Railway Budget: 2002-03*

Introduction

The finances of the Railways, which were under strain particularly since mid-nineties on account of slower growth in revenue vis-à-vis its expenditure, seem to be setting on the recovery path. It is reflected in improvement in the operating ratio and return on capital as projected for the years 2001-02(RE) and 2002-03(BE). During these years, traffic receipts are projected to grow at a rate faster than that of expenditure, unlike the performance in the earlier years since mid-nineties. The projected improvement has been sought to be achieved by way of cut in expenditure on fuel, repairs and maintenance and staff welfare and amenities, etc., and increase in revenue receipts by way of rationalisation of tariff structure and increase in rates. However, in view of the pressing need for funds for investing in infrastructure and expansion programmes, recourse to market borrowings continues. The Budget emphasizes the need for improved safety besides expansion.

This article analyses the financial position of the Railways as presented in the Railway Budget 2002-03. The major developments in the revised estimates for 2001-02 are presented in section II. Section III provides an analysis of the budget estimates for the year 2002-03 and the proposed policy initiatives. The concluding observations are presented in Section IV.

The Railway Budget for 2002-03, presented to the Parliament on February 26, 2002, projects higher growth in revenues and moderation in expenditure. Budget proposed upward revision in passenger fares and rationalisation of tariff structure. The tariff revision in the Budget, effected through revision in passenger fares and freight tariff would yield additional resources of Rs.1,360 crore. After taking into account the estimated yield from the additional resource mobilisation (ARM) measures, the surplus is budgeted at Rs.1,020 crore as against Rs.772 crore in 2001-02 (RE)[@] .

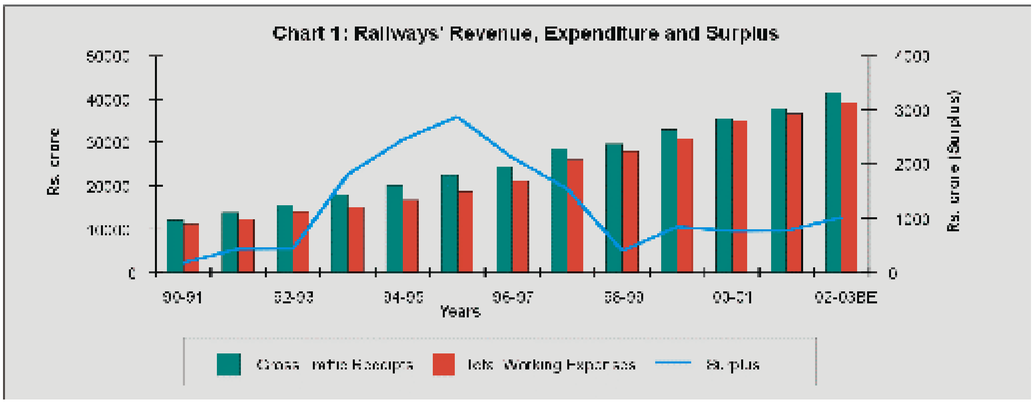
The gross tariff receipts are budgeted to increase by 10.1 per cent during 2002-03, while the total working expenses are estimated to show a lower rise of 7.3 per cent (Table 1). Lower growth in working expenses reflects in the improvement in operating ratio (working expenses as a percentage to gross earnings) which is budgeted to decline from 96.6 per cent in 2001-02 to 94.4 per cent in 2002-03. However, it is still higher than 84.3 per cent during the Eighth Plan. The return on capital (ratio of net revenue to capital-at-charge and investment from Capital Fund) would also improve to 7.3 per cent in 2002-03 from 4.5 per cent in 2001-02.

The Plan outlay for 2002-03 is placed at Rs.12,330 crore, which is 13.6 per cent higher than the revised estimates of Rs.10,857 crore for 2001-02. The Plan priority is passenger safety and expansion. A Special Railway Safety Fund of Rs.17,000 crore has been set up. Fund would receive a budgetary support of Rs.12,000 crore over the next six years and the balance would be financed by passenger safety surcharge. Work relating to track renewal, rebuilding of bridges, replacement of signalling gears and rolling stock and investment in safety enhancement aids would be taken up through this Fund. Total outlay under this Fund during the year 2002-03 would be Rs.2,210 crore.

Section II

Revised Estimates: 2001-02

As per the revised estimates for 2001-02, the Railways showed a surplus of Rs.772 crore which was lower than the budget target of Rs.831 crore. The surplus generation by the Railway s has shown steady deterioration emanating from persistent rise in working expenses and non-realisation of targeted revenue (Chart 1). The deterioration in the financial position of Railways during 2001-02 has mainly stemmed from 5.6 per cent decline in gross traffic receipts. Due to economic slowdown, revenue earning freight traffic is expected to reach a level of 489 million tonnes only as against the budgeted level of 500 million tonnes. Accordingly, the freight earnings have been revised downwards from Rs.25,235 crore to Rs.24,610 crore. Passenger traffic earnings showed a marginal improvement over the budget targets.



The shortfall in traffic receipts was mainly on account of 65.5 per cent decline (Rs.1,617 crore) in sundry other earnings, which also included non-traditional sources of earnings[#] . Significantly, the expected revenue from non-traditional sources of 'Leasing of Right to Way for Optic Fibre Cable Network' did not materialize. The revised estimates for freight loading of 489 million tonnes for 2001-02 is expected to be achieved on account of positive growth in loading of coal, iron ore for export, cement, food grains and other goods.

