

## Railways Budget 2015-16: Detailed Analysis

The Minister of Railways, Mr. Suresh Prabhu, presented the Railways Budget 2015-16 to Parliament on February 26, 2015. In his address, he assessed the performance of Railways in 2014-15 and laid out his budget proposals for 2015-16.

This note gives an overview of Railways' finances, and the changes from last year's budget to this year's estimates. The note also looks at the investment plan proposed in the budget speech, issues that have been identified with regards to investment in Railways, and highlights some of the proposals for this year.

### Key highlights and proposals

- **Revenue:** Total revenue is expected to increase by 15% to Rs 1,88,557 crore over 2014-15 revised estimates.
- **Expenditure:** Total expenditure is projected to increase by 11% to Rs 1,63,480 crore over 2014-15 revised estimates.
- **Surplus:** The railways surplus, after dividends, is expected to increase by 96% to Rs 14,266 crore. Operating ratio is projected to decrease by 3.3 percentage points to 88.5% in 2015-16.
- **Traffic:** Freight traffic is expected to grow by 8%. Passenger traffic is expected to grow by 6%. Gross traffic receipts are expected to increase by 15% to Rs 1,83,578 crore.
- **Plan outlay:** The proposed plan outlay for 2015-16 is Rs 1,00,011 crore which is a 53% increase from 2014-15 budget estimates.
- **Five year investment plan:** The Minister has proposed an investment of Rs 8.5 lakh crore over the next five years.
- **Strategy:** Increase investment in Railways to improve capacity, decongest the network, and in turn improve efficiency of the system.

### Overview of Finances

#### Budget v/s Revised Estimate 2014-15

(Details in Appendix I)

In the Budget, the Ministry includes revised estimates for expenditure and revenue for the current year. Some of the key deviations in the revised estimates compared to the budget estimates in 2014-15 include:

- Total revenue in 2014-15 undershot budget estimates by Rs 924 crore.
- Total expenditure decreased from estimates by Rs 2,178 crore.
- After paying dividend of Rs 39 crore, the net surplus increased by Rs 1,215 crore.

- Appropriations to the Railways Capital Fund was higher by Rs 1,006 crore.
- Operating ratio decreased to 91.8% compared to the Budget Estimate of 92.5%. Operating Ratio is the ratio of Total Working Expenditure to Gross Traffic Receipts; a higher ratio indicates a lower ability to generate a surplus that can be used for capital investments such as laying new lines, deploying more coaches etc. Therefore, a smaller surplus (higher ratio) affects the railway's capability to make such investments.

#### Budget Estimates 2015-16

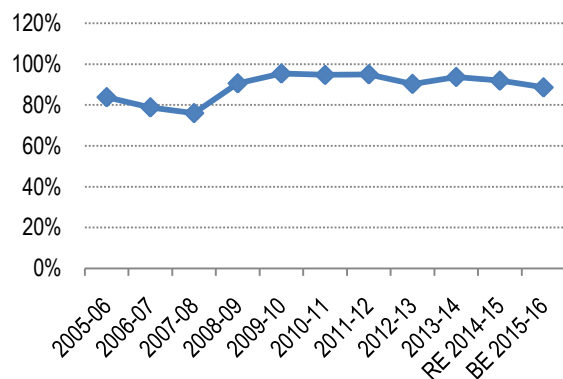
(Details in Appendix)

In 2015-16, the railways surplus is expected to increase by 96% to Rs 14,266 crore thereby decreasing the operating ratio to 88.5%.

Gross traffic receipts are expected to increase by 15% to Rs 1,83,578 crore in 2015-16 on account of the hike in freight rates and falling fuel prices. Total expenditure is projected to increase by 11% to Rs 1,63,480 crore.

The operating ratio is expected to be 88.5%. The operating ratio has been above 90% in the last 6 years indicating lower surplus amounts.

