

## RAILWAY BUDGET : 1999-2000 \*

The Railway Budget for 1999-2000 was presented to the Parliament on February 25, 1999. The Budget estimates a surplus of Rs.644 crore at the 1998-99 rates of passenger fares and freight. The additional resource mobilisation (ARM) proposed in the Budget by way of revision in fares and freight rates would generate revenues to the tune of Rs.900 crore. After reckoning for the estimated yield from ARM, the surplus would increase to Rs.1,544 crore during 1999-2000 as compared to Rs.619 crore in 1998-99\*\*. The Budget projects a freight traffic target of 450 million tonnes as compared with 424 million tonnes in 1998-99. On the expenditure front, the Budget envisages a moderate growth in ordinary working expenses at 10.1 per cent as against 13.4 per cent in the previous year.

The Plan outlay for 1999-2000 has been hiked to Rs.9,700 crore, an increase of Rs.945 crore over the revised estimates of 1998-99 with the main thrust on passenger safety. The higher Plan outlay would be financed by increased budgetary support (Rs.2,540 crore) and internal resources (Rs.4,160 crore). The total market borrowings to be raised by the Indian Railways Finance Corporation (IRFC) are placed at Rs.2,900 crore in 1999-2000 as against Rs.2,845 crore in 1998-99. Contribution from private investment is anticipated at Rs.100 crore.

The overall financial operations of the Railways are estimated to show an improvement as reflected by the operating ratio (measuring the working expenses as a percentage of gross traffic receipts). This ratio would show an improvement to 91.6 per cent as against 94.3 per cent in 1998-99. However, at this level, the operating ratio would be still higher than that of 90.9 per cent achieved in 1997-98. The return on capital-at-charge and investment from Capital Fund in 1999-2000 is projected higher at 8.6 per cent as compared with that of 6.4 per cent in 1998-99. The projected surplus of Rs.1,544 crore for 1999-2000 would not be adequate to finance the part of plan expenditure from Development Fund and Capital Fund. Even the appropriation to Depreciation Reserve Fund would not be adequate to meet the budgeted expenditure on renewals and replacements. As a result, there would be drawdown of Rs.1,000 crore from various Funds to meet the financial gap.

The following paragraphs present a detailed analysis of the financial position of the Railways as presented in the 1999-2000 Railway Budget. Section II presents the major highlights of the 1998-99 revised estimates. Section III provides the main features of the 1999-2000 budget estimates and concluding observations are set out in Section IV.

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\* Prepared in the Division of Fiscal Analysis of the Department of Economic Analysis and Policy. This article is based on the Railway Budget, 1999-2000 presented to Parliament on February 25, 1999.

\*\* All references to 1998-99 relate to revised estimates unless otherwise stated.

## Section II

### Revised Estimates : 1998-99

The revised estimates for 1998-99 reflect a sharp deterioration in the finances of the Railways. The Railways are now expected to show a lower surplus of Rs.619 crore in 1998-99 as compared to that of Rs.1,656 crore envisaged in the budget estimates. The deterioration in the finances was due to shortfall in revenue earning traffic and a sharp rise in the appropriation to Pension Fund. The originating revenue earning traffic for 1998-99 is now estimated at 424 million tonnes as against the target of 450 million tonnes set for 1998-99. The shortfall in freight traffic is attributed to lack of adequate demand, particularly from the core sectors such as, transportation of coal to power sector, raw material to steel plants, iron ore, cement and foodgrains. The average lead traffic is also estimated lower at 666 KM as against the target of 685 KM. As a result, the receipts from freight traffic are estimated to be lower by Rs.1,296 crore over the budget estimates. The gross traffic receipts in the revised estimates at Rs.30,416 crore, would show a decline of 3.4 per cent (Rs.1,056 crore) over the budget estimates.

The total working expenses of the Railways in the revised estimates at Rs.28,400 crore, however, remained almost same at the budgeted level of Rs.28,411 crore. The ordinary working expenses are estimated lower by Rs.345 crore against the budget estimates. The appropriation to Pension Fund was enhanced by Rs.1,207 crore (54.4 per

cent) owing to the implementation of the Fifth Pay Commission scale. To overcome the resource gap due to shortfall in revenue earning freight traffic and increased appropriation to Pension Fund, Railways reduced appropriation to Depreciation Reserve Fund and Plan outlay. The appropriation to Depreciation Reserve Fund was reduced from the budgeted amount of Rs.2,473 crore to Rs.1,600 crore. The Plan outlay has been scaled down from Rs.9,500 crore (budget estimates) to Rs.8,755 crore. The appropriation to Capital Fund in the revised estimates is placed lower at Rs.193 crore as against the amount of Rs.1,181 crore envisaged in the budget estimates.

The deterioration in the finances of the Railways is also reflected in the operating ratio which increased to 94.3 per cent from 91.2 per cent projected in the budget estimates. The return on capital investment declined to 6.4 per cent from the budgeted level of 9.3 per cent. The return on capital investment during 1998-99 was the lowest during the 'nineties so far (Table A).

