewed motivation and a rising morale. The benefits of this turnaround have accrued not only to the Railways and railway employees but also to the people of the country. Railways are adopting modern technologies and forming strong alliances, to provide better facilities to their customers. In the last five years there has also been a significant improvement in Railway safety and a steep reduction in the number of railway accidents. The number of consequential accidents came down to 194 in 2007-08, as against 325 in 2003-04. I am happy to report to the House that this declining trend is continuing in 2008-09 also. The number of consequential train accidents during April to November in the current year decreased to 117 as compared to 138 during the corresponding period of the previous year.

6. Railways have now fully internalized the fact that mere reduction in passenger fares and freight tariff alone cannot ensure success in a competitive market. The only one formula for success is to render better services than your competitor in giving your customers full satisfaction and winning over their hearts. This is to be done, not for any single day, but day after day and year after year. The organization is the same but there is a paradigm shift in its strategy and thinking. The Railways are increasingly becoming more outward looking and customer centric. Today passengers are reserving tickets through the internet from their homes. Apart from this, the facility to reserve tickets is available at ATMs, petrol pumps and post offices. Earlier passengers used to face considerable difficulty in getting information about train services. However, today this information can be obtained from any corner of the country. This has been made possible through the '139 Train Enquiry Service', which is available 24 hours a day in 11 different

languages. Four call centers have been set up in four corners of the country. These facilitate availability of instantaneous information on train arrival-departure, reservation status etc. Presently more than 5 lakh passengers are daily availing this facility.

7. Introduction of the fully air conditioned Garib Raths and the free passenger upgrade facility from lower classes to vacant air conditioned upper classes has enabled lakhs of people to enjoy the comfort of traveling in air conditioned class for the first time in their lives. A number of improvements like better cleanliness in trains and stations, provision of cushioned seats in place of wooden seats in coaches of ordinary class and increase in the height of the platform at smaller stations have been initiated. In addition platform shelters are being constructed at smaller stations for protection against cold, heat and rain.

8. Heavy investments will have to be made for enhancing capacity of rolling stock, technical upgradation and advancement in technology to achieve the ambitious targets set for passenger and freight business segments, in the 11<sup>th</sup> Five Year Plan. Therefore Railways have deployed their investible surplus of nearly Rs 70,000 cr earned between 2004-05 to 2008-09 to increase its productivity. Railways will invest Rs.2,30,000 cr under the 11<sup>th</sup> Five Year Plan, which is almost three times the amount allocated in the 10<sup>th</sup> Five Year Plan. The objective is to increase the transport capacity of the Railways and to reduce the unit cost of operations. Railways investment outlays have been stepped up from Rs 13,394 cr in 2003-04 to Rs. 36,773 cr in 2008-09. Railways would be completing the work of 4900 kms of gauge conversion, 1800 kms of doubling and laying 1100 kms of new lines, over five years.

9. I am happy to inform the House that in the current year, Agartala, the capital of the North Eastern State of Tripura, has been connected by railway line, which marks the first rail connection to another state capital of a North-eastern state since Independence. The dream of bringing rail services to the Kashmir Valley has also been realized with the start of train services between Anantnag and Rajwansher. The service up to Baramula will be extended in the next few days and up to Qazigund in the next four months. Gauge conversion works of Rewari-Ringus-Phulera and Darbhanga-Sitamarhi have also been completed. The new lines Sakri-Biraul, Moranhat- Dibrugarh, Hathua-Bathua Bazar and Puntamba-Shirdi have also been completed. Significant progress has been made in the field of railway electrification. As against 504 route km completed in 2003-04 the target for 2008-09 is set at 1000 route km. Sir, Railways have conducted successful trials of running electric locomotives with over head equipment at a height of about 7.5 meters. This will enable running of double stack containers on the electrified Western Dedicated Freight corridor.

10. Similarly, the production of wagons during this period is targeted to increase from 6,600 per annum to nearly 15,000 (vehicle units) and diesel and electric locomotives from 202 to about 480. More importantly, through modernization of the network and technological upgradation of rolling stock, the capacity of the newly constructed track and rolling stock has increased significantly. Production of covered and open wagons of new design has since commenced. This will result in a 78 percent increase in capacity of goods rakes comprising of new design covered wagons as compared with the old stock. These trains can now carry a load of 4100 tonnes compared with the earlier load of 2300 tonnes. The capacity of the freight trains comprising of open wagons with new design will also be 22 per cent more than before. Similarly, the capacity of passenger trains has also been increased.