The gross traffic receipts of Rs.37,720 crore in the revised estimates showed a decline of 5.6 per cent (Rs.2, 219 crore) over the budget target. However, the adverse impact of non-realisation of revenue targets was to a large extent offset by a 5.7 per cent (Rs. 2,214 crore) decline in working expenses. The working expenses in the revised estimates amount to Rs.36,470 crore as against the budget estimates of Rs.38,684 crore. The decline in working expenses was effected mainly through reduction in expenses on fuel, repairs and maintenance and rolling stock and equipment (Table 2). The appropriation to depreciation reserve fund is also lowered by more than Rs.900 crore to Rs.1,780 crore from the budgeted level of Rs.2,704 crore. Appropriation to pension fund is placed at Rs.5,590 crore, as against the budget estimates of Rs.5,790 crore.

The savings by way of reduction in working expenses contributed to a perceptible improvement in both the operating ratio and the return on capital over the performance in earlier years particularly since mid-nineties. The operating ratio improved from 98.8 per cent in the budget estimates to 96.6 per cent in the revised estimates. The return on capital investment as per the revised estimates has been placed at 4.5 per cent, which although marginally lower than the budgeted level of 4.7 per cent, shows significant improvement over the level of 2.5 per cent achieved in 2000-01 (Table A).

Although, as per the revised estimates, there has been a reduction in the overall plan outlay, a sum of Rs.1,000 crore was allocated to safety related projects. While there has been a cut in the expenditure budgeted for track renewals and rolling stock, the capital expenditure for construction of new lines and signalling and telecommunication improved. During 2001-02, internal resources of the Railways which were budgeted to finance 32.0 per cent of total plan outlay, as per the revised estimates are likely to finance only 19.0 per cent. Similarly, borrowings were also lower than the budgeted level. Short fall on account of these sources has been made up by large allocation made to Special Railway Safety Fund and increased budgetary support.

Table A : Major Financial Ratios of Railways

(Per cent)

Items	Operating Ratio	Net Railway Revenue as % of Capital-at-Charge	Additional Resource Mobilisation as % of Plan Outlay @
1990-91	92.0	6.9	17.8
1995-96	82.5	14.9	10.0
1996-97	86.2	11.7	11.4
1997-98	90.9	8.9	21.7
1998-99	93.3	5.8	4.7
1999-00	93.3	6.9	9.3
2000-01	98.3	2.5	5.5
2001-02 (RE)	96.6	4.5	4.5
2002-03 (BE)	94.4	7.3	11.0

@ : Figures pertain to Budget Estimates
Source : Railway Budgets, various years

Financial Impact of Social Obligations

In addition to its commercial operations and provision for basic transport infrastructure for economic and industrial development, Indian Railways also provides certain services at a price below their cost of operation. However, the cost of various social obligations has been cross-subsidised by the Railways as per convention. Such services which result in losses include transport of essential commodities of mass consumption, passenger and other coaching services, uneconomic branch lines and new lines. The losses incurred by Railways on account of its social obligations rose from Rs.5,121 crore in 2000-01 to Rs.5,413 crore in 2001-02. It accounts for 13.8 per cent of the total receipts and 14.6 per cent of the total expenditure (chart 2). Loss on coaching services accounts for 94.3 per cent of the total loss and low rated freighted items accounts for 5.7 per cent of the total loss on account of expenditure for social obligations.

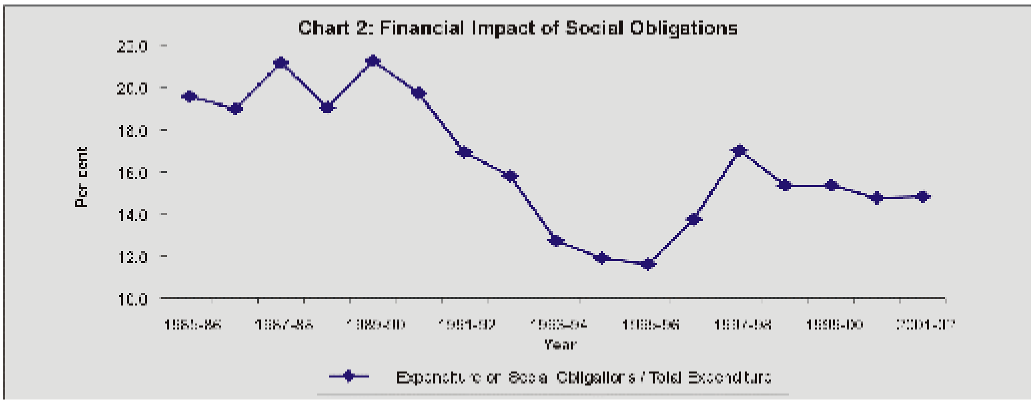


Chart 2: Financial Impact of Social Obligations

According to the Railway Fare and Freight Committee Report (1993), as the passenger traffic is priced below the actual cost of services, whereas freight services are priced on a cost - plus basis, freight earnings in effect subsidise passenger traffic.