### Financial Impact of Social Obligations

The Railways are the lifeline of India's economic system. They are principal carriers of both freight and passenger traffic. Railways provide basic transport infrastructure for promoting economic and industrial development. Railways, however, provide certain services such as, transport of essential commodities of mass consumption, passenger and other coaching services, operation of uneconomic branchlines and new lines etc. at below their cost

TABLE A : SOME 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 @
1	2	3	4
1990-91	92.0	6.9	17.8
1991-92	89.5	8.7	11.0
1992-93	87.4	9.7	24.0
1993-94	82.9	13.7	28.4
1994-95	82.6	15.3	15.3
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 (R.E.)	94.3	6.4	4.7
1999-2000 (B.E.)	91.6	8.6	9.3

@ : Figures pertain to Budget Estimates.

Source : Railway Budgets, various years.

of operations as a part of their social obligations. The financial impact of social obligations has been steadily rising. The losses incurred by the Railways on account of its social obligations are estimated to rise to Rs.4,661 crore in 1998-99, as compared to that of Rs.4,407 crore and Rs.2,888 crore in 1997-98 and 1996-97, respectively. Loss on coaching services is estimated to rise to Rs.4,542 crore in 1998-99 or 97.4 per cent of the total losses, while the loss on low-rated freight items is estimated at Rs.120 crore (2.6 per cent). Thus, the loss on account of social obligations continued to be high, accounting for 15.2 per cent of total expenditure in 1998-99, *albeit*, lower than that of 16.9 per cent in 1997-98 (Table B).

The cost of such social service obligations has been met through cross-

subsidisation. However, with the increasing competition from road transportation the scope for further cross-subsidisation has become limited. Increasing social service obligations and decreasing scope for cross-subsidisation have created severe strain on Railway finances. Therefore, the Railway Convention Committee has recommended that the Railways should be compensated adequately for carrying out such functions.

### Financial Performance of Railways Undertakings

During 1997-98, the Indian Railways received a total dividend of around Rs.60 crore from all its Public Sector Undertakings. IRCON International Ltd. earned a profit of Rs.50 crore with foreign exchange earnings of Rs.43 crore. Container Corporation of

TABLE B : FINANCIAL IMPACT OF SOCIAL OBLIGATIONS

(Rs. crore)

Items	1996-97 (Actuals)	1997-98 (Actuals)	1998-99 (Estimated)
1	2	3	4
1. Loss on coaching services (suburban and non-suburban passenger traffic, parcel, luggage, etc.)	2,816.2 (97.5)	4,312.9 (97.9)	4,541.6 (97.4)
2. Loss on low- rated freight like foodgrains, fodder, charcoal, firewood, fruits, vegetables, etc.	71.5 (2.5)	94.0 (2.1)	119.6 (2.6)
<b>3. Total (1 + 2)</b>	<b>2,887.7</b> <b>(100.0)</b>	<b>4,406.9</b> <b>(100.0)</b>	<b>4,661.2</b> <b>(100.0)</b>
4. Receipts including miscellaneous receipts	24,801.3	29,134.2	31,042.5
5. Expenditure including miscellaneous expenditure	21,176.8	26,109.8	30,572.8
6. Percentage of item (3) to item (4)	11.6	15.1	15.0
7. Percentage of item (3) to item (5)	13.6	16.9	15.2

Note : Figures in brackets represents percentages to total.

Source : 1) Indian Railway Year Book, 1997-98

2) Explanatory Memorandum on the Railway Budget, 1999-2000.

India Ltd. (CONCOR) had a turnover of Rs.627 crore with a net profit of Rs.115 crore. Moreover, through disinvestment, the Government of India earned Rs.225 crore+ in November 1998 by selling 90 lakh shares of CONCOR. Furthermore, the Indian Railway Finance Corporation Ltd. (IRFC) mobilised Rs.2,558 crore in domestic and international markets in 1997-98 and earned a net profit of Rs.167 crore. The Rail India Technical and Economic Services Ltd. (RITES) achieved a turnover of Rs.133 crore and a net profit of Rs.15 crore.

### Section III

#### Budget Estimates : 1999-2000

The Railway Budget for 1999-2000,

+ As per Budget Speech, 1999-2000.

after taking into account the ARM, would show a surplus of Rs.1,544 crore, as compared with Rs.619 crore in 1998-99. The Budget has assumed a growth of 9.5 per cent in gross traffic receipts as compared with that of 6.4 per cent in 1998-99. The working expenses are budgeted to rise by 6.6 per cent as against the rate of growth of 9.8 per cent recorded in 1998-99 (Statement 1).

#### Gross Traffic Receipts

The gross traffic receipts during 1999-2000 are estimated at Rs.33,311 crore, reflecting an increase of Rs.2,895 crore (9.5 per cent) over 1998-99. The goods earning traffic would show a rise of 9.6 per cent in 1999-2000 as against 2.6 per cent during 1998-99 (Statement 1). The projection of freight traffic receipts is based on an additional

revenue earning traffic of 26 million tonnes and 4.0 per cent increase in freight rates (Statement 4). The Budget estimates a gross revenue earning traffic of 450 million tonnes during 1999-2000 compared to 424 million tonnes in 1998-99. Besides this, it is expected that average lead of goods traffic would go up from 666 KM. to 671 KM. As a result, the total Tonnes-KM (TKMS)

would go up from 282 billion TKMS in 1998-99 to 302 billion TKMS in 1999-2000. The receipts from passenger traffic would show a growth of 11.0 per cent in 1999-2000 as against 12.4 per cent in 1998-99. The ARM through revisions in passenger fares and freight (Box-I) are expected to yield Rs.200 crore and Rs.700 crore, respectively, aggregating Rs.900 crore.

