

Railways

9.72 Indian railways, world's second largest rail network under a single management, has been contributing to the industrial and economic landscape for over 150 years (Table 9.19). Of the two main segments – freight and passenger – of the Indian railways, the freight segment accounts for roughly two-thirds of revenues. Within the freight segment, bulk traffic accounts for nearly 95 per cent, of which about 50 per cent is coal.

9.73 There were significant efforts at 'tariff rebalancing' and rationalisation of fare and freight structures in the Railway Budgets for 2002-03 to 2005-06. These include reducing the number of classes for freight tariff from 59 to 19, and introduction of three new special Classes namely 90W1, 90W2, and 90W3 below Class 90, for certain lightweight

commodities in 2005-06. There has been no across-the-board increase in freight rates during the last four years. A major reform has been the regrouping of over 4,000 commodities in the extant goods tariff into 80 main commodity heads in the rationalised goods tariff.

9.74 The high-density network, connecting the four metro cities of Chennai, Delhi, Kolkata and Mumbai, including its diagonals, popularly called the Golden Quadrilateral, has got saturated at most locations. Mumbai-Delhi and Mumbai-Howrah routes have very high capacity utilization. Additional freight corridor, along with accelerated programme of containerization, could contribute towards increasing the share of Railways in non-bulk traffic and create capacities to meet the expected annual demand. Additional dedicated freight corridors are proposed in the first phase between Delhi-Mumbai (1,340

Table 9.19 : Performance of the Indian Railways

	2003-04	2004-05**	April-December*		Change over previous year	
			2004	2005	2004-05	2005-06@
					(per cent)	
1. Revenue earning						
freight traffic (million tonnes)						
Total	557.39	602.10	438.36	481.09	8.02	9.75
(i) Coal	251.75	271.40	198.00	213.61	7.81	7.88
(ii) Raw Materials for steel plants (excluding coal)	43.65	44.26	31.83	38.77	1.40	21.80
(iii) Pig iron and finished steel from steel plants	14.66	15.24	1067	11.90	3.96	11.53
(iv) Iron ore for export	26.64	36.41	26.73	31.11	36.67	16.39
(v) Cement	49.25	53.77	39.45	41.46	9.18	5.10
(vi) Foodgrains	44.32	46.52	34.41	29.67	4.96	-13.78
(vii) Fertilisers	23.73	28.75	21.52	24.50	21.15	13.85
(viii) POL	32.02	32.00	23.43	25.04	-0.06	6.87
(ix) Balance (other goods)	71.37	73.75	52.32	65.03	3.33	24.29
2. Net tonne kilometres in billion	381.24	407.40	301.22	317.26	6.86	5.33
3. Net tonne kilometres per wagon per day (broad gauge)	2570	2763	2670	2815	7.51	5.43
4. Passenger traffic originating (million)	5112	5416	4053	4315	5.95	6.50
5. Passenger kilometres (billion)	541*	576	423	460	6.50	8.70
* Revised ** Provisional @ April-December						
Source : Ministry of Railways.						

Kms.) and Delhi-Howrah (1,450 Kms.) routes. Indian Railways has commissioned a feasibility study. Various options on technical, structural and terminal models are under examination.

9.75 The reform programme embarked upon by Indian Railways to address various issues for business orientation of the organization includes development of fully-computerized cost accounting organized on business lines. The new accounting system would support existing government reporting requirements and provide activity/service based revenue and cost data. It would also be capable of providing both government accounts and commercial accounts. Policy initiatives for introduction of competition in certain sectors, like container business and concessioning of loss-making branch lines, have been taken up as a part of the programme. The programme also includes simplification of procedures to improve customer interface, provision of freight forwarders and private freight terminals.

9.76 Accident per million train kilometer, an important index of rail safety, came down from 0.55 in 2001-02 to 0.41 in 2003-04 and further to 0.31 in 2004-05 (Provisional). A non-lapsable Special Railway Safety Fund (SRSF) of Rs.17,000 crore was set up in 2001-02 to wipe out the arrears in renewal/replacement of over-aged assets of track, bridges, rolling

stock, signaling gear and some safety enhancement works within a fixed time frame of six years. The expenditure under SRSF in the first three and half years was Rs. 10,182 crore. For the year 2005-06(BE), allocation (net) for the SRSF is Rs.3,522 crore, with Rs. 2,699 crore from the General Exchequer and Rs.823 crore from the Ministry of Railways.

9.77 The major challenge before Indian Railways is providing services matching with customers' expectations and in assimilating rapid changes in technology. This can be met effectively through continuous updation of knowledge, skills and attitude of railway staff. A comprehensive training needs analysis of all categories of staff has been done to suit the training requirements of staff besides conducting special courses on new technology and better work practices. Yoga and meditation classes have been introduced in training centers with the objective of helping railwaymen cope with the stress involved in their job. Considering the cost of staff in the running of Indian Railways, a rightsizing approach has been adopted. Indian Railways has reduced about 1.45 lakh employees in a period of 5 years, through normal attrition and by controlling the fresh intake, without resorting to retrenchment. It is also following benchmarking principles, which will help in adopting best practices and improving efficiency.