

## Railway Budget 2012-13: An Assessment\*

*The Railway Budget 2012-13 emphasises the role of Railways as a critical infrastructure input for achievement of the objective of inclusive growth process. It underlines the requirement of a National Policy for Railways. A multi-pronged approach premised on safety, consolidation and modernisation has been adopted. The Budget seeks to integrate the annual plan outlay for 2012-13 with the proposed investment requirements of Railways during the 12<sup>th</sup> Plan period. The budgetary allocations for several development activities for 2012-13 remain inadequate in relation to the estimated expenditure requirements for undertaking those activities in the next five years. It recognises the resource constraints vis-à-vis huge investment requirements for undertaking modernisation, capacity augmentation and other development initiatives proposed in the Budget, it is indicated that some of these development works would be undertaken under Public Private Partnership (PPP) mode or on cost-sharing basis with the State governments. The Budget indicates a sharp decline in the operating ratio in 2012-13, based on a steep hike in gross traffic receipts, while ordinary working expenses are budgeted to increase around the last year's level. The buoyancy in gross traffic receipts in 2012-13 is attributed primarily to rationalisation of freight rates effective from March 6, 2012 and the proposed increase in passenger fares in the Budget. Taking into account the proposed investment needs of the Railways, and the extant constraints in terms of availability of gross budgetary support from the Central government, the focus has to be on internal resource generation through appropriate measures. The post-budget rollback of passenger fare hikes in respect non-upper class travel could, however, impact realisation of budgeted passenger earnings as announced on the day of presentation of the Budget.*

The Railway Budget 2012-13, presented to the Parliament on March 14, 2012, emphasises the role of Railways as a critical infrastructure input for achievement of the objective of inclusive growth process. In this context, it underlines the need for a

National Policy for Railways. Adopting a multi-pronged approach premised on safety, consolidation and modernisation, the Budget seeks to integrate the annual plan outlay for 2012-13 with the proposed investment requirements of Railways during the 12<sup>th</sup> Plan period. However, the budgetary allocations for several development activities for 2012-13 remain inadequate in relation to the estimated expenditure requirements for undertaking those activities in the next five years.

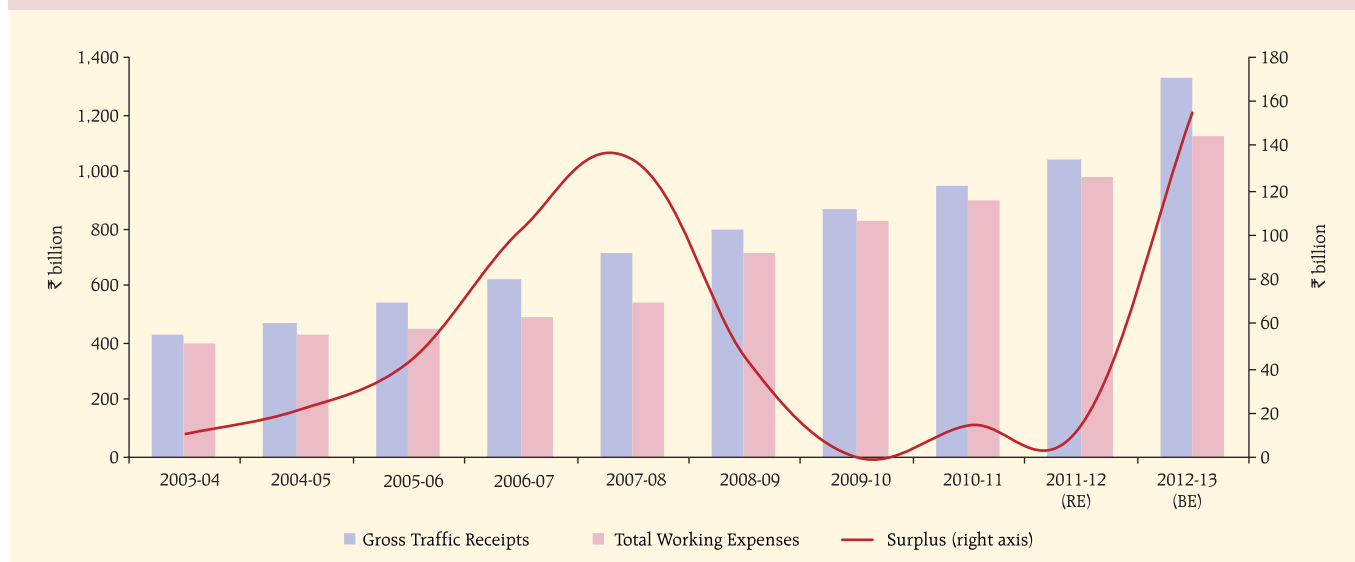
Recognising the resource constraints *vis-à-vis* huge investment requirements for undertaking modernisation, capacity augmentation and other development initiatives proposed in the Budget, it is indicated that some of these development works would be undertaken under PPP mode or on cost-sharing basis with the State governments. The Budget indicates a steep reduction in the operating ratio in 2012-13, based on a sharp increase in gross traffic receipts, while ordinary working expenses are budgeted to increase around the last year's level. The buoyancy in gross traffic receipts in 2012-13 is attributed primarily to rationalisation of freight rates effective from March 6, 2012 and the proposed increase in passenger fares in the Budget. This article sets out key features of the Railway Budget.