Financial Performance of Railway Undertakings

There has been improvement in the performance of public sector undertakings of the Railways during 2000-01. The total dividend paid by such undertakings was higher at Rs.125 crore as compared with Rs.116 crore in 1999-2000. During the year 2000-01, IRCON International Ltd. recorded a higher turnover of Rs.811 crore and earned a net profit of Rs.66 crore. The Rail India Technical and Economic Services Ltd. (RITES) realised higher turnover of Rs.181 crore, with a net profit of Rs.15 crore. The Container Corportion of India Ltd. (CONCOR) achieved a sharp increase in their turnover to Rs.1,075 crore with net profit rising to Rs.217 crore. The Indian Railway Finance Corporation (IRFC) mobilised Rs.2,950 crore through market borrowings to supplement the plan resources of the Railways and earned net profit of Rs.238 crore during the year 2000-01.

Table B : Financial Impact of Social Obligations

(Rs. crore)

Items	1998-99	1999-00	2000-01	2001-02 (Estimated)
1. Loss on coaching services (suburban and non-suburban Passenger traffic, parcel, luggage etc.)	4,165 (97.4)	4,583 (96.7)	4,876 (95.2)	5,104 (94.3)
2. Loss on low- rated freight like foodgrains, Fodder, charcoal, firewood, fruits, Vegetables, etc.	110 (2.6)	156 (3.3)	245 (4.8)	309 (5.7)
3. Total (1+2)	4,275 (100.0)	4,739 (100.0)	5,121 (100.0)	5,413 (100.0)
4. Receipts including miscellaneous receipts	30,234	33,856	36,010	39,300
5. Expenditure including miscellaneous Expenditure	28,093	31,120	34,940	37,159
6. Percentage of item (3) to item (4)	14.1	14.0	14.2	13.8

7.	Percentage of item (3) to item (5)	15.2	15.2	14.7	14.6

Note : Figures in brackets represent percentages to total.

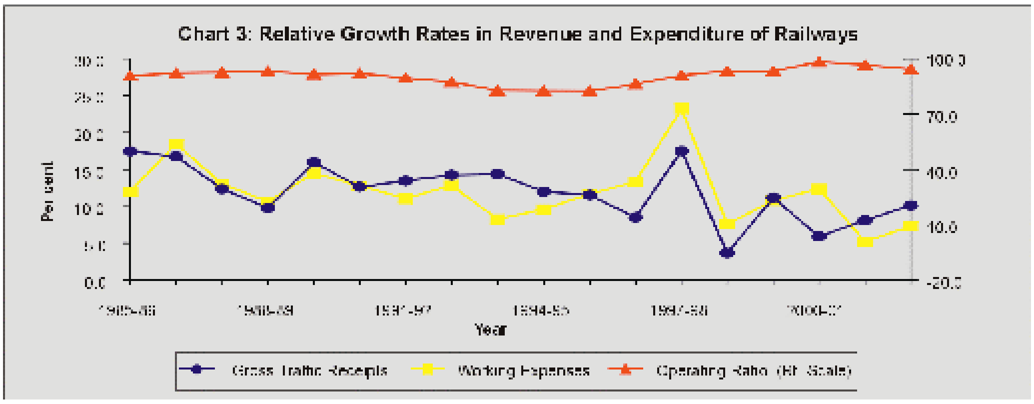
Source : 1) Indian Railway Year Books.

2) Explanatory Memorandum on the Railway Budget of various years

Section III

Budget Estimates : 2002-03

After taking into account the additional resources mobilization (ARM), the Railway Budget for 2002-03 shows a higher surplus of Rs.1,020 crore than Rs.772 crore in 2001-02. Budget envisages buoyancy in traffic receipts and anticipates a growth of 10.1 per cent in 2002-03 as against 8.1 per cent in 2001-02. The growth in working expenses is estimated at 7.3 per cent in 2002-03 as against 5.2 per cent during the previous year. Lower growth in working expenses is reflected in the improved operating ratio, which is projected to be at a lower level of 94.4 per cent in 2002-03 as against 96.6 per cent in 2001-02 and 98.3 per cent in 2000-01.



Gross Traffic Receipts

During the year 2002-03, the gross traffic receipts are estimated at Rs.41,538 crore, 10.1 per cent (Rs.3,818 crore) increase over 2001-02. Goods earning traffic is expected to grow at 6.1 per cent and passenger earnings at 18.0 per cent. The improvement in goods earning traffic is based on higher freight traffic target of 510 million tonnes, which is expected in view of the proposed rationalization of the freight structure and the marketing efforts made by Railways. The Budget projects ARM to the tune of Rs.1,360 crore during 2002-03 (Box I).

Box -I : Fare and Freight Proposals

Passenger

? Keeping the fares of second class as index 100, relativity index for Sleeper class (Mail/Express) to be increased from 155 to 160 and AC Chair Car from 300 to 350.

? For AC First Class reduction in relativity index from 1440 to 1400 to make it more competitive with air travel.

? No change in relativity index for other classes of travel.

- Minimum fare for Second Class (Ordinary) increases from Rs.3 to Rs.4. Maximum increase for any distance upto 100 kms. is only Rs.3. At certain distances fares would be lower by Re.1 to Rs.2 due to rationalisation.
- Minimum fare for Second Class (Mail/Express) to be increased from Rs.15 to Rs.16. At longer distances upto 341 kms. the increase ranges from Re.1 to Rs.6.
- The fares for distances beyond 100 kms. for Second Class (Ordinary) will be fixed at 55 percent of the Second Class (Mail/Express) fares.
- Fares for Second Class MST to be fixed equivalent to fares for 15 single journeys by Second Class (Ordinary).