### Box - I

#### FARE AND FREIGHT HIKE PROPOSALS

##### (A) Passenger Fares

- (i) No increase proposed in the Second Class fares of Mail/Express and ordinary trains. Second Class Season ticket fare also to remain unchanged.
- (ii) Keeping the fares of Second Class Mail/Express as the base, the fares of Sleeper Class and Upper Classes are proposed to be rationalised as follows:- Sleeper Class- 1.55 times, AC Chair Car-3 times, AC 3-tier Sleeper- 4.5 times, First Class- 5.25 times, AC-2 tier Sleeper-7.2 times and AC First Class- 14.4 times.
- (iii) In the case of ordinary passenger trains, the fares for Sleeper Class and First Class revised to 1.55 times and 5.25 times, respectively, of the Second Class (Ordinary) fare.
- (iv) No change in the existing fares for higher classes of ordinary passenger trains, if they happen to be higher than that determined by the above approach.
- (v) Fares for *Rajdhani* and *Shatabdi* Express trains proposed to be revised by making suitable adjustments in the existing fare structure.
- (vi) The minimum distance for charge for travel in upper classes of mail and

express trains proposed to be revised to a uniform figure of 100 km. for all the upper classes.

- (vii) Minimum penalty for ticketless travel proposed to be hiked from Rs.50 to Rs.250.

##### (B) Freight Rates

- (i) The Budget has proposed an increase of 4 per cent uniformly on the freight rates of all commodities.
- (ii) An increase of 4 per cent proposed to be applied on all parcel and luggage scales.
- (iii) In order to reduce the burden of idle freight on short lead traffic, which is charged for minimum 100 km., a concession of 25 per cent will be allowed in the freight rate for traffic hauled for distances up to 50 km.
- (iv) Minor adjustments in the classification for charge proposed to be made for Washed Coal, Caustic Soda and Liquor.

The above Budget proposals, will come into effect from April 1, 1999 and are estimated to yield an additional revenue of Rs.900 crore during the full year.

**Working Expenses**

The aggregate working expenses of the Railways estimated at Rs.30,283 crore are expected to show a moderate growth of 6.6 per cent over 1998-99. The appropriation to Pension Fund at Rs.2,954 crore would be lower by Rs.471 crore (13.8 per cent) than in 1998-99. The ordinary working expenses, which account for over 80 per cent of total working expenses would show a growth of 10.1 per cent during 1999-2000 over and above the growth of 13.4 per cent in 1998-99. While the operating expenses on traffic, fuel and rolling stock would account for 51.1 per cent of working expenses, the repairs and maintenance would absorb 34.0 per cent of the working expenses (Statement 2). At the same time, the appropriation to Depreciation Reserve Fund is being maintained almost at the previous year's level at Rs.1,589 crore (Rs.1,600 crore in 1998-99). However, in order to meet the higher expenditure on replacement, renewal and maintenance of assets, there would be a drawdown of Rs.600 crore from the Depreciation Reserve Fund. The operating ratio is estimated to come down to 91.6 per cent from 94.3 per cent in 1998-99.

**Net Financial Results**

The net traffic receipts are budgeted at Rs.3,028 crore. After taking into account the net miscellaneous receipts, the net railway revenue is estimated at Rs.3,458 crore, an increase of Rs.1,087 crore over the level of 1998-99. Dividend to General Revenues is budgeted at Rs.1,914 crore for 1999-2000 as against Rs.1,752 crore in 1998-99. The financial operations of the

Railways during 1999-2000 would generate a surplus of Rs.1,544 crore which is Rs.924 crore higher than that in 1998-99. Of this, Rs.600 crore would be contributed to the Railway Development Fund and the balance Rs.944 crore would be appropriated to the Capital Fund. The part of Plan expenditure to be met from the Development Fund and the Capital Fund is budgeted at Rs.1,765 crore. The remaining Rs.221 crore would be drawdown from the Capital Fund. The return on capital is budgeted to improve to 8.6 per cent as compared with 6.4 per cent in the previous year.

**Plan Outlay**

The Ninth Plan for the Railways has been finalised with a total Plan outlay of Rs.45,413 crore, with an overall budgetary support of Rs.11,791 crore (26.2 per cent of the total). The objectives during the Ninth Plan and comparable outlays during the previous Plans are indicated in Box II. Keeping in view growing investment requirements of the Railways, the size of Annual Plan for 1999-2000 has been set higher at Rs.9,700 crore, an increase of Rs.945 crore (10.8 per cent) over Rs.8,755 crore in 1998-99 (Statement 3). In the allocation of investment funds, rolling stocks and track renewals would together account for 62.9 per cent of total Plan outlay. New lines and doubling of lines would account for 12.5 per cent and electrification 3.6 per cent of Plan outlay.

In the financing of the Annual Plan 1999-2000, internal resources would contribute 42.9 per cent of total Plan outlay, which is much higher than

**Box - II****NINTH FIVE YEAR PLAN (1997-2002)****A. Objectives**

- Generation of adequate rail transport capacity for handling increasing freight and passenger traffic with special emphasis on development of terminals.
- Completion of the process of rehabilitation, replacement and renewal of overage assets.
- Modernisation and upgradation of the rail transport system to reduce the costs, improve reliability, safety and quality of

service to customers.