### Financial Performance

The financial performance of Railways deteriorated further in 2011-12. Passenger earnings fell short of the budgeted level while total working expenses turned out to be higher on account of slippage in ordinary working expenses and higher appropriation to the Pension Fund. Notwithstanding the impact of a ban on export of iron ore by a few State governments on freight traffic volume, freight earnings have been kept unchanged in the revised estimates (RE) in view of the freight tariff rationalisation implemented prior to the Budget. The appropriations to the Depreciation Reserve Fund were also lower. Accordingly, the operating ratio (total working expenses as a ratio of gross traffic receipts) was higher than the budgeted level (Statement 1). It may be noted here that the

\* Prepared in the Fiscal Analysis Division of the Department of Economic and Policy Research. This article is based on the Railway Budget 2012-13 presented to the Parliament on March 14, 2012.

Chart 1: Railways' Revenue, Expenditure and Surplus



Railways had to take recourse to borrowings from Ministry of Finance to meet the requirements of safety related works undertaken during 2011-12.

The budget appears to be ambitious in projecting a more than nine-fold increase in the surplus of Railways for 2012-13 which is driven mainly by buoyancy in traffic earnings (Chart 1).

During 2012-13, gross traffic receipts of Railways are estimated to record an increase of 27.6 per cent. Looking at the past trends, this appears to be optimistic

with budgeted growth rates for both passenger and freight earnings for 2012-13 being placed significantly higher than the average trends in the past. However, it may be noted that passenger fares have been revised across the board after a gap of eight years (Annex I). The ordinary working expenses are budgeted to increase by around 11.6 per cent for 2012-13, which seems to be significantly lower in comparison with average past trends (Table 1 and Statement 2). In case of any deviation from the underlying assumptions for estimates of gross traffic receipts and working expenses, it would be difficult to achieve a reduction in operating ratio of more than 10 percentage points to 84.9 per cent during 2012-13 (Table 2).

Table 1: Financial Indicators at a Glance (Growth rates)

Items	(per cent)		
	2008-09 to 2010-11 (Avg)	2011-12 (RE)	2012-13 (BE)
	1	2	3
<b>I. Total Receipts</b>	<b>9.7</b>	<b>10.3</b>	<b>27.2</b>
<i>of which</i>			
a) Passenger Earnings	9.1	11.7	25.3
b) Freight Earnings	9.9	9.2	30.2
<b>II. Total Expenditure</b>	<b>18.4</b>	<b>10.1</b>	<b>14.0</b>
<i>of which</i>			
a) Net Ordinary Working Expenses	19.0	11.0	11.6
b) Appropriations to Funds	17.6	0.7	22.0
<b>III. Net Revenue (I-II)</b>	<b>-25.0</b>	<b>12.6</b>	<b>85.4</b>
<i>Memo (Ratios)</i>			
i) Operating Ratio	93.5	95.0	84.9
ii) Ratio of Net Revenue to Capital-at-Charge and Investment from Capital Fund	5.9	4.4	12.1

Table 2: Major Financial Ratios

Items	(per cent)	
	Operating Ratio	Net Railway Revenue as percentage of Capital-at-Charge
	1	2
2003-04	92.1	8.0
2004-05	91.0	8.9
2005-06	83.2	15.4
2006-07	78.7	19.0
2007-08	75.9	20.7
2008-09	90.5	8.8
2009-10	95.3	4.5
2010-11	94.6	4.4
2011-12 (RE)	95.0	4.4
2012-13 (BE)	84.9	12.1

## Plan Outlay for 2012-13 *vis-à-vis* the 12<sup>th</sup> Plan period

The budgeted plan outlay at ₹601 billion in 2012-13 is the highest ever plan investment by the Railways, showing an increase of 21.5 per cent. More than half of the plan outlay is proposed to be allocated for modernisation of rolling stock, track renewals and expansion of railway network (Statement 3). The financing pattern shows that 30 per cent of the plan outlay is budgeted to be financed through internal resources (as against a quarter in 2011-12), which is lower than the average of around 40 per cent during 2007-11. Gross budgetary support for 2012-13 at ₹240 billion would account for around 40 per cent of the plan outlay (43 per cent in 2011-12). The share of market borrowings (₹150 billion) is placed at 25 per cent of the annual plan outlay during 2012-13 (around 30 per cent during 2011-12).