Freight

- No across-the-board increase in freight rates – mainly the rationalisation has been carried out.
- Freight structure for base class rationalised to remove anomalies, resulting in marginal decrease at certain distances and minimal increase in certain others.
- No. of classes reduced from 59 to 32.
- Ratio of freight in highest class to lowest drops from 8 to 3.3.
- 25 anomalous classes abolished.
- Commodities of common use such as edible salt, fruits, vegetables, gur, jaggery, shakkar, certain items of edible oils, food grains, pulses, organic manures, urea, fodder and dry grass are proposed to be carried at the lowest Class-90.
- Marginal increase in rates of coal, iron ore and raw material to steel plants.
- Marginal reduction in the case of iron & steel, pig iron, cement and most petroleum products.

Working Expenses

The total working expenses in the Budget 2002-03 at Rs.39,128 crore show a growth of 7.3 per cent over the revised estimates for the year 2001-02. The ordinary working expenses, which account for almost 80 per cent of the total working expenses, would grow at 7.1 per cent over the previous year. Significantly, increase in the amount of 'appropriation to depreciation reserve fund' is estimated to increase by 11.1 per cent as against a decline of 22.6 per cent in the previous year. The appropriation to pension fund at Rs.5,990 crore would rise by 7.2 per cent during 2002-03 as compared to 15.7 per cent growth in the previous year.

Net Financial Results

Net Railway revenue (net traffic receipts *plus* net miscellaneous receipts) is budgeted 72.9 per cent higher at Rs.3,699 crore than Rs.2,140 crore in 2001-02. Unlike in the previous two years, deferment of dividend transfer has not been proposed in the current year. Budget for 2002-03 provides for dividend payment of Rs. 2,679 crore to the general revenue.

Special Railway Safety Fund (SRSF)

While safety and expansion are the thrust areas, safety aspect in particular has been given added emphasis in the current Budget. A Special Railway Safety Fund of Rs.17,000 crore has been set up. The Fund would receive Rs.12,000 crore as budgetary support over the next 6 years and balance would be met by safety surcharge levied on passengers. Safety related work including track renewal, rebuilding of bridges, replacement of signalling gears and replacement of rolling stock would be taken up through this fund.

Plan Outlay

The Plan outlay for the Annual Plan of 2002-03 is set at Rs.12,330 crore, 13.6 per cent higher than the revised estimates for 2001-02. Allocation for track renewals is being enhanced by 41.4 per cent over the level in 2001-02 (Table 3). Outlay on rolling stocks has been enhanced by 8.3 per cent. The other areas with higher growth in outlays are traffic facility, signalling and telecommunication works.

Table C : Financing Pattern of Plan Outlays for Railways

(Per cent)

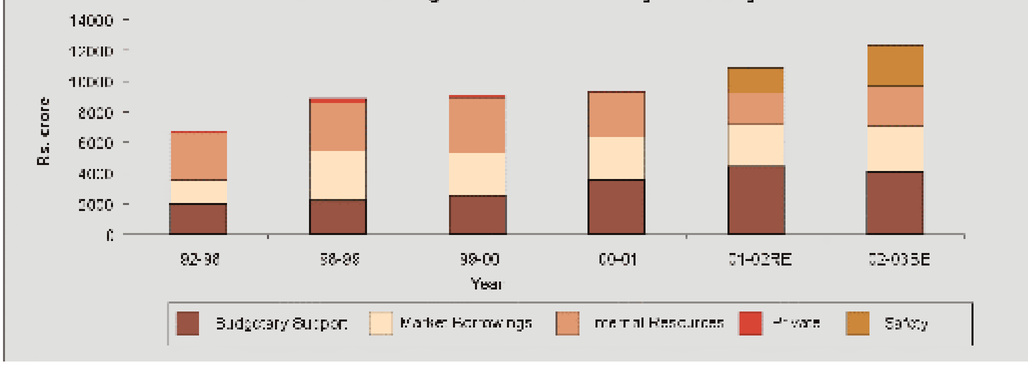
Year	Budgetary Support**	Market Borrowings	Internal Resources	Private Investment	Safety@ Funds
1990-91	27.3	22.7	50.0	—	
1996-97	17.6	23.5	53.7	5.2	
1997-98	24.3	27.1	41.8	6.8	
1998-99	24.8	36.3	35.7	3.1	
1999-00	28.0	30.8	39.7	1.5	
2000-01	37.7	30.0	31.5	0.8	
2001-02(RE)	40.9	25.3	19.0	0.1	14.8
2002-03(BE)	32.8	24.3	21.3	0.0	21.6

Source : Railway Budget, various issues.

** The figure for budgetary support relates to revised estimates.Internal resources are shown as the difference between the total plan outlay and sum of the other financing resources.

@ include allocations to both SRSF and Safety fund.

Chart 4: Financing Pattern of Plan Outlay of Railways



On the financing side, market borrowings are estimated to be Rs.3,000 crore as against Rs.2,743 crore in the previous year. Budgetary support (excluding contribution to SRSF and Central Road Fund) would be at Rs.4,040 crore as against Rs.4,438 crore in the preceding year. There has been a sharp increase in allocation of resources to safety related funds to Rs.2,660 crore during 2002-03 as against Rs.1,603 crore in the preceding year. Contribution of the Central Government to the safety related funds also include collection of safety surcharge expected to be Rs.860 crore. The Internal resources have been budgeted at Rs.2,630 crore.

Various policy initiatives proposed in the Budget are summarized in Box 2 below.

Box 2: Policy Initiatives

? Increased autonomy to General Managers.

? De-centralisation of procurement.

? Port connectivity through cost sharing either fully or in part.

? MoU signed with Jharkhand; Govt. of Jharkhand to bear two-thirds of the cost of projects in that State.

? Special Purpose Vehicles (SPVs) are being formed for expediting completion of certain projects in Karnataka.

? MoU signed with NTPC to explore possibility of captive thermal power plants.

? Pilot projects for private terminals and warehousing facilities near rail terminals.

? Railways to introduce high speed refrigerated parcel vans to move perishables across the country.

Section IV

Concluding Observations

The Railway Budget has been presented in the backdrop of severe resource constraint. Paucity of funds hampered the timely renewal and replacement of existing assets and expansion of the system. Rise in working expenses, non-realization of targeted revenue, and implementation of the Fifth Pay Commission's recommendations have weakened the finances of Railways. This has led to higher market borrowings and deferment of dividend transfer to the general exchequer in the previous two years. Collection of dues from Electricity Boards is far from satisfactory. Ballooning of pension liabilities to about Rs.6,000 crore will have implications for the Railway finances. Freight earnings were adversely affected due to the economic slowdown. The anticipated increase of revenue from non-traditional sources did not materialize. The reduction in the appropriation to depreciation reserve fund by more than Rs.900 crore in 2001-02 may affect the future replacement requirements.

A basic positive feature of this Budget is its clear focus on improving the financial position with distinct emphasis on augmenting revenue and reducing cross subsidization. These objectives have been sought to be achieved by pruning working expenses, raising the resources through increase in fares and freight and enhanced budgetary support. Increase in earnings from 'non-traditional sources' is placed at a modest and more realistic level unlike the previous year.

The Budget has given renewed emphasis to the safety aspect. Special Railway Safety Fund for undertaking work relating to track renewal, rebuilding of bridges, replacement of signalling gears and replacement of rolling stock, would address the long pending issue of maintenance and renewal of existing assets. Rationalization of freight structure by reducing the classes from 59 to 32 and reducing the ratio of highest and lowest freight rates from 8 to 3.3 is expected to make freight rates attractive and competitive. The increase in passenger fares to cut cross subsidization has been another encouraging feature of the Budget. The prescription of a clear formula for allocation of investments across the states would improve the transparency of investment process.

Another positive feature of the Budget is the increase in investment towards modernization and rolling stock. Annual plan outlay has been hiked substantially. The previous two Budgets have deferred the dividend payment, which has been restored in the current Budget. The Budget hopes to bring down the freight-fare subsidy considerably. Besides rationalization of the number of freight classes, the Budget has abolished several concessions on commodities and brought them under freight classification. All these measures are likely to help to improve the financial position and thereby enhance the commercial viability of the public utility.

*** Prepared in the Division of Central Finances of the Department of Economic Analysis and Policy.**

@ All references to 2001-02 refer to revised estimates unless otherwise stated

 # The Budget 2001-02, had envisaged a target of Rs.1,000 crore through the non-traditional sources of revenue such as leasing of 'right of way' for laying optic fibre cables, commercial utilisation of land and air space and commercial publicity on rolling stock and Railway premises.

TABLE 1 : FINANCIAL RESULTS OF RAILWAYS (Rs. crore)

Items	2000-2001 (Actuals)	2001-2002 (Budget Esti mates)	2001-2002 (Revised Estimates)-	2002-2003 (Budget Estimates)	Annual Variations					
					Col. 4 over Col. 3		Col. 4 over Col. 2		Col. 5 over Col. 4	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
1	2	3	4	5	6	7	8	9	10	11
I. Gross Traffic Receipts (a to d) *	**34,880.5**	**39,939.0 (39,439.0)**	**37,720.0**	**41,538.0 (40,178.0)**	**-2,219.0**	**-5.6**	**2,839.5**	**8.1**	**3,818.0**	**10.1**
a) Passengers Earnings	10,515.1	11,387.0	11,400.0	13,450.0	13.0	0.1	884.9	8.4	2,050.0	18.0
b) Goods Earnings	23,305.1	25,235.0	24,610.0	26,118.0	-625.0	-2.5	1,304.9	5.6	1,508.0	6.1
c) Sundry Other Earnings (including suspense)	296.2	2,467.0	850.0	1,050.0	-1,617.0	-65.5	553.9	187.0	200.0	23.5
d) Other Coaching Earnings	764.2	850.0	860.0	920.0	10.0	1.2	95.8	12.5	60.0	7.0
II. Total Working Expenses (a to c)	**34,667.3**	**38,684.0**	**36,470.4**	**39,128.0**	**-2,213.6**	**-5.7**	**1,803.1**	**5.2**	**2,657.6**	**7.3**
a) Ordinary Working Expenses	27,534.4	30,190.0	29,100.0	31,160.0	-1,090.0	-3.6	1,565.6	5.7	2,060.0	7.1
b) Appropriation to Depreciation Reserve Fund	2,301.1	2,704.0	1,780.4	1,978.0	-923.6	-34.2	-520.6	-22.6	197.6	11.1
c) Appropriation to Pension Fund	4,831.9	5,790.0	5,590.0	5,990.0	-200.0	-3.5	758.2	15.7	400.0	7.2
III. Net Traffic Receipts (I-II)	**213.1**	**1,255.0 (755.0)**	**1,249.6**	**2,410.0 (1,050.0)**	**-5.4**	**-0.4**	**1,036.4**	**486.3**	**1,160.4**	**92.9**
IV. Net Miscellaneous Receipts (a-b)	**858.1**	**928.2**	**890.5**	**1,289.3**	**-37.7**	**-4.1**	**32.4**	**3.8**	**398.8**	**44.8**
a) Total Miscellaneous Receipts #	1,130.5	1,225.2	1,579.8	2,453.7	354.6	28.9	449.4	39.7	873.8	55.3
b) Total Miscellaneous Expenditure ##	272.4	297.0	689.3	1,164.4	392.3	132.1	417.0	153.1	475.0	68.9