- Continue with the policy of unigauge.
- Introduction of 6,000 HP electric locomotives and 4,000 HP diesel locomotives employing State-of-Art technology.
- Expand and upgrade inter-modal operations including containerisation.
- Improvement of manpower productivity, work culture and staff morale.

**B. Plan Outlays**

(Rs. crore)

	Upto Fourth Plan* 1950-74	Fifth Plan 1974-78	Sixth Plan 1980-85	Seventh Plan 1985-90	Eighth Plan 1992-97	Ninth Plan 1997-2002
Railways	3,200	1,523	6,555	16,549	27,202	45,413
Total Plan Outlay	30,988	28,991	1,09,292	2,18,729	4,34,100	8,59,200
Railways as percentage of Total Plan	10.3	5.3	6.0	7.6	6.3	5.3

\* Excludes inter-Plan period 1966-69.

Source : Year Book, Indian Railways, 1997-98.

39.7 per cent in 1998-99 (Table C and Graph 1). The share of private investment would come down to a meagre 1.0 per cent from 2.7 per cent in 1998-99. Budgetary support would increase to 26.2 per cent (Rs.2,540 crore) in 1999-2000 from 25.1 per cent (Rs.2,200 crore) in 1998-99, the highest since 1993-94. The market borrowings would decline to 29.9 per cent from 32.5 per cent in 1998-99. The borrowings of the Railways from the market raised by IRFC, are estimated at Rs.2,900 crore for 1999-2000 as compared to Rs.2,845 crore in 1998-99 (Table D).

**Section IV****Concluding Observations**

The finances of the Indian Railways continue to be under severe stress. During the current financial year (1998-99), owing to shortfall of 26 million tonnes of revenue earning traffic, freight receipts are estimated to be lower by Rs.1,296 crore over the budget estimates. The additional appropriation of Rs.1,207 crore to Pension Fund created further stress on finances of Railways. To meet the financial gap, Railways were required to drawdown to

TABLE C : FINANCING PATTERN OF PLAN OUTLAYS FOR RAILWAYS

(Per cent)

Year	Budgetary Support	Market Borrowings	Internal Resources	Private Investment
1	2	3	4	5
1990-91	27.3	22.7	50.0	—
1991-92	32.6	27.9	39.5	—
1992-93	42.0	16.6	41.4	—
1993-94	16.4	14.6	69.0	—
1994-95	20.6	15.3	64.1	—
1995-96	17.8	15.2	64.9	2.1
1996-97	17.6	23.5	53.7	5.2
1997-98	24.3	27.1	41.8	6.8
1998-99 (RE)	25.1	32.5	39.7	2.7
1999-2000 (BE)	26.2	29.9	42.9	1.0

Source : Railway Budget, various issues.

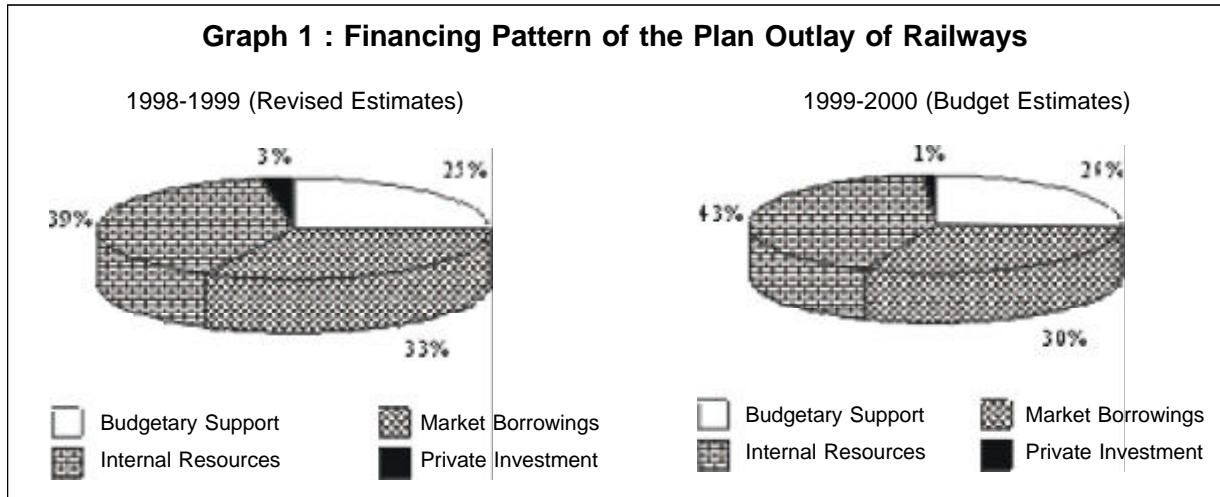


TABLE D : MARKET BORROWINGS

(Rs. crore)

Items	1997-98	1998-99 (Revised Estimates)	1999-2000 (Budget Estimates)
1	2	3	4
1. IRFC	2,236	2,845	2,900
2. OYWS	236	134	12
3. BOLT	323	101	88

Source : Explanatory Memorandum on the Railway Budget, 1999-2000.

the extent of Rs.1,313 crore from various Funds. Further, Railways effected an economy of Rs.345 crore under non-Plan expenditure. The resource constraint also affected the development works and the Annual Plan was scaled down to Rs.8,755 crore from Rs.9,500 crore envisaged in the Budget.