It may be noted that the Railways have proposed to invest around ₹7,400 billion during the 12<sup>th</sup> Plan period. This is, however, based on the premise that it would get at least 10 per cent of the government's share of investment in infrastructure at about ₹2,500 billion during the 12<sup>th</sup> Plan period. In addition, it is also proposed to finance the plan through support from the government for national projects to the tune of ₹300 billion. Pending the approval of these proposals, the annual allocation for 2012-13 works out to around 40 per cent of the average annual allocation proposed for the 12<sup>th</sup> Plan. Accordingly, the budget has allocated significantly less than the average required outlays in respect of four out of five categories<sup>1</sup> identified by the Modernisation and Safety Committees.

### Modernisation, Safety and other Initiatives in the Budget

The Railway Budget 2012-13 places special emphasis on safety enhancing and modernisation measures. The implementation of modernisation measures, which have been recommended by two High-Level Committees, relates to areas of rolling stock, tracks and bridges, signalling and telecommunication.

<sup>1</sup> Tracks; 2. Bridges; 3. Signaling and Telecommunication; 4. Rolling Stock; and 5. Stations and Freight terminals.

### Railway Budget: Post-Presentation Developments

Subsequent to the presentation of the Railway Budget, the proposed fare hikes for certain classes of travel, *i.e.*, second class suburban and non-suburban, Sleeper, AC Chair Car and AC 3-tier were rolled back. This could affect realisation of budget estimates in respect of passenger earnings for 2012-13, as more than three-fourth earnings emanate from non-upper class passenger travel.

The Budget also proposes to improve rail connectivity to the border areas as also with the neighbouring countries (Annex).

### Overall Assessment

The Railway Budget 2012-13 focuses on its developmental role as a catalyst of growth, defines its investment priorities and attempts to address the basic problem relating to its weak financial position through tariff and fare revision measures. In the interim, additional financial support is being sought from the Central government and other investment opportunities for capacity augmentation and development work are being explored with the help of the State governments and under PPP initiatives. These initiatives can be sustained subject to a credible improvement in finances of the Railways in the medium-term.

This would depend upon a number of factors. First, the Railways have to progressively become more market-oriented organisation through more flexible pricing policy of its services in tune with cost of provision of these services. Second, it also has to work towards economising its operational expenses through undertaking modernisation as envisaged in the Budget. Third, enhanced support from the State governments and the private sector as envisaged could only be garnered over the medium to long-term. Fourth, market borrowings constitute the dominant portion of the extra-budgetary support being utilised by the Railways to finance its plan outlays. Taking into account the proposed investment needs of the Railways, and the extant constraints in terms of availability of gross budgetary support from the Central government, the focus has to be on internal resource generation through appropriate measures. A snapshot of measures is given in the Annex.

### Annex Major Policy Initiatives in Railway Budget 2012-13

#### New Services

- 75 new Express trains to be introduced, 21 new passenger services, 9 DEMU services and 8 MEMU services to be introduced, run of 39 trains to be extended, frequency of 23 trains to be increased.
- Suburban services to be augmented in Mumbai, Chennai and Kolkata.

#### Modernisation and setting up of Factories

- Rail Wheel Plan at Chhapra produced 78 wheels during 2011-12; the plant would be fully commissioned in 2012-13.
- Rae Bareli coach factory manufactured 10 coaches in 2011-12; phase-II of the factory would be commissioned in 2012-13.
- Diesel Component Factory at Dankuni has commenced trial production and would be fully commissioned in 2012-13.
- Wagon Manufacturing Factory at Kulti and fiat bogey frame unit at Budge Budge to commence production in 2012-13.
- A wagon factory to be set up at Sitapali (Ganjam District of Odisha). A rail coach factory with the support of Government of Kerala to be set up at Palakkad; two additional new manufacturing units for coaches to be established in the Kutch area in Gujarat and at Kolar in Karnataka with active participation of the State Governments.
- A plant for manufacture of traction alternators for high horse power diesel locomotives to be set up at Vidisha in Madhya Pradesh.
- Setting up of a factory at Shyamnagar in West Bengal to manufacture next generation technology propulsion system for use in high power electric locomotives.
- Augmenting the electric loco Ancillaries Unit of CLW at Dankuni for fabrication of locomotive shells and assembly of three phase locomotives for manufacturing of new generation 9000 HP locomotives.

#### Gauge Conversion and Doubling

- 725 km new lines, 700 km doubling, 800 km gauge conversion and 1100 km electrification targeted in 2012-13.

#### Connectivity to neighbouring countries

- Construction of Jogbani-Biratnagar and Jaynagar-Bijalpura-Bardibas new lines already in progress to provide connectivity to Nepal.
- Project to connect Agartala with Akhaura in Bangladesh to be taken up in 2012-13.

