

Railways

9.67 Indian railways, world's second largest rail network under a single management, has been contributing to the development of the country's industrial and economic landscape for over 150 years. Of the two main segments of the Indian Railways — freight and passenger — the freight segment accounts for roughly two-thirds of revenues. Within the freight segment, bulk traffic accounts for nearly 95 percent, of which more than 44 percent is coal. Improved resource management, *inter alia*, through increased wagon load, faster turnaround time and a more rational pricing policy has led to an improvement in the performance of the railways during the last two years (Table 9.21).

9.68 In the process of rationalizing passenger and freight tariff structures since 2002-03, the relative index of AC First Class was reduced from 1400 to 1150 and AC 2-Tier from 720 to 650. There was a reduction

of about 18 per cent in the fares of AC First Class and 10 per cent in that of AC 2-Tier. It is expected that sustained rationalization measures over the coming years will sharpen the competitive edge of the Railways.

9.69 Rationalization of classification is aimed at securing eventual elimination of cross-subsidies in fares and freight, and evolving a more transparent and cost-based tariff regime. This process necessarily requires increase in freight rates for commodities being transported below cost and lowering the freight charges for commodities being moved at abnormally high rates.

9.70 In the freight segment, the number of commodities in goods tariff has been reduced from 4,000 commodities to 80 main commodity groups in 2005-06, and further to 27 groups in 2006-07. The total number of classes for charging freight has been reduced from 59 to 17.

Table 9.21 : Performance of the Indian Railways

	2004-05	2005-06**	April-December		Change over previous year	
			2005	2006	2005-06	2006-07@
(per cent)						
1. Revenue earning						
freight traffic (million tonnes)						
Total	602.10	666.51	481.09	527.95	10.70	9.74
i) Coal	271.40	294.25	213.61	226.18	8.42	5.88
ii) Raw materials for steel plant (excl. coal)	44.26	51.35	38.77	38.98	16.02	0.54
iii) Pig iron & finished steel from steel plants	15.24	17.74	11.90	14.94	16.40	25.55
iv) Iron ore for export	36.41	41.24	31.11	28.57	13.27	-8.16
v) Cement	53.77	61.19	41.46	53.93	13.80	30.08
vi) Foodgrains	46.52	41.74	29.67	29.47	-10.28	-0.67
vii) Fertilizers	28.75	32.65	24.50	26.23	13.57	7.06
viii) POL	32.00	33.45	25.04	26.19	4.53	4.61
ix) Balance (other goods)	73.75	92.90	65.03	83.46	25.97	28.34
2. Net tonne kilometres (billion)	407.40	439.60	317.26	346.24	7.90	9.14
3. Net tonne kms./wagon/day(BG) (broad gauge)	2677*	2872	2815	3075	7.28	9.24
4. Passenger traffic orig. (million)#	5378	5725	4327	4644	6.45	7.32
5. Passenger kilometres (billion)	576	616	472	514	6.94	8.90
* Revised @ April-December # Excluding Metro Kolkata						
Source : Ministry of Railways.						

9.71 The high-density network connecting the four metropolitan cities of Chennai, Delhi, Kolkata and Mumbai, including its diagonals, popularly called the Golden Quadrilateral has got saturated at most of the locations. Given the present growth scenario, the Railways expect to carry 95 million tonnes incremental traffic per year and about 1,100 million tonnes revenue earning freight traffic by the end of the Eleventh Plan. This entails large investment for capacity augmentation. Development of dedicated freight corridors (DFCs) for carrying additional traffic is essential in view of the high growth in demand. Therefore, the Railways have proposed a 2700-kilometer long railway line project (Eastern Corridor from Ludhiana to Sonnagar as Phase-I – 1,279 Kms. and Western Corridor from Jawaharlal Nehru Port near Mumbai to Dadri/Tughlakabad – 1,483 Kms). These DFCs along with the feeder routes of Indian Railways will ensure availability of sufficient capacity in the face of rising demand for transport. The Eastern Corridor will be extended to the proposed Deep Sea Water Port near Kolkata as and when traffic builds up. Both the Eastern and Western Corridors will be made suitable for running of longer and heavier trains of 25 tonne axle load. While the Eastern Corridor will be electrified, the Western Corridor will operate on diesel traction in order to permit Double Stack Container operation. Logistics parks are proposed to be developed on DFC. An SPV called Dedicated Freight Corridor Corporation of India Limited (DFC-CIL) has been formed to implement the project.

9.72 Accident per million train kilometer, an important index of rail safety, came down

progressively from 0.55 in 2001-02 to 0.29 in 2004-05 and further to 0.28 in 2005-06 (Provisional). A 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 four and a half years was Rs. 12,965 crore. For the year 2006-07 (BE), the allocation (net) for SRSF is Rs. 2,240 crore, with Rs. 1,365 crore from the general exchequer and Rs. 875 crore from the Ministry of Railways.

9.73 Indian Railway/Indian Railway Catering and Tourism Corporation (IRCTC) are developing facilities to meet the pressing requirements of good quality food to the traveling public and simultaneously enhancing railway revenue by introducing the concept of food plazas at stations. By the end of 2005-06, 36 food plazas have been operationalised. It has been decided to set up 100 budget hotels, adjoining the railway stations for the benefit of railway passengers and tourists, in general. The IRCTC would set up these hotels through private participation.

9.74 Although both passenger and freight traffic continues to increase every year, the manpower employed has been steadily reducing. The staff strength came down from 14.22 lakh to 14.11 lakh (provisional) between end-March, 2005 and end-March, 2006. In order to meet the rising expectations of customers, staff is being trained in customer care with special emphasis on the behavioral aspects.