In the next financial year (1999-2000) too, the finances of the Railways would continue to remain under stress. The revision in fares and freight rates, which is expected to generate additional resources of Rs.900 crore in 1999-2000, would provide support for financing of Plan expenditure. However, in the absence of adequate revenue surplus, the Railways would be required to drawdown from various funds to the extent of Rs.1,000 crore. Such drawing down could result in reduction in the balances under various development funds which may affect the development activities in future. The reliance on extra-budgetary resources especially through market borrowings by IRFC has increased in the recent past. The increased reliance on market borrowings in financing Plan outlay at market related rates and low return on capital investment, put stress on the finances of the Railways. Moreover, the Railways have been continuously incurring heavy losses on account of its social obligations. Such losses are estimated at Rs.4,661 crore in 1998-99, which shows 5.8 per cent growth over 1997-98. The increasing financial burden on account of social service obligations and decreasing scope for cross-subsidisation underline the need for strengthening finances through improved operational efficiency, which would help to achieve competitiveness.

The offering of freight traffic depends upon the growth of the economy. The slow down of growth in industrial sector has affected the offering of freight traffic. Besides this, the Railways have been facing a severe competition from road transport and the Railways' share in the movement of freight traffic has considerably come down in the last few years. To enhance the share of freight traffic, the Railways have taken several measures in 1998-99, which are expected to impart competitiveness to Railways. The Railways have started offering "Volume Discount" and reclassification of some commodities which would bring back some traffic to Railways. Similarly, special package for steel industry, contract trains for movements of expensive goods, flexibility to quote station to station rates, etc., would be helpful in mobilising more freight traffic. It is expected that with the turnaround in the economy in the next financial year, the offering of freight traffic would be higher and the Railways would be able to meet the target of 450 million tonnes in 1999-2000. This apart, the lasting improvement in the finances of Railways could be achieved through improvement in productivity and efficiency. Therefore, the introduction of new technology, computerisation and skilled human resources should be given higher priority in development Plans. The financial constraints could be reduced to some extent by attracting private investment in Railway assets. The Budget has envisaged private investment of Rs.100 crore. Since the Railways have been given infrastructure status, private investment could be made more attractive by ensuring attractive return and tax benefits which are available to investments in other infrastructure projects.

## STATEMENT 1 : FINANCIAL RESULTS OF RAILWAYS

(Rs. crore)

Items	1997-98 (Actuals)	1998-99 (Budget Estimates)	1998-99 (Revised Estimates)	1999-2000 (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
<b>I. Gross Traffic Receipts (a to d) *</b>	<b>28,589.0</b>	<b>31,472.0</b> (31,022.0)	<b>30,416.2</b>	<b>33,311.0</b> (32,411.0)	<b>- 1,055.8</b>	<b>- 3.4</b>	<b>1,827.2</b>	<b>6.4</b>	<b>2,894.8</b>	<b>9.5</b>
a) Passengers Earnings	7,573.2	8,368.0	8,516.0	9,449.0	148.0	1.8	942.8	12.4	933.0	11.0
b) Goods Earnings	19,866.4	21,686.0	20,390.2	22,341.0	- 1,295.8	- 6.0	523.8	2.6	1,950.8	9.6
c) Sundry Other Earnings (including suspense)	563.2	780.0	860.0	830.0	80.0	10.3	296.8	52.7	- 30.0	- 3.5
d) Other Coaching Earnings	586.2	638.0	650.0	691.0	12.0	1.9	63.8	10.9	41.0	6.3
<b>II. Total Working Expenses (a to c)</b>	<b>25,876.0</b>	<b>28,411.0</b>	<b>28,400.0</b>	<b>30,283.0</b>	<b>- 11.0</b>	<b>0.0</b>	<b>2,524.0</b>	<b>9.8</b>	<b>1,883.0</b>	<b>6.6</b>
a) Ordinary Working Expenses	20,605.0	23,720.0	23,375.0	25,740.0	- 345.0	- 1.5	2,770.0	13.4	2,365.0	10.1
b) Appropriation to Depreciation Reserve Fund	1,904.0	2,473.0	1,600.0	1,589.0	- 873.0	- 35.3	- 304.0	- 16.0	- 11.0	- 0.7
c) Appropriation to Pension Fund	3,367.0	2,218.0	3,425.0	2,954.0	1,207.0	54.4	58.0	1.7	- 471.0	- 13.8
<b>III. Net Traffic Receipts (I-II)</b>	<b>2,713.0</b>	<b>3,061.0</b> (2,611.0)	<b>2,016.2</b>	<b>3,028.0</b> (2,128.0)	<b>- 1,044.8</b>	<b>- 34.1</b>	<b>- 696.8</b>	<b>- 25.7</b>	<b>1,011.8</b>	<b>50.2</b>
<b>IV. Net Miscellaneous Receipts (a - b)</b>	<b>311.4</b>	<b>372.1</b>	<b>354.9</b>	<b>429.7</b>	<b>- 17.2</b>	<b>- 4.6</b>	<b>43.5</b>	<b>14.0</b>	<b>74.8</b>	<b>21.1</b>
a) Total Miscellaneous Receipts \$	545.2	636.3	626.3	719.5	- 10.0	- 1.6	81.1	14.9	93.2	14.9
b) Total Miscellaneous Expenditure \$\$	233.8	264.2	271.4	289.8	7.2	2.7	37.6	16.1	18.4	6.8
<b>V. Net Railway Revenue(III+IV)</b>	<b>3,024.4</b>	<b>3,433.1</b> (2,983.1)	<b>2,371.1</b>	<b>3,457.7</b> (2,557.7)	<b>- 1,062.0</b>	<b>- 30.9</b>	<b>- 653.3</b>	<b>- 21.6</b>	<b>1,086.6</b>	<b>45.8</b>
<b>VI. Payment to General Revenue @</b>	<b>1,489.2</b>	<b>1,777.3</b>	<b>1,751.7</b>	<b>1,914.1</b>	<b>- 25.6</b>	<b>- 1.4</b>	<b>262.5</b>	<b>17.6</b>	<b>162.4</b>	<b>9.3</b>

## STATEMENT 1 : FINANCIAL RESULTS OF RAILWAYS (Concl'd.)

(Rs. crore)

Items	1997-98 (Actuals)	1998-99 (Budget Estimates)	1998-99 (Revised Estimates)	1999-2000 (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	
VII. Deferred Dividend Liability Fund	—	—	—	—	—	—	—	—	—	—	—
VIII. Surplus (+) / Deficit (-)	1,535.2	1,655.9 (1,205.9)	619.4	1,543.6 (643.6)	-1,036.5	-62.6	-915.8	-59.7	924.2	149.2	
IX. Appropriation to (+) / withdrawal from (-)											
a) Railway Development Fund	345.3	475.0	426.0	600.0	-49.0	-10.3	80.7	23.4	174.0	40.8	
b) Capital Fund	1,189.9	1,180.9	193.4	943.7	-987.5	-83.6	-996.5	-83.7	750.3	388.0	
X. Operating Ratio @@ (per cent)	90.9	91.2	94.3	91.6							
XI. Capital-at-charge **	25,320.3	27,273.6	27,322.4	29,562.2	48.8	0.2	2,002.1	7.9	2,239.8	8.2	
XII. Net Railway Revenue as Percentage of Capital-at-charge and Investment from Capital Fund - Railways ***	8.9	9.3	6.4	8.6							

\* 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, Calcutta.

Note : Figures in brackets exclude Additional Resource Mobilisation of Rs 450 crore proposed in the budget for 1998-99 and Rs.900 crore proposed in the budget for 1999-2000.

Source : Explanatory Memorandum on the Railway Budget, 1999-2000.

## STATEMENT 2 : ORDINARY WORKING EXPENSES

(Rs. crore)

Items	1997-98 (Actuals)	1998-99 (Budget Estimates)	1998-99 (Revised Estimates)	1999-2000 (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
<b>Total Ordinary Working Expenses (a to h)</b>	<b>20,605.0 (100.0)</b>	<b>23,720.0 (100.0)</b>	<b>23,375.0 (100.0)</b>	<b>25,740.0 (100.0)</b>	<b>- 345.0</b>	<b>- 1.5</b>	<b>2,770.0</b>	<b>13.4</b>	<b>2,365.0</b>	<b>10.1</b>
a) General Superintendence and Services	1,137.7 (5.5)	1,297.9 (5.5)	1,317.2 (5.6)	1,423.6 (5.5)	19.3	1.5	179.5	15.8	106.4	8.1
b) Repairs and Maintenance	7,014.8 (34.0)	7,802.3 (32.9)	7,759.0 (33.2)	8,742.5 (34.0)	- 43.3	- 0.6	744.2	10.6	983.5	12.7
c) Operating Expenses (Traffic)	4,242.1 (20.6)	5,064.4 (21.4)	5,044.4 (21.6)	5,531.1 (21.5)	- 20.0	- 0.4	802.3	18.9	486.7	9.6
d) Operating Expenses (Fuel)	4,637.5 (22.5)	5,057.8 (21.3)	4,806.9 (20.6)	5,116.5 (19.9)	- 250.9	- 5.0	169.4	3.7	309.6	6.4
e) Operating Expenses (Rolling Stock and Equipment)	1,884.9 (9.1)	2,367.8 (10.0)	2,379.1 (10.2)	2,509.5 (9.7)	11.3	0.5	494.2	26.2	130.4	5.5
f) Staff Welfare and Amenities	867.6 (4.2)	997.4 (4.2)	1,011.1 (4.3)	1,130.0 (4.4)	13.7	1.4	143.5	16.5	118.9	11.8
g) Suspense	- 95.4 (- 0.5)	- 47.6 (- 0.2)	- 44.6 (- 0.2)	- 45.5 (- 0.2)	3.0	- 6.3	50.8	- 53.2	- 0.9	2.0
h) Others \$	915.8 (4.4)	1,180.0 (5.0)	1,101.9 (4.7)	1,332.3 (5.2)	- 78.1	- 6.6	186.1	20.3	230.4	20.9

\$ 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, 1999-2000.