Figure 1: Operating Ratio (%)



Sources: Railways Budget documents; Railways Annual Report; PRS

### Key issues and budget proposals

As a part of its medium term strategy, the Ministry of Railways released a White Paper on Indian Railways on February 26, 2015.<sup>1</sup> The Paper highlights some of the challenges faced by the organisation. The Economic Survey 2014-15 also made some observations and recommendations on public investment in Railways.<sup>2</sup> In the past, several committees have looked at the issues surrounding Indian Railways and have come up with recommendations. The National Transport Development Policy Committee (NTDPC) report of 2014 (Chair: Mr. Rakesh Mohan) has looked at restructuring the entire

railways sector.<sup>3</sup> The High Level Safety Review Committee in 2012 (Chair: Dr. Anil Kakodkar) has looked at the aspect of safety in Indian Railways and made certain recommendations.

Key issues and recommendations that have been addressed in the above reports and related proposals in the Budget 2015-16 are provided below:

### **Plan Outlay and investment in Railways**

With respect to financing and investments in the Railways, the following observations and recommendations have been made:

- Indian Railways is primarily financed through Gross Budgetary Support from the union budget, its own internal resources (freight and passenger revenue, leasing of railway land, etc.) and Extra Budgetary Resources (market borrowings, institutional financing, etc.). The share of internal resources in Railways financing has been declining. This has translated into increasing reliance on borrowings as well as Gross Budgetary Support, which adversely impacts the expenditure. Railways also bears a social service obligation of around Rs 25,000 crore every year by carrying passenger services below cost. Recommendations to improve finances include looking at alternate means of resources for funding of bankable projects.<sup>1</sup>
- The absence of regulatory mechanisms, no control over network and tariff, uncertainty of traffic materialization and delay in processes has hindered private sector participation in Railways operations. It has been recommended that Railways should lay down benchmarks for appraisal, which would be acceptable to the market, to enable the financing of relevant projects.<sup>1</sup>
- In the long term, railways must be commercially viable and public sector support should be restricted to (i) equity support for investment and (ii) for funding its universal service obligations. In the interim, support should be provided through public sector including assistance via the general budget. Public sector support should be linked to serious reform of the structure of Railways, its commercial practices, rationalisation of tariff and improvements in technology.<sup>2</sup>
- One of the major issues with Railways revenue has been the cross-subsidization of passenger fares by freight.<sup>3</sup> Freight traffic is more price sensitive than passenger traffic. Within passenger traffic, upper class passengers are less price sensitive than other passenger classes. Upper class passengers do not easily switch to airlines as a response to hikes in railway prices. In freight categories, petroleum products are more price sensitive than iron ore.<sup>2</sup>

With regards to investment in Railways, the Minister has made the following proposals in his speech:

- In his budget speech, the Minister has proposed a plan investment of Rs 1,00,011 crore in 2015-16. Compared to the estimate for 2014-15, this is a 53% increase. Table 3 in the annexure shows the details of the plan investment for 2015-16.
- Plan heads for which investments are proposed to be increased include doubling of tracks (355%), traffic facilities such as yard modelling (148%), passenger amenities (67%), and electrification (54%). Investments in public undertakings have been increased by 378% and in non-government undertakings have been increased by 68%. Investments for road safety works including level crossings and road over and under bridges (ROB/RUB) have been decreased by 34%.
- The Minister has also proposed to bring in more investments through extra budgetary resources (EBR). Works under doubling, gauge conversion, new lines and electrification are proposed to be financed under EBR (Institutional Finance). The details of EBR (Institutional Finance) are yet to be worked out, but according to the budget documents it will be targeted at tapping resources available with institutions, banks and funding agencies. It will aim to accelerate completion of capital intensive railway projects with long gestation periods and also for capacity augmentation.
- In 2014-15, EBR was primarily used to fund rolling stock (Rs 11,500 crore), non-government undertakings including joint ventures and special purpose vehicles (Rs 2,108 crore), and construction of new lines (Rs 1,395 crore). This year, the Minister has proposed to extend EBR to doubling of tracks (Rs 11,307 crore), gauge conversion (Rs 2,144 crore) and traffic facilities including yard modelling (Rs 1,099 crore) as well. Table 4 in the annexure shows the details of investments through EBR.
- With regards to freight, rates for some commodities have been increased. The highest increase has been for urea and grains and pulses at 10% each, followed by a 6% increase for coal. Other commodities whose rates have increased include cement (3%), scrap and pig iron (3%), and groundnut oil (2%). Freight rates were last increased in June 2014 by 6.5% to help the Railways meet its annual expenditure. The distance slabs beyond 1,500 kms are proposed to be reduced from 250 km to 125 km. These adjustments will be effective from April 1, 2015.