#### Safety and Security

- Setting up of a Railway Safety Authority as a statutory regulatory body as recommended by Kakodkar Committee;
- Creating Missions as recommended by Pitroda Committee to implement the modernisation programme
- Aligning the Annual Plan investment with five focus areas identified by Kakodkar and Pitroda Committees, *i.e.*, (a) Track (b) Bridges (c) Signalling & Telecommunication (d) Rolling Stock and (e) Stations & Freight Terminals.
- New Board Member (Safety/Research) to be inducted.
- Rail-Road Grade Separation Corporation to be set up to eliminate level crossings.
- Plan allocation to priority works so as to reap benefits after completion in a time bound manner
- Three 'Safety Villages' to be set up at Bengaluru, Kharagpur and Lucknow for skill development for disaster management;
- Installation of Integrated Security System at all 202 identified stations to be completed in 2012-13.

#### Co-operation with State Governments

- MoU signed with Government of Chhatisgarh to develop three rail corridors in state for movement of passenger and freight.

**Annex**  
**Major Policy Initiatives in Railway Budget 2012-13 (Concl'd.)**

- 12 projects on cost sharing basis with Government of Karnataka, Andhra Pradesh, Madhya Pradesh, Jharkhand, Rajasthan and Maharashtra sent to Planning Commission for approval.
  - 17 projects to facilitate the first and list mile connectivity proactively sanctioned and another 28 projects identified.
- Other measures**
- Indian Railway Station Development Corporation to be set up to redevelop stations through PPP mode.
  - Logistics Corporation to be set up for development and management of existing railway goods sheds and multi-modal logistics parks.
  - Private investment schemes for Wagon leasing, Sidings, Private Freight Terminals, Container train operations, Rail connectivity projects (R3i and R2C-i) being made more attractive to PPP partners.
  - New Board Member (PPP/Marketing) to be inducted.
  - Setting up of 72 MW capacity windmill plants in Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and West Bengal.
  - Setting up of 200 remote railway stations as 'green energy stations' powered entirely by solar energy.
  - Installation of 321 escalators at important stations of which 50 will be commissioned in 2012-13.
  - 12 State of art mechanised laundries already set up and 6 more to become functional during 2012-13.
  - SMS on passenger mobile phone in case of e-ticket to be accepted as proof of valid reservation.
  - Introduction of satellite-based real time train information system (SIMRAN) to provide train running information to passengers through SMS, internet, *etc.*
  - Dedicated Railway Design Centre to be set up in the National Institute of Design, Ahmedabad.
  - Institution of 'Rail Khel Ratna' Award for 10 rail sports-persons every year.
  - 50 per cent concession in fare in AC-2, AC-3, Chair Car and Sleeper classes to patients suffering from 'Aplastic Anaemia' and 'Sickle Cell Anaemia'.
  - Over 80,000 persons recruited in 2011-12; Over one lakh persons to be recruited in 2012-13 – backlog of SC/ST/OBC and other categories to be wiped off.

**Statement 1**  
**Financial Results of Railways (Contd.)**

(` billion)

Items	2010-11 (Actuals)	2011-12 (Budget Estimates)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)
	1	2	3	4
<b>1 Gross Traffic Receipts(a to e)</b>	<b>945.36</b>	<b>1,062.39</b>	<b>1,039.17</b>	<b>1,325.52</b>
(a) Passenger Earnings	257.93	304.56	288.00	360.73
(b) Freight (Goods) Earnings	628.45	686.20	686.20	893.39
(c) Sundry Other Earnings	34.18	40.60	37.00	40.96
(d) Other Coaching	24.70	29.03	27.50	29.94
(e) Suspense	0.10	2.00	0.47	0.50
<b>2 Total Miscellaneous Receipts (a to d)</b>	<b>21.45</b>	<b>31.54</b>	<b>27.30</b>	<b>31.42</b>
a) Interest on Fund Balances	0.00	0.00	0.00	0.00
b) Receipts from Safety Surcharge on Passengers Fares	0.00	0.00	0.00	0.00
c) Subsidy from General Revenues towards dividend relief & other concessions	20.38	30.23	25.98	30.04
d) Other Miscellaneous Receipts	1.08	1.32	1.32	1.38
<b>3 Total Receipts (1+2)</b>	<b>966.81</b>	<b>1,093.93</b>	<b>1,066.47</b>	<b>1,356.94</b>
4 Ordinary Working Expenses	681.39	736.50	756.50	844.00
5 Appropriation to Pension Fund	158.20	158.00	168.00	185.00
6 Appropriation to Depreciation Reserve Fund	55.15	70.00	61.60	95.00
<b>7 Total Working Expenses {4+5+6}</b>	<b>894.74</b>	<b>964.50</b>	<b>986.10</b>	<b>1,124.00</b>
<b>8 Total Miscellaneous Expenditure</b>	<b>8.61</b>	<b>9.50</b>	<b>8.92</b>	<b>10.61</b>
a) Appropriation to Special Railway Safety Fund	0.00	0.00	0.00	0.00
b) O.L.W.R. (Open Line Works Revenue)	0.36	0.60	0.56	0.60
c) Other Miscellaneous Expenditure	8.25	8.90	8.37	10.01
<b>9 Total Expenditure (7+8)</b>	<b>903.35</b>	<b>974.00</b>	<b>995.02</b>	<b>1,134.61</b>
<b>10 Net Revenue (3-9)</b>	<b>63.46</b>	<b>119.93</b>	<b>71.44</b>	<b>222.33</b>
11 a) Dividend Payable to General Revenue	49.41	67.35	56.52	66.76
b) Payment of Deferred Dividend	0.00	0.00	0.00	0.00
c) Total Dividend Payment (a+b)	49.41	67.35	56.52	66.76
<b>12 Surplus [10-11(c)]</b>	<b>14.05</b>	<b>52.58</b>	<b>14.92</b>	<b>155.57</b>
13 Appropriation to Development Fund	14.05	24.00	5.50	105.57
14 Appropriation to Capital Fund	0.00	28.58	9.42	50.00
15 Appropriation to Railway Safety Fund	0.00	0.00	0.00	0.00
16 Appropriation to Special Railway Safety Fund	0.00	0.00	0.00	0.00
<b>17 Operating Ratio (%)</b>	<b>94.6</b>	<b>91.1</b>	<b>95.0</b>	<b>84.9</b>
<b>18 Ratio of Net Revenue to Capital-at-Charge and Investment from Capital Fund (%)</b>	<b>4.4</b>	<b>7.6</b>	<b>4.4</b>	<b>12.1</b>

**Statement 1**  
**Financial Results of Railways (Concl.)**

(' billion)

Items	Variations					
	Col.3 over Col. 2		Col.3 over Col. 1		Col.4 over Col. 3	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
	5	6	7	8	9	10
<b>1 Gross Traffic Receipts (a to e)</b>	<b>-23.22</b>	<b>-2.2</b>	<b>93.81</b>	<b>9.9</b>	<b>286.35</b>	<b>27.6</b>
(a) Passenger Earnings	-16.56	-5.4	30.07	11.7	72.73	25.3
(b) Freight (Goods) Earnings	0.00	0.0	57.75	9.2	207.19	30.2
(c) Sundry Other Earnings	-3.60	-8.9	2.82	8.2	3.96	10.7
(d) Other Coaching	-1.53	-5.3	2.80	11.3	2.44	8.9
(e) Suspense	-1.53	-76.5	0.37	362.1	0.03	6.4
<b>2 Total Miscellaneous Receipts (a to d)</b>	<b>-4.24</b>	<b>-13.5</b>	<b>5.84</b>	<b>27.2</b>	<b>4.12</b>	<b>15.1</b>
a) Interest on Fund Balances	0.00	-	0.00	-	0.00	-
b) Receipts from Safety Surcharge on Passengers Fares	0.00	-	0.00	-	0.00	-
c) Subsidy from General Revenues towards dividend relief & other concessions	-4.24	-14.0	5.61	27.5	4.06	15.6
d) Other Miscellaneous Receipts	0.00	-0.4	0.24	22.1	0.06	4.9
<b>3 Total Receipts (1+2)</b>	<b>-27.46</b>	<b>-2.5</b>	<b>99.66</b>	<b>10.3</b>	<b>290.47</b>	<b>27.2</b>
4 Ordinary Working Expenses	20.00	2.7	75.11	11.0	87.50	11.6
5 Appropriation to Pension Fund	10.00	6.3	9.80	6.2	17.00	10.1
6 Appropriation to Depreciation Reserve Fund	-8.40	-12.0	6.45	11.7	33.40	54.2
<b>7 Total Working Expenses {4+5+6}</b>	<b>21.60</b>	<b>2.2</b>	<b>91.36</b>	<b>10.2</b>	<b>137.90</b>	<b>14.0</b>
<b>8 Total Miscellaneous Expenditure</b>	<b>-0.58</b>	<b>-6.1</b>	<b>0.32</b>	<b>3.7</b>	<b>1.68</b>	<b>18.9</b>
a) Appropriation to Special Railway Safety Fund	0.00	-	0.00	-	0.00	-
b) O.L.W.R. (Open Line Works Revenue)	-0.04	-6.8	0.20	55.9	0.04	7.4
c) Other Miscellaneous Expenditure	-0.54	-6.0	0.12	1.4	1.64	19.6
<b>9 Total Expenditure (7+8)</b>	<b>21.02</b>	<b>2.2</b>	<b>91.68</b>	<b>10.1</b>	<b>139.58</b>	<b>14.0</b>
<b>10 Net Revenue (3-9)</b>	<b>-48.49</b>	<b>-40.4</b>	<b>7.98</b>	<b>12.6</b>	<b>150.89</b>	<b>211.2</b>
11 a) Dividend Payable to General Revenue	-10.83	-16.1	7.11	14.4	10.24	18.1
b) Payment of Deferred Dividend	0.00	-	0.00	-	0.00	-
c) Total Dividend Payment (a+b)	-10.83	-16.1	7.11	14.4	10.24	18.1
<b>12 Surplus [10-11(c)]</b>	<b>-37.66</b>	<b>-71.6</b>	<b>0.87</b>	<b>6.2</b>	<b>140.65</b>	<b>942.6</b>
13 Appropriation to Development Fund	-18.50	-77.1	-8.55	-60.9	100.07	-
14 Appropriation to Capital Fund	-19.16	-67.0	9.42	-	40.58	430.7
15 Appropriation to Railway Safety Fund	0.00	-	0.00	-	0.00	-
16 Appropriation to Special Railway Safety Fund	0.00	-	0.00	-	0.00	-
<b>17 Operating Ratio (%)</b>	<b>3.90</b>	<b>4.3</b>	<b>0.40</b>	<b>0.4</b>	<b>-10.10</b>	<b>-10.6</b>
<b>18 Ratio of Net Revenue to Capital-at-Charge and Investment from Capital Fund (%)</b>	<b>-3.20</b>	<b>-42.1</b>	<b>0.00</b>	<b>0.0</b>	<b>7.70</b>	<b>175.0</b>