**Har shikhar ko paar karte nit nayee manjil ki or,  
Pragati ka kafla badhne laga hai charon or,  
Rah ka har shakhs ko lekar chale hain sath hum,  
Ek naye andaj se phir ek nayee manjil ki or.**

### **Performance Review of 2007-08**

11. Sir, I would now like to present in brief the operating results for the previous fiscal 2007-08. Registering a growth of 9 percent, Railways loaded 794 million tonnes, which was 66 million tonnes more than the loading in 2006-07. Freight and passenger earnings grew at 14 and 15 percent respectively. Total traffic earnings also increased by 15 percent to reach Rs 71,645 cr. The cash surplus before dividend increased from the 2006-07 level of Rs 20,338 cr to Rs 25,006 cr. The plan expenditure increased to Rs 28,980 cr compared with Rs 25,002 cr in 2006-07.

### **Revised Estimates 2008-09**

12. Speaker Sir, the Railways registered an excellent performance in freight loading and earnings till the end of September 2008. During this period, freight loading and earnings registered a growth of 9 percent and 19 percent respectively. Similarly, the passenger earnings increased by 14 percent. However, in October and November, the growth in freight loading was adversely impacted by the recession in the international markets. There was a steep reduction in iron ore for export and container traffic. The growth rate of steel traffic also reflected a decrease. This resulted in a decrease in freight loading and freight earnings in the months of October and November. Sir, the situation in December and January indicates some improvement and we are not only hopeful but confident that the budget targets for passenger and goods earnings set for this fiscal will be surpassed. Freight earnings increased to Rs. 38,093 cr, by the end of December'08,

registering a growth of 14 percent. Based on the present trend we have increased the target for goods earnings for 2008-09 by Rs. 1,593 cr. Similarly, the earnings from passenger traffic increased by nearly 12 percent up to December which is about three percent more than the budgeted target. Accordingly, the revised estimates for freight earnings have been kept at Rs. 54,293 cr, passenger earnings at Rs. 22,330 cr, sundry earnings at Rs. 3,250 cr, other coaching earnings at Rs. 2,420 cr and Gross Traffic Receipts at Rs. 82,393 cr.

13. Sir, the honourable members would recall that after implementation of the recommendations of the fifth Pay Commission, the financial position of the railways deteriorated rapidly and they defaulted in payment of Rs 2,800 cr as dividend in 2001 and 2002. I am proud that this time, due to its strong financial position, the Railways have implemented the sixth Pay Commission recommendations with relative ease, benefiting about 14 lakh railway employees and 11 lakh pensioners , without defaulting on payment of dividend. In anticipation of the recommendations of the 6<sup>th</sup> Pay Commission, we had made an ad hoc provision of Rs. 4,000 cr in Ordinary Working Expenses and Rs. 1,000 cr in the Pension Fund. However, based on the revised estimates received so far, it is expected that in the current fiscal, expenditure on this account will be substantially higher at Rs.9,000 cr for salaries of Railway employees and Rs. 4,500 cr more for pension. In keeping with the increased demand, the Revised Estimates of Ordinary Working Expenses have been kept at Rs. 55,000 cr and the appropriation to Pension Fund at Rs. 10,500 cr. The appropriation to DRF is Rs. 7,000 cr. With this, the total Working Expenses are likely to be Rs. 72,500 cr. Cash surplus before dividend is likely to be Rs.19,320 cr. The operating ratio of the Railways is projected at 88 percent. The revised Annual Plan outlay for 2008-09 is proposed at Rs. 36,773 cr.

### **Budget Estimates for 2009-10**

14. Sir, now I will touch upon the Budget Estimates for 2009-10.

15. The Budget Estimates for goods earnings, passenger earnings, sundry other earnings and other coaching earnings have been kept at Rs. 59,059 cr, 25,000 cr, Rs. 6,000 cr and Rs. 3,000 cr respectively in 2009-10. The Gross Traffic Receipts have been projected at Rs . 93,159 cr, exceeding the Revised Estimates for the current year by Rs 10,766 cr.

16. Sir, the Ordinary Working Expenses have been kept at Rs. 62,900 cr in 2009-10 which are Rs. 7,900 cr more than the Revised Estimates for 2008-09. This is mainly due to payment of 60 percent of the arrears to the staff in view of the recommendations of the Sixth Pay Commission. The total Working Expenses are estimated at Rs 83,600 cr. The cash surplus before dividend is expected to be Rs 18,847 cr and the operating ratio 89.9

percent. Dividend payable to the General Revenues for 2009-10, is estimated at Rs. 5,304 cr based on the current applicable rate.