V.	**Net Railway Revenue (III+IV)**	**1,071.2**	**2,183.2 (1,683.2)**	**2,140.0**	**3,699.3 (2,339.3)**	**-43.2**	**-2.0**	**1,068.8**	**99.8**	**1,559.2**	**72.9**
VI.	**Payment to General Revenue @**	**2,130.9**	**2,352.0**	**2,367.9**	**2,679.1**	**15.9**	**0.7**	**236.9**	**11.1**	**311.2**	**13.1**
VII.	**Deferred Dividend Liability Fund**	**1,823.3**	**1,000.0**	**1,000.0**	**..**						
VIII.	**Surplus(+)/Deficit (-)**	**763.6**	**831.2 (331.2)**	**772.2**	**1,020.2 -(339.8)**	**-59.0**	**-7.1**	**8.6**	**1.1**	**248.0**	**32.1**
IX.	**Appropriation to (+)/withdrawal from (-)**										
	a) Railway Development Fund	732.1	511.0	452.0	550.0	-59.0	-11.5	-280.1	-38.3	98.0	21.7
	b) Appropriation to Railway Safety Fund	..	302.8	302.7	452.7	-0.1	0.0	—	—	150.0	49.5
	c) Capital Fund	31.5	17.4	17.4	17.4	0.0	0.0	-14.1	-44.6	0.0	0.0
X.	**Operating Ratio @@ (per cent)**	**98.3**	**98.8**	**96.6**	**94.4**						
XI.	**Capital-at-charge ****	**32,661.9**	**35,823.3**	**36,804.8**	**40,579.0**	**981.5**	**2.7**	**4,142.9**	**12.7**	**3,774.3**	**10.3**
XII.	**Net Railway Revenue as Percentage of Capital-at-charge and Investment from Capital Fund- Railways *****	**2.5**	**4.7**	**4.5**	**7.3**						

* Includes receipts of worked lines.
** Excludes Capital outlay on Metropolitan transport projects.
*** Ratio based on net Revenue before payment of dividend to General Revenues.
# Includes mainly receipts from subsidised companies, surcharge on passengers, subsidy from General Revenue towards dividend relief and Other concessions.
Includes mainly expenditure on payment to worked lines, surveys, open line works, other miscellaneous expenditure, Revenue and Appropriation To Accident Compensation, Safety and Passenger Amenities Fund.
@ Includes dividend to General Revenues, Payment-in-lieu of passenger fare tax and contribution to Railway Safety Works Fund.
@@ Includes Metro Railway, Kolkata.
Note : Figures in brackets exclude Additional Resource Mobilisation of Rs 500 crore proposed in the budget for 2001-2002 and Rs.1,360 crore Proposed in the budget for 2002-2003.
Source : Explanatory Memorandum on the Railway Budget, 2002-2003.

TABLE 2 : ORDINARY WORKING EXPENSES

(Rs.crore)