Source: Explanatory Memorandum on the Railway Budget, 2012-13

**Statement 2**  
**Ordinary Working Expenses of Railways**

(` billion)

Items	2010-11 (Actuals)	2011-12 (Budget Estimates)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)
	1	2	3	4
<b>Net Ordinary Working Expenses (a to h)</b>	<b>681.39</b> (100.0)	<b>736.50</b> (100.0)	<b>756.50</b> (100.0)	<b>844.00</b> (100.0)
a) General Superintendence and Services	43.23 (6.3)	49.47 (6.7)	47.05 (6.2)	52.62 (6.2)
b) Repairs and Maintenance	223.74 (32.8)	244.36 (33.2)	240.72 (31.8)	267.68 (31.7)
c) Operating Expenses (Traffic)	117.40 (17.2)	129.97 (17.6)	131.75 (17.4)	148.68 (17.6)
d) Operating Expenses (Fuel)	167.48 (24.6)	172.26 (23.4)	189.32 (25.0)	212.92 (25.2)
e) Operating Expenses (Rolling Stock and Equipment)	59.75 (8.8)	63.01 (8.6)	67.08 (8.9)	71.97 (8.5)
f) Staff Welfare and Amenities	35.53 (5.2)	39.14 (5.3)	39.16 (5.2)	43.40 (5.1)
g) Suspense	0.59 (0.1)	-1.03 (-0.1)	-1.16 (-0.2)	-0.97 (-0.1)
h) Others*	33.67 (4.9)	39.32 (5.3)	42.58 (5.6)	47.71 (5.7)

Items	Variation					
	Col.3 over Col. 2		Col.3 over Col. 1		Col.4 over Col. 3	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
	5	6	7	8	9	10
<b>Net Ordinary Working Expenses (a to h)</b>	20.00	2.7	75.11	11.0	87.50	11.6
a) General Superintendence and Services	-2.42	-4.9	3.82	8.8	5.57	11.8
b) Repairs and Maintenance	-3.64	-1.5	16.98	7.6	26.96	11.2
c) Operating Expenses (Traffic)	1.78	1.4	14.35	12.2	16.93	12.9
d) Operating Expenses (Fuel)	17.06	9.9	21.85	13.0	23.60	12.5
e) Operating Expenses (Rolling Stock and Equipment)	4.07	6.5	7.33	12.3	4.89	7.3
f) Staff Welfare and Amenities	0.02	0.1	3.63	10.2	4.24	10.8
g) Suspense	-0.14	13.4	-1.76	-295.9	0.19	-16.4
h) Others*	3.26	8.3	8.90	26.4	5.13	12.0

\* Includes miscellaneous working expenses, Provident Fund, Pension and Other Retirement Benefits.

**Note:** Figures in brackets represent percentage to total.

**Source:** Explanatory Memorandum on the Railway Budget, 2012-13



**Statement 3**  
**Developmental Expenditure of Railways**

(` billion)

Items	2010-11 (Actuals)	2011-12 (Budget Estimates)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)	Variation					
					Col. 3 over Col. 2		Col.3 over Col. 1		Col. 4 over Col. 3	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
					1	2	3	4	5	6
<b>Total</b>	<b>407.93</b>	<b>576.30</b>	<b>494.67</b>	<b>601.00</b>	<b>-81.63</b>	<b>-14.2</b>	<b>86.74</b>	<b>21.3</b>	<b>106.33</b>	<b>21.5</b>
<i>of which:</i>										
a) Track Renewals	49.85 (12.2)	49.64 (8.6)	50.16 (10.1)	60.03 (10.0)	0.52	1.0	0.31	0.6	9.87	19.7
b) Rolling Stock	147.08 (36.1)	141.20 (24.5)	158.89 (32.1)	184.93 (30.8)	17.69	12.5	11.81	8.0	26.04	16.4
c) Electrification Projects	6.43 (1.6)	9.78 (1.7)	7.94 (1.6)	8.30 (1.4)	-1.84	-18.8	1.51	23.5	0.36	4.5
d) Workshop including Production Units	10.50 (2.6)	16.57 (2.9)	12.22 (2.5)	12.60 (2.1)	-4.35	-26.3	1.72	16.4	0.38	3.1
e) New Lines	52.72 (12.9)	84.34 (14.6)	63.48 (12.8)	58.77 (9.8)	-20.86	-24.7	10.76	20.4	-4.72	-7.4
f) Lines Doubling	21.65 (5.3)	54.18 (9.4)	26.46 (5.3)	34.06 (5.7)	-27.72	-51.2	4.81	22.2	7.60	28.7
g) Traffic Facilities	8.03 (2.0)	10.32 (1.8)	6.27 (1.3)	10.22 (1.7)	-4.05	-39.3	-1.76	-21.9	3.95	63.0
h) Signalling and Telecommunication works	9.65 (2.4)	11.02 (1.9)	8.93 (1.8)	20.07 (3.3)	-2.09	-18.9	-0.71	-7.4	11.13	124.6

**Note:** Figures in brackets represent percentages to total.

**Source:** Explanatory Memorandum on the Railway Budget, 2012-13.

**Statement 4**  
**Freight and Passenger Traffic of Railways**

Items	2010-11 (Actuals)	2011-12 (Budget Estimates)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)	Variations					
					Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
					1	2	3	4	5	6
<b>I. Freight Traffic (Million Tonnes)</b>										
1. Coal	420 (0.5)	468 (0.5)	455 (0.5)	485 (0.5)	-0.14	-2.9	0.34	8.1	0.31	6.7
2. Raw Materials to Steel Plants	13 (0.0)	13 (0.0)	15 (0.0)	15 (0.0)	0.02	12.3	0.01	9.8	0.01	4.5
3. Pig Iron and Finished Steel for Steel Plants	33 (0.0)	35 (0.0)	35 (0.0)	37 (0.0)	-0.01	-1.4	0.02	5.1	0.03	7.2
4. Iron ore for Exports	118 (0.1)	115 (0.1)	105 (0.1)	104 (0.1)	-0.10	-9.0	-0.14	-11.7	-0.01	-0.6
5. Cement	99 (0.1)	106 (0.1)	109 (0.1)	118 (0.1)	0.03	2.7	0.10	9.9	0.09	8.4
6. Food Grains	43 (0.0)	45 (0.0)	46 (0.0)	50 (0.0)	0.01	2.4	0.03	6.1	0.04	7.9
7. Fertilizers	48 (0.1)	50 (0.1)	50 (0.1)	52 (0.1)	0.00	-	0.02	3.7	0.02	4.0
8. Others	146 (0.2)	161 (0.2)	157 (0.2)	164 (0.2)	-0.04	-2.6	0.11	7.4	0.07	4.6
<b>Total ( 1 to 8)</b>	<b>922</b>	<b>993</b>	<b>970</b>	<b>1,025</b>	<b>-0.23</b>	<b>-2.3</b>	<b>0.48</b>	<b>5.2</b>	<b>0.55</b>	<b>5.7</b>
<b>II. No. of Passengers (in Millions)</b>										
1. Suburban *	4,220 (54.0)	4,449 (53.8)	4,359 (52.6)	4,629 (53.0)	-0.90	-2.0	1.39	3.3	2.69	6.2
2. Non-Suburban #	3,589 (46.0)	3,823 (46.2)	3,932 (47.4)	4,112 (47.0)	1.09	2.8	3.42	9.5	1.80	4.6
<b>Total (1 + 2)</b>	<b>7,809</b>	<b>8,272</b>	<b>8,291</b>	<b>8,741</b>	<b>0.19</b>	<b>0.2</b>	<b>4.82</b>	<b>6.2</b>	<b>4.50</b>	<b>5.4</b>

\* Includes passengers on Metro Railway, Kolkata.

# Includes Executive class.

**Note:** Figures in brackets represent percentages to total.

**Source:** Explanatory Memorandum on the Railway Budget, 2012-13.

**Statement 5**  
**Indian Railways – Selected Performance Indicators (A Statistical Profile) (Contd.)**

Items	Unit	1990-91	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03
	1	2	3	4	5	6	7	8
1 Capital-at Charge & investment from Capital Fund *	` Billion	161.26	338.46	368.29	397.72	430.52	471.47	510.99
2 Route Kilometres-Total	Kilometres	62,367	62,495	62,809	62,759	63,028	63,140	63,122
Of which: Electrified	Kilometres	9,968	13,490	13,765	14,261	14,856	15,994	16,272
3 Number of Stations		7,100	6,929	6,896	6,867	6,843	6,856	6,906
4 Employees (As on 31 March)	Thousands	1652	1,579	1,578	1,577	1,545	1,511	1,472
5 Wage Bill	` Billion	51.66	141.41	156.11	162.89	188.41	190.37	199.15
6 Number of Passengers Originating	Millions	3,858	4,348	4,411	4,585	4,833	5,093	4,971
7 Passengers Kilometres	Millions	295,644	379,897	403,884	430,666	457,022	493,488	515,044
8 Average Lead of Passenger Traffic	Kilometres	76.60	87.40	91.60	94.00	95.00	97.00	104.00
9 Average Rate per Passenger Kilometre	Paise	10.60	19.90	21.10	22.00	23.00	23.00	24.00
10 Originating Revenue- Earning Freight Traffic	Million Tonnes	318.40	429.40	420.90	456.00	474.00	493.00	519.00
11 Revenue-Earning Freight Traffic- Net Tonne Kilometres	Millions	235,785	284,249	281,513	305,201	312,371	333,228	353,194
12 Average Lead of Revenue-Earning Freight Traffic	Kilometres	711	644	644	644	626	644	656
13 Average Rate Per Tonne Kilometre	Paise	35	69	70	71	74	74	74
14 Revenue-Gross Receipts**	` Billion	124.52	291.34	302.34	338.56	360.11	393.58	427.41
15 Operating Ratio	Per cent	0.92	0.91	0.93	0.93	0.98	0.96	0.92
16 Surplus(+)/Deficit(-)	` Billion	1.76	15.35	3.99	8.46	7.64	10.00	11.15

**Statement 5**  
**Indian Railways – Selected Performance Indicators (A Statistical Profile) (Concl'd.)**

Items	Unit	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	1	9	10	11	12	13	14	15	16
1 Capital-at Charge & investment from Capital Fund *	` Billion	560.62	593.47	658.78	760.31	885.21	1,043.01	1,230.01	1,432.21
2 Route Kilometres-Total	Kilometres	63,221	63,465	63,332	63,327	63,273	64,015	63,974	64,460
Of which: Electrified	Kilometres	16,776	17,495	17,907	17,786	18,274	18,559	18,927	19,607
3 Number of Stations		7,031	7,146	6,974	6,909	7,025	7,030	7,083	7,133
4 Employees (As on 31 March)	Thousands	1,442	1,424	1,412	1,398	1,394	1,386	1,362	1,329
5 Wage Bill	` Billion	209.29	225.53	239.20	241.59	258.92	399.93	512.37	537.01
6 Number of Passengers Originating	Millions	5,112	5,378	5,725	6,219	6,524	6,920	7,246	7,651
7 Passengers Kilometres	Millions	541,208	575,702	615,614	694,764	769,956	838,032	903,465	978,508
8 Average Lead of Passenger Traffic	Kilometres	106.00	107.00	108.00	112.00	118.00	121.00	125.00	127.90
9 Average Rate per Passenger Kilometre	Paise	25.00	24.00	25.00	25.00	26.00	26.00	26.00	26.30
10 Originating Revenue- Earning Freight Traffic	Million Tonnes	557.00	602.00	667.00	728.00	794.00	833.00	888.00	921.73
11 Revenue-Earning Freight Traffic- Net Tonne Kilometres	Millions	381,241	407,398	439,596	480,993	521,371	551,448	600,548	525,723
12 Average Lead of Revenue-Earning Freight Traffic	Kilometres	661	657	647	649	651	660	674	676
13 Average Rate Per Tonne Kilometre	Paise	72	75	81	85	89	94	95	97
14 Revenue-Gross Receipts**	` Billion	449.11	490.47	563.16	647.86	732.77	816.59	892.29	966.81
15 Operating Ratio	Per cent	0.92	0.91	0.84	0.79	0.76	0.91	0.95	0.95
16 Surplus(+)/Deficit(-)	` Billion	10.91	20.74	43.38	102.06	134.31	44.57	0.01	14.05

\* Capital-at-charge excludes Capital Outlay on Metropolitan Transport Projects and Circular Railway (Eastern Railway) and disinvestments.

\*\* Includes Total Miscellaneous Receipts.

**Note:** 1. Capital-at-charge means capital contributed by General Revenues for investment in Railways.  
2. Operating Ratio means ratio of total working expenses to gross traffic receipts.

**Source:** 1. Indian Railways Year Books.  
2. Indian Railways Annual Report and Accounts.