### **Annual Plan 2009-10**

17. Sir, the Annual Plan for 2009-10 envisages investment of Rs. 37,905 cr. The budgetary support from the General Revenue has been proposed at Rs. 9,600 cr excluding Rs. 1,200 cr to be received from Central Road Fund. The Internal and Extra Budgetary Resource component would, accordingly, comprise 72 percent of the Annual Plan.

18. It gives me immense pleasure to inform the House that the work of construction of the double line Eastern Dedicated Freight Corridor has commenced from near Dehri-on-Son on 10th February 2009. Work on construction of the Western Dedicated Freight Corridor will also start in this month.

19. Sir, I have seen the passenger trains travelling at speeds of 300 to 350 km per hour in Japan, Germany and France. In the 2007-08 Budget, I had announced that based on requirement, pre-feasibility studies would be undertaken for running bullet trains in various regions of the country. Action is on for examining feasibility of running bullet trains between Delhi – Amritsar, Ahmedabad- Mumbai- Pune, Hyderabad- Vijaywada- Chennai, Chennai- Bangalore- Ernakulam and Howrah –Haldia. Sir, I am happy to inform the honourable members that action will soon be started for conducting a pre-feasibility study to run bullet trains between Delhi- Patna.

20. The work of construction of Rail Wheel Factory at Chhapra is going on in right earnest. Efforts are being made to start work on Diesel and Electric Locomotive Factories at Marhaura and Madhepura, in this month.

21. Sir, the wagon factories of Bharat Wagon Limited located at Mokama and Muzaffarpur have been transferred to Ministry of Railways. In view of the special request of local public representatives, the matter of transfer of the wagon units of Burn Standard located at Burnpur and Howrah, to Ministry of Railways, in the same manner as Mokama and Muzaffarpur, would be discussed, for further action with the concerned Ministries.

22. The surveys for construction of new line from Jhargram to Purulia and the new line for extension of Kolkata Metro, from Dum Dum to Dakshineswar have been completed. The West Bengal government has also given its consent to contribute fifty percent of the cost for extension of the Kolkata Metro. Further action is being taken for obtaining necessary approvals for these projects.

23. With a view to facilitate smooth flow of rail traffic, construction of ROB/RUBs on fifty-fifty cost sharing basis, at Palej, Panoli, Kosamba and Kim in the districts of Surat and Bharuch in Gujarat, Roshanara Garden and Sultanpuri in Delhi Area,

Shastrinagar and Model Town of Ludhiana in Punjab and Vasarpadi in Tamil Nadu will be considered on priority.

24. With a view to facilitate improved train operations I have taken the administrative decision to set up two new railway divisions at Bhagalpur and Thawe.

### **Surveys**

25. Based on demands the following surveys are proposed to be taken up:-

#### **New Lines**

1. Ringus - Didwana via Khatu Shyamji
2. Islampur – Manpur via Khijar Sarai/Sarbhada
3. Bakulha- Belthara Road
4. Bihariganj – Forbesganj via Muraliganj, Kumarkhand, Chhatapur
5. Piduguralla – Narasaraopet
6. Madhepura -Virpur via Singheshwar, Pipra, Triveniganj
7. Botad – Jasdan via Gondal
8. Bihariganj – Naugachia via Udakishunganj, Puraini, Chausa
9. Samdari – Phalodi
10. Burhwal – Bahraich
11. Areraj – Narkatiaganj via Lauria
12. Lalganj – Faizabad via Akbarganj, Maharajganj and Rae Bareilly
13. Parasnath – Madhuban
14. Dheng – Sonbarsa via Majorganj, Kanhauli

#### **Gauge Conversion**

1. Khijadia – Amreli – Junagarh
2. Champaner – Pani Mines
3. Chhuchhapura –Tankhala with extention to Rajpipla

#### **Doubling**

1. Hospet – Swamihalli
2. Tornagallu – Ranjitpura
3. Bandikui – Alwar
4. Ajmer – Palanpur
5. Tinpahar – Bhagalpur
6. Anand Vihar – Tilak Bridge 3<sup>rd</sup> & 4<sup>th</sup> line
7. Dangoaposi – Pandrasali 3<sup>rd</sup> line
8. Katwa – Farakka