## STATEMENT 3 : DEVELOPMENTAL EXPENDITURE

Items	1997-98 (Actuals)	1998-99 (Budget Estimates)	1998-99 (Revised Estimates)	1999-2000 (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
					6	7	8	9	10	11
<b>Total</b>	<b>8,238.6@</b>	<b>9,500.0@</b>	<b>8,755.0@</b>	<b>9,700.0@</b>	<b>-745.0</b>	<b>-7.8</b>	<b>516.4</b>	<b>6.3</b>	<b>945.0</b>	<b>10.8</b>
Of which :										
a) Track Renewals	1,805.2 (21.9)	1,960.0 (20.6)	1,793.0 (20.5)	2,000.0 (20.6)	-167.0	-8.5	-12.2	-0.7	207.0	11.5
b) Rolling Stock	3,763.7 (45.7)	4,490.0 (47.3)	4,375.3 (50.0)	4,105.0 (42.3)	-114.7	-2.6	611.6	16.3	-270.3	-6.2
c) Electrification Projects	319.3 (3.9)	341.0 (3.6)	334.0 (3.8)	351.0 (3.6)	-7.0	-2.1	14.7	4.6	17.0	5.1
d) Workshop including Production Units	131.1 (1.6)	176.0 (1.9)	156.8 (1.8)	252.0 (2.6)	-19.2	-10.9	25.7	19.6	95.2	60.7
e) New Lines	401.0 (4.9)	496.7 (5.2)	377.2 (4.3)	581.0 (6.0)	-119.5	-24.1	-23.8	-5.9	203.8	54.0
f) Lines Doubling	293.5 (3.6)	513.0 (5.4)	474.1 (5.4)	627.7 (6.5)	-38.9	-7.6	180.6	61.5	153.6	32.4
g) Traffic Facilities	133.2 (1.6)	224.2 (2.4)	178.9 (2.0)	223.3 (2.3)	-45.3	-20.2	45.7	34.3	44.4	24.8
h) Signalling and Telecommunication works	251.7 (3.1)	361.4 (3.8)	336.4 (3.8)	386.4 (4.0)	-25.0	-6.9	84.7	33.7	50.0	14.9
<b>Financing</b>										
a) Budgetary Support	2,001.0 (24.3)	2,200.0 (23.2)	2,200.0 (25.1)	2,540.0 (26.2)	—	—	199.0	9.9	340.0	15.5
b) Market Borrowings	2,235.9 (27.1)	2,665.0 (28.1)	2,845.0 (32.5)	2,900.0 (29.9)	180.0	6.8	609.1	27.2	55.0	1.9
c) Internal Resources	3,442.8 (41.8)	4,400.0 (46.3)	3,475.0 (39.7)	4,160.0 (42.9)	-925.0	-21.0	31.2	0.9	685.0	19.7
d) Private Investment	558.9 (6.8)	235.0 (2.5)	235.0 (2.7)	100.0 (1.0)	—	—	-323.9	-58.0	-135.0	-57.4
<b>Total (a + b + c + d)</b>	<b>8,238.6</b>	<b>9,500.0</b>	<b>8,755.0</b>	<b>9,700.0</b>	<b>-745.0</b>	<b>-7.8</b>	<b>516.4</b>	<b>6.3</b>	<b>945.0</b>	<b>10.8</b>

@ : Includes sum of Rs.2235.9 crore (Actuals, 1997-98), Rs.2665.0 crore (Budget Estimates, 1998-99), Rs. 2845.0 crore (Revised Estimates, 1998-99) and Rs.2900.0 crore (Budget Estimates, 1999-2000) proposed to be raised through market borrowings by Indian Railway Finance Corporation. In addition a sum of Rs.558.9 crore (Actuals, 1997-98), Rs.235.0 crore (Budget Estimates, 1998-99), Rs.235.0 crore (Revised Estimates, 1998-99) and Rs.100.0 crore (Budget Estimates, 1999-2000), respectively, are proposed to be raised through Build-Own-Lease-Transfer (BOLT) and Own Your Wagon (OYW) Schemes.

Note : Figures in brackets represent percentages to total.

Source : Explanatory Memorandum on the Railway Budget, 1999-2000.