	Items	2000-2001 (Actuals)	2001-2002 (Budget Estimates)	2001-2002 (Revised Estimates)	2002-2003 (Budget Estimates)	Variations					
						Col. 4 over Col. 3		Col. 4 over Col. 2		Col. 5 over Col. 4	
						Amount	Per cent	Amount	Per cent	Amount	Per cent
	1	2	3	4	5	6	7	8	9	10	11
Total Ordinary Working Expenses(a to h)		**27,534.4 (100.0)**	**30,190.0 (100.0)**	**29,100.0 (100.0)**	**31,160.0 (100.0)**	**-1,090.0**	**-3.6**	**1,565.6**	**5.7**	**2,060.0**	**7.1**
a)	General Superintendence and Services	1,420.3 (5.2)	1,511.7 (5.0)	1,482.6 (5.1)	1,551.7 (5.0)	-29.1	-1.9	62.3	4.4	69.2	4.7
b)	Repairs and Maintenance	8,857.9 (32.2)	9,519.3 (31.5)	9,226.7 (31.7)	9,816.0 (31.5)	-292.6	-3.1	368.8	4.2	589.3	6.4
c)	Operating Expenses (Traffic)	5,977.2 (21.7)	6,510.1 (21.6)	6,314.5 (21.7)	6,760.4 (21.7)	-195.6	-3.0	337.3	5.6	445.8	7.1
d)	Operating Expenses (Fuel)	6,443.2 (23.4)	7,385.7 (24.5)	6,910.9 (23.7)	7,482.5 (24.0)	-474.8	-6.4	467.7	7.3	571.6	8.3
e)	Operating Expenses (Rolling Stock and Equipment)	2,525.2 (9.2)	2,700.2 (8.9)	2,620.4 (9.0)	2,761.0 (8.9)	-79.8	-3.0	95.2	3.8	140.6	5.4
f)	Staff Welfare and Amenities	1,143.2 (4.2)	1,235.9 (4.1)	1,205.8 (4.1)	1,297.5 (4.2)	-30.1	-2.4	62.6	5.5	91.7	7.6
g)	Suspense	-33.9 (-0.1)	-44.7 (-0.1)	-30.1 (-0.1)	-32.6 (-0.1)	14.6	-32.6	3.7	-11.0	-2.5	8.3
h)	Others*	1,201.2 (4.4)	1,371.7 (4.5)	1,369.2 (4.7)	1,523.6 (4.9)	-2.5	-0.2	167.9	14.0	154.4	11.3

* 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, 2002-2003.

Table 3 : DEVELOPMENTAL EXPENDITURE

(Rs. crore)

Items	2000-2001 (Actuals)	2001-2002 (Budget Estimates)	2001-2002 (Revised Estimates)	2002-2003 (Budget Estimates)	Variations					
					Col. 4 over Col. 3		Col. 4 over Col. 2		Col. 5 over Col. 4	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
1	2	3	4	5	6	7	8	9	10	11
Total	**9,394.7**	**11,090.0**	**10,857.0**	**12,330.0**	**-233.0**	**-2.1**	**1,462.3**	**15.6**	**1,473.0**	**13.6**
Of which:										
a) Track Renewals	2,244.7	2,680.0	2,486.2	3,516.5	-193.8	-7.2	241.5	10.8	1,030.3	41.4
	(23.9)	(24.2)	(22.9)	(28.5)						
b) Rolling Stock	3,788.0	4,643.0	3,618.7	3,919.2	-1,024.3	-22.1	-169.3	-4.5	300.5	8.3
	(40.3)	(41.9)	(33.3)	(31.8)						
c) Electrification	304.8	225.5	325.6	239.2	100.1	44.4	20.8	6.8	-86.4	-26.5
Projects	(3.2)	(2.0)	(3.0)	(1.9)						
d) Workshop including	165.5	197.0	223.3	215.8	26.3	13.3	57.8	34.9	-7.4	-3.3
Production Units	(1.8)	(1.8)	(2.1)	(1.8)						
e) New Lines	712.9	808.9	867.4	890.7	58.5	7.2	154.5	21.7	23.2	2.7
	(7.6)	(7.3)	(8.0)	(7.2)						
f) Lines Doubling	527.3	605.3	623.5	610.0	18.2	3.0	96.2	18.2	-13.4	-2.2
	(5.6)	(5.5)	(5.7)	(4.9)						
g) Traffic Facilites	150.1	226.0	204.6	610.0	-21.4	-9.5	54.5	36.3	405.5	198.2
	(1.6)	(2.0)	(1.9)	(4.9)						
h) Signalling and	355.4	386.0	421.5	727.1	35.5	9.2	66.1	18.6	305.6	72.5
Telecommunication works	(3.8)	(3.5)	(3.9)	(5.9)						
FINANCING										
a) Budgetary support	3,540.0	3,540.0	4,438.0	4,040.0	898.0	25.4	898.0	25.4	-398.0	-9.0
	(37.7)	(31.9)	(40.9)	(32.8)						
b) Market Borrowings	2,817.0	3,000.0	2,743.0	3,000.0	-257.0	-8.6	-74.0	-2.6	257.0	9.4
	(30.0)	(27.1)	(25.3)	(24.3)						
c) Internal Resources	2,959.0	3,550.0	2,063.0	2,630.0	-1,487.0	-41.9	-896.0	-30.3	567.0	27.5
	(31.5)	(32.0)	(19.0)	(21.3)						
d) Private Investment	79.0	1,000.0	10.0	—	-990.0	-99.0	-69.0	-87.3	-10.0	-100.0
	(0.8)	(9.0)	(0.1)	(0.0)						
e) Safety Fund	—	—	1,603.0	2,660.0	1,603.0		1,603.0		1,057.0	65.9
			(14.8)	(21.6)						
Total (a+b+c+d+e)	**9,394.7**	**11,090.0**	**10,857.0**	**12,330.0**	**-233.0**	**-2.1**	**1,462.3**	**15.6**	**1,473.0**	**13.6**

Note : Figures in brackets represent percentages to total.
Source : Explanatory Memorandum on the Railway Budget, 2002-2003 and Part I of Railway Minister's Budget Speech

TABLE 4 : FREIGHT AND PASSENGER TRAFFIC OF RAILWAYS

Items	2000-2001 (Actuals)	2001-2002 (Budget Estimates)	2001-2002 (Revised Estimates)	2002-2003 (Budget Estimates)	Variations					
					Col. 4 over Col.3		Col. 4 over Col.2		Col. 5 over Col.4	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
1	2	3	4	5	6	7	8	9	10	11
I. Freight Traffic (Million Tonnes)										
1. Coal	223.7	234.5	227.3	232.5	-7.2	-3.1	3.6	1.6	5.2	2.3
	(47.2)	(46.9)	(46.5)	(45.6)						
2. Raw Materials to Steel Plants	38.6	40.0	39.5	39.5	-0.5	-1.3	0.9	2.3	0.0	0.0
	(8.2)	(8.0)	(8.1)	(7.7)						
3. Pig Iron and Finished Steel for	11.9	11.0	12.0	12.0	1.0	9.1	0.1	0.8	0.0	0.0
Steel Plants	(2.5)	(2.2)	(2.5)	(2.4)						
4. Iron ore for Exports	14.6	16.0	16.5	18.5	0.5	3.1	1.9	13.0	2.0	12.1
	(3.1)	(3.2)	(3.4)	(3.6)						
5. Cement	42.9	44.5	44.0	46.5	-0.5	-1.1	1.1	2.6	2.5	5.7
	(9.1)	(8.9)	(9.0)	(9.1)						
6. Food Grains	26.7	24.0	30.5	32.0	6.5	27.1	3.8	14.2	1.5	4.9
	(5.6)	(4.8)	(6.2)	(6.3)						
7. Fertilizers	27.0	27.5	27.0	28.5	-0.5	-1.8	0.0	0.0	1.5	5.6
	(5.7)	(5.5)	(5.5)	(5.6)						
8. Others	88.1	102.5	92.2	100.5	-10.3	-10.0	4.1	4.7	8.3	9.0

		(18.6)	(20.5)	(18.9)	(19.7)						
	Total (1 to 8)	**473.5**	**500.0**	**489.0**	**510.0**	**-11.0**	**-2.2**	**15.5**	**3.3**	**21.0**	**4.3**
II.	**Passenger Traffic (Million)**										
1.	Suburban *	2,867.9	2,963.4	2,935.7	3,012.8	-27.7	-0.9	67.8	2.4	77.1	2.6
		(59.3)	(60.1)	(58.7)	(58.1)						
2.	Non-Suburban	1,971.9	1,963.6	2,064.6	2,175.0	101.0	5.1	92.7	4.7	110.4	5.3
		(40.7)	(39.9)	(41.3)	(41.9)						
	Total (1 + 2)	**4,839.8**	**4,927.1**	**5,000.3**	**5,187.8**	**73.3**	**1.5**	**160.5**	**3.3**	**187.5**	**3.7**

* : Includes passengers on Metro Railway, Kolkata

Note : Figures in brackets represent percentages to total.

Source : Explanatory Memorandum on the Railway Budget, 2002-2003.

TABLE 5 : INDIAN RAILWAYS - SELECTED PERFORMANCE INDICATORS (A STATISTICAL PROFILE)

	Items	Unit	1985-86	1990-91	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
	1	2	3	4	5	6	7	8	9	10
1	Capital-at Charge & investment From Capital Fund *	Rs. crores	9,078	16,126	27,713	30,912	33,846	36,829	39,772	43,052
2	Route Kilometres-Total	Kilometres	61,836	62,367	62,915	62,725	62,495	62,809	62,759	63,028
	Of which:									
	Electrified	Kilometres	6,517	9,968	12,306	13,018	13,490	13,765	14,261	14,856
3	Number of Stations		7,092	7,100	7,068	6,984	6,995	6,896	6,867	6,853
4	Staff (As on 31 March)	Thousands	1,613	1,651	1,587	1,584	1,579	1,578	1,577	1,545
5	Cost of Staff	Rs. crores	2,707	5,166	9,363	10,515	14,141	15,619	16,289	18,841
6	Number of Passengers Originating	Millions	3,433	3,858	4,018	4,153	4,348	4,411	4,585	4,833
7	Passengers Kilometres	Millions	2,40,614	2,95,644	3,41,999	3,57,013	3,79,897	4,03,884	4,30,666	4,57,022
8	Average Lead of Passenger Traffic	Kilometres	70	77	85	86	87	92	94	95
9	Average Rate per Passenger Kilometre	Paise	7	11	18	19	20	21	22	23
10	Originating Revenue-Earning Freight Traffic	Million Tonnes	259	318	391	409	429	421	456	474
11	Revenue-Earning Freight Traffic-Net Tonne Kilometres	Millions	1,96,600	2,35,785	2,70,489	2,77,567	2,84,249	2,81,513	3,05,201	3,12,371
12	Average Lead of Revenue-Earning Freight Traffic	Kilometres	719	711	675	661	644	644	644	626
13	Average Rate Per Tonne Kilometre	Paise	22	35	55	59	69	70	71	74
14	Revenue-Gross Receipts**	Rs. crores	6,591	12,452	22,814	24,801	29,134	30,234	33,856	36,011
15	Operating Ratio	Per cent	90.6	92.0	82.5	86.2	90.9	93.3	93.3	98.0
16	Surplus(+)/Deficit(-)	Rs. crores	179	176	2,871	2,117	1,535	399	846	764

* 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.