## **Passenger Services**

26. Sir, in light of the demands expressed by passengers, I propose to introduce the following services:-

### **New Trains**

1. Bilaspur - Tirunelveli via Thiruvananthapuram Express (Weekly)
2. Ranchi - Jaynagar Express (Tri-weekly)
3. Secunderabad – Manuguru Superfast (Daily)
4. Mumbai - Karwar Superfast (Tri-weekly)
5. Bhopal - Lucknow Junction Garib Rath Express (Weekly)
6. Durg - Jaipur Express (Weekly)
7. Chhatrapati Sahu terminal(Kolhapur)–Dhanbad Link Service via Parasnath (Weekly)
8. Sengottai - Erode Passenger (Daily)
9. Dibrugarh Town - Chandigarh Express (Weekly)
10. Ajmer - Bhagalpur via Delhi Garib Rath Express (Bi-weekly)
11. Nizamuddin – Bangalore via Kacheguda Rajdhani Express (Tri-weekly)
12. Barauni - Delhi Jan Sadharan Superfast (Bi-weekly)
13. Mumbai – Varanasi Superfast (Daily)
14. Mysore -Yesvantpur Express (Daily)
15. Jamalpur – Gaya Passenger
16. Koraput – Rourkela Express via Rayagada (Daily)
17. Agra - Ajmer Superfast (Daily)
18. Sitamarhi – Patna Link Service (Daily)
19. Tiruchchirapalli - Madurai Express (Daily)
20. Mumbai - Bikaner Superfast (Bi-weekly)
21. Jaynagar – Ajmer Link Service (Bi-weekly)
22. Agra - Lucknow Junction Shatabdi Express (Daily)
23. Gandhidham - Kolkata Superfast (Weekly)
24. New Delhi – Guwahati Rajdhani Express via Bhagalpur (Weekly)
25. Mumbai - Tirunelveli Superfast via Thiruvananthapuram (Bi-weekly)
26. Jammu Tawi – Darbhanga Garib Rath Express (Weekly)
27. Saharsa – Delhi via Express Patna (Weekly)
28. Gwalior - Bhopal Intercity Express via Guna (5 days a week)



29. Coimbatore -Tuticorin Link Service (Daily)
30. Howrah -Haridwar Superfast (5 days a week)
31. Machhalipatnam – Mumbai Superfast (Bi-weekly)
32. Varanasi - Jammu Tawi Superfast (Daily)
33. Gorakhpur - Mumbai Superfast (Daily)
34. Jhajha – Patna MEMU
35. New Delhi – Palwal MEMU
36. New Delhi – Guwahati Rajdhani Express via Muzaffarpur (Weekly)
37. Veraval – Mumbai Link service (Daily)
38. Ranchi –Patna Jan Shatabdi (Daily)
39. Jhansi – Chhindwara Superfast (Bi-weekly)
40. Mumbai – Jodhpur Express (Weekly)
41. Hajipur – Bagaha Link Service
42. Howrah – Delhi Link Service via Azimganj- Bhagalpur (Weekly)
43. Sitamarhi –Delhi Garib Rath Express via Patna (Weekly)

### **Extension of Trains**

27. I am extremely happy to propose the extension in services of the following trains:-

1. 5761/5762 Ranchi – Alipurduar Express to Guwahati
2. 9269/9270 Porbandar – Bapudham Motihari Express to Muzaffarpur
3. 1471/1472 Jabalpur – Bhopal Express to Laxmibai Nagar, Indore
4. 6865/6866 Ernakulam – Tiruchchirapalli Express to Nagore
5. 3155/3156 Kolkata – Darbhanga Mithilanchal Express to Sitamarhi
6. 2175/2176 Howrah – Gwalior Chambal Express to Mathura
7. 2177/2178 Howrah – Agra Cantt Chambal Express to Mathura
8. 6507/6508 Jodhpur – Bangalore Express to Coimbatore
9. 2187/2188 Jabalpur – Mumbai Garib Rath Express to Allahabad
10. 2927/2928 Mumbai – Vadodara Express to Chhotaudapur
11. 541/542 Patna – Darbhanga Kamlaganga Fast Passenger to Biraul
12. 3113/3114 Kolkata – Murshidabad Hazar Duari Express to Lalgola
13. 2909/2910 Mumbai – Jaipur Garib Rath Express to Delhi
14. 2143/2144 Nagpur–Gaya Dikshabhoomi Parasnath Express to Dhanbad via Parasnath

## **Increase in Frequency**

28. The honorable members would be pleased to know that it is proposed to increase the frequency of the following train services:-

1. 2423/2424 New Delhi – Guwahati/Dibrugarh Rajdhani Express from 5 days to 6 days
2. 2443/2444 Bhubaneshwar – New Delhi Rajdhani Express from 2 days to 4 days
3. 2395/2396 Ajmer – Rajendra Nagar Ziyarat Express from weekly to Bi-weekly
4. 2211/2212 Nizamuddin – Bapudham Motihari Garib Rath from weekly to Bi-weekly
5. 2183/2184 Bhopal – Lucknow Junction Express from Bi-weekly to Tri-weekly
6. 7091/7092 Secunderabad – Patna Express from Bi-weekly to Daily
7. 2739/2740 Secunderabad – Vishakhapatnam Garib Rath Express from 4 days to Daily
8. 2111/2112 Amravati – Mumbai Amravati Express from Tri-weekly to Daily
9. 2149/2150 Pune – Patna Express from 4 days a week to Daily
10. 2957/2958 Ahmedabad – New Delhi Rajdhani Express from 6 days to Daily
11. 2947/2948 Ahmedabad–Patna Azimabad Express from Bi-weekly to Tri-weekly
12. 2887/2888 Puri – Howrah Express from weekly to Bi-weekly
13. 2487/2488 Jogbani – Delhi Seemanchal Express from 5 days to 6 days a week
14. 2823/2824 Nizammudin-Durg Chattisgarh Sampark Kranti from 2 days to 3 days a week

29. The local MEMU trains traveling between Gaya - Patna, Jhajha - Patna, Buxar - Patna, Mughalsarai - Patna, Ara - Patna and Mokama - Danapur are heavily crowded. Presently most of the MEMU rakes are of 12 coaches. Only 6 services out of 18 have 16 coaches. It has, therefore, been decided to provide 16 coaches for all these 18 MEMU services on these routes by the end of March-April 2009. This will provide comfort to passengers traveling by local trains.

30. Sir, whereas, earlier at the time of the Railway Budget, people used to be apprehensive about the possible increase in passenger fares, now, on the other hand on the eve of my budget, people appear not only hopeful but sanguine about the likely reduction in passenger fares. Respecting the wishes of crores of people, for the fourth consecutive time, I have decided to reduce the passenger fares, for non sub-urban mail/express and ordinary passenger trains by one more rupee for fares costing up to rupees fifty per passenger. With this there has been a historic reduction in the passenger fares for non sub-urban second classes continuously over the last four years, by rupees four per passenger.

**Is tarah seva ka ye farj nibhaya humne,  
Desh majboot kiya aur munafa bhi kamaya humne,  
Aam janata ki suvidha ka rakha pura khyal,  
Har ek budget mein yatri kiraya ghataya humne.**

Sir, since the fare for rail travel for 10 km and below has already been reduced from four rupees to one rupee, therefore, this reduction will not be applicable for second class rail journey up to 10 km.

31. Sir, last year I had decided to reduce the second class fares of all mail/express and ordinary passenger trains by 5 percent for the ticket costing more than rupees fifty per passenger. Respecting the aspirations of the long distance passengers, I have decided this year to reduce the second class and sleeper class fares of all mail/ express and ordinary passenger trains by 2 percent for the ticket costing more than rupees fifty per passenger.

32. Sir, during the last four years I have reduced the fares of AC First Class by 28 percent and AC two tier by 20 percent. Railways have been greatly benefited by the heavy reduction in passenger fares of these classes. Even as air travel is reportedly reflecting reduction in number of passengers due to economic recession, there has been a significant increase in the number of passengers of these classes on the railways. Therefore, I have decided to reduce the fares of AC first class, AC 2 tier, AC 3 tier and AC Chair Car by 2 percent.

### **Conclusion**

33. Sir, it is matter of great honour for me to work under the dynamic leadership of the Hon'ble Prime Minister Dr. Manmohan Singh and as the head of the Railway family I can proudly say that the railways are now positioned on a rock solid foundation, more firm than ever, in their resolve to keep ascending new heights. In the end, I would like to express my gratitude to the august House for their continuous encouragement and support to the

Railways. I am not only hopeful but am fully confident that, as in the past, this august House and the people of this country, will continue to extend their utmost affection and support to the Railways.

**Koshish ka meri aapne mujhko diya sila,  
Ye martaba buland mujhe aapse mila,  
Wada hai mera tum se ai mere humsafer,  
Jari rahega kal bhi tarakki ka silsila.**

34. Sir, with this I commend the Interim Railway Budget to the House.

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