## STATEMENT 4 : FREIGHT AND PASSENGER TRAFFIC OF RAILWAYS

Items	1997-98 (Actuals)	1998-99 (Budget Estimates)	1998-99 (Revised Estimates)	1999-2000 (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	
<b>I. Freight Traffic (Million Tonnes)</b>											
1. Coal	208.7 (48.6)	218.0 (48.4)	201.5 (47.5)	214.0 (47.6)	-16.5	-7.6	-7.2	-3.4	12.5	6.2	
2. Raw Materials to Steel Plants	37.8 (8.8)	43.0 (9.6)	39.0 (9.2)	41.0 (9.1)	-4.0	-9.3	1.2	3.2	2.0	5.1	
3. Pig Iron and Finished Steel for Steel Plants	11.8 (2.7)	14.0 (3.1)	11.5 (2.7)	12.0 (2.7)	-2.5	-17.9	-0.3	-2.5	0.5	4.3	
4. Iron ore for Exports	12.2 (2.8)	12.0 (2.7)	11.0 (2.6)	12.0 (2.7)	-1.0	-8.3	-1.2	-9.8	1.0	9.1	
5. Cement	37.4 (8.7)	38.0 (8.4)	36.0 (8.5)	39.0 (8.7)	-2.0	-5.3	-1.4	-3.7	3.0	8.3	
6. Food Grains	26.3 (6.1)	27.0 (6.0)	26.0 (6.1)	27.0 (6.0)	-1.0	-3.7	-0.3	-1.1	1.0	3.8	
7. Fertilizers	26.7 (6.2)	27.0 (6.0)	27.5 (6.5)	28.0 (6.2)	0.5	1.9	0.8	3.0	0.5	1.8	
8. Others	68.5 (16.0)	71.0 (15.8)	71.5 (16.9)	77.0 (17.1)	0.5	0.7	3.0	4.3	5.5	7.7	
<b>Total (1 to 8)</b>	<b>429.4</b>	<b>450.0</b>	<b>424.0</b>	<b>450.0</b>	<b>-26.0</b>	<b>-5.8</b>	<b>-5.4</b>	<b>-1.3</b>	<b>26.0</b>	<b>6.1</b>	
<b>II. Passenger Traffic (Million)</b>											
1. Suburban *	2,657.4 (61.1)	2,738.0 (61.3)	2,755.3 (60.9)	2,989.5 (60.9)	17.3	0.6	97.8	3.7	234.3	8.5	
2. Non-Suburban	1,691.0 (38.9)	1,729.0 (38.7)	1,767.4 (39.1)	1,917.6 (39.1)	38.4	2.2	76.4	4.5	150.2	8.5	
<b>Total (1 + 2)</b>	<b>4,348.4</b>	<b>4,467.0</b>	<b>4,522.7</b>	<b>4,907.1</b>	<b>55.6</b>	<b>1.2</b>	<b>174.2</b>	<b>4.0</b>	<b>384.5</b>	<b>8.5</b>	

\* : Excludes passengers on Metro Railway, Calcutta.

Note : Figures in brackets represent percentages to total.

Source : Explanatory Memorandum on the Railway Budget, 1999-2000.

STATEMENT 5 : INDIAN RAILWAYS – SELECTED PERFORMANCE INDICATORS (A STATISTICAL PROFILE)

Items	Unit	1980-81	1985-86	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
		3	4	5	6	7	8	9	10	11	12
1 Capital-at-charge & investment from Capital Fund *	Rs. crores	6,096.3	9,078.1	16,125.8	17,712.5	20,123.2	22,620.6	24,924.8	27,712.9	30,911.8	33,846.3
2 Route Kilometres – Total	Kilometres	61,240	61,836	62,367	62,458	62,486	62,462	62,660	62,915	62,725	62,495
Of which :											
Electrified	Kilometres	5,345	6,517	9,968	10,653	11,064	11,260	11,772	12,306	13,018	13,490
3 Number of Stations		7,035	7,092	7,100	7,116	7,043	7,050	7,056	7,068	6,984	6,995
4 Staff (As on 31 March)	Thousands	1,572	1,613	1,651	1,654	1,646	1,625	1,602	1,587	1,584	1,579
5 Cost of Staff	Rs. crores	1,316.7	2,706.9	5,166.3	5,760.6	6,562.4	7,286.5	8,076.9	9,363.0	10,514.8	14,140.9
6 Number of Passengers	Millions	3,613	3,433	3,858	4,049	3,749	3,708	3,915	4,018	4,153	4,348
Originating											
7 Passengers Kilometres	Millions	208,558	240,614	295,644	314,564	300,103	296,245	319,365	341,999	357,013	379,897
8 Average Lead of Passenger Traffic	Kilometres	57.7	70.1	76.6	77.7	80.0	79.9	81.6	85.1	86.0	87.4
9 Average Rate per Passenger Kilometre	Paise	4.0	7.2	10.6	11.7	14.4	16.5	17.1	17.9	18.5	19.9
10 Originating Revenue – Earning Freight Traffic	Million Tonnes	195.9	258.5	318.4	338.0	350.1	358.7	365.0	390.7	409.0	429.4
11 Revenue-Earning Freight Traffic – Net Tonne Kilometres	Millions	147,652	196,600	235,785	250,238	252,388	252,411	249,564	270,489	277,567	284,249
12 Average Lead of Revenue – Earning Freight Traffic	Kilometres	720	719	711	714	696	681	663	675	661	644
13 Average Rate Per Tonne Kilometre	Paise	10.5	21.5	35.0	37.1	42.3	48.6	53.8	55.3	58.9	68.9
14 Revenue – Gross Receipts **	Rs. crores	2,703.5	6,590.7	12,451.6	14,113.7	16,114.7	18,363.3	20,529.1	22,813.8	24,801.3	29,134.2
15 Operating Ratio	Per cent	96.1	90.6	92.0	89.5	87.4	82.9	82.6	82.5	86.2	90.9
16 Surplus (+) / Deficit (-)	Rs. crores	- 197.9	178.8	175.7	435.0	441.1	1,806.1	2,446.4	2,870.6	2,117.1	1535.2

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

\*\* 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 Book, 1997-98.  
2. Indian Railways Annual Report and Accounts, 1997-98.