Table 1 on the next page shows the proposed investment plan over the next five years.

**Table 1: Five year investment plan**

Item	Investment (in Rs crore)
Network decongestion	1,99,320
Network expansion	1,93,000
National projects	39,000
Safety	1,27,000
Information technology/ Research	5,000
Rolling stock	1,02,000
Passenger amenities	12,500
High speed rail and elevated corridor	65,000
Station redevelopment and logistics parks	1,00,000
Others	13,200
<b>Total</b>	<b>8,56,020</b>

Source: Railways budget documents 2015-16

The following sections highlight some of the issues and proposals made under key items in the investment plan.

### Network decongestion and expansion

With regard to network decongestion and expansion, various committees have made the following observations and recommendations:

- Due to underinvestment in Indian Railways, capacity expansion has suffered. Track expansion in Railways has lagged behind capacity expansion in the roads sector. This has resulted in railways losing a significant share of passenger and freight traffic to the road sector.<sup>2</sup> Underinvestment has also led to congestion and stretching of capacity. Lack of capacity addition has led to increasing load on railway infrastructure and lower speeds.<sup>2</sup>
- Congestion on High Density Networks and feeder routes requires network decongestion and expansion. At current levels of funding, all works related to such expansion will be completed in the next seven to 10 years.<sup>1</sup>

In order to decongest the railways network and add capacity, the Minister made the following proposals in his speech:

- Fast track the sanctioned works on 7,000 kms of double/third/fourth lines and commission 1200 km in 2015-16 at an investment of Rs. 8,686 crore.
- Commissioning 800 km of gauge conversion.
- 77 projects covering 9,400 km of doubling/tripling/quadrupling works along with their electrification will be sanctioned at a total cost of Rs. 96,182 crore. This is around 2700% higher than the amount sanctioned in 2013- 14, since 2014-15 was a Plan holiday (no new projects).
- The speed of nine railway corridors will be increased from the existing 110 and 130 kmph to 160 and 200 kmph respectively so that inter-metro journeys like

Delhi- Kolkata and Delhi-Mumbai can be completed overnight.

- Speed will be improved by up-gradation of tracks including rolling stock to higher standards as well as the adoption of improved methods of track recording, monitoring and maintenance.
- A policy of attaining speeds of 100 kmph for empty freight trains and 75 kmph for loaded trains is being put in place.
- To maximize loading in every train, the loading density on all major freight bearing routes of Indian Railways will be upgraded to 22.82 tonne axle loads.
- The Transport Logistics Corporation of India will be created as a PSU to develop common user facilities. It will provide end-to-end logistics solutions at select railway terminals through PPPs.
- Upgrade 10 existing goods sheds of Indian Railways and develop 30 small multimodal logistic parks where Indian Railways has surplus land.
- Review the Wagon Leasing Scheme, Special Freight Train Operator Scheme, Private Freight Terminal Scheme and Liberalised Wagon Investment Scheme in the next three months. Make them more liberal, broad-based and attractive to the private sector.
- To reduce empty flows of wagons, an Automatic Freight Rebate Scheme for traffic loaded in Traditional Empty Flow Direction was launched in October 2014 as a pilot project on Northern Frontier Railway and Southern Railway.
- Railways target to award 750 km of civil contracts and 1,300 km of system contracts in 2015-16 for the Eastern and Western Dedicated Freight Corridor (DFC). Preliminary Engineering cum Traffic Survey for four other DFCs is in progress and will be completed this year.

### Safety

Observations and recommendations on the issue of safety in Railways include:

- The highest numbers of fatalities in Railways occur due to accidents at unmanned level crossings.<sup>1</sup> All level crossings (both manned and unmanned) should be eliminated over a period of five years.<sup>4</sup>
- A Railways Safety Authority should be established with powers to have a safety oversight on the Railways' operations.<sup>4</sup>
- Advanced Signalling System (similar to the European Train Control System) should be adopted for the entire trunk route length.<sup>4</sup>

The Minister made the following announcements on improving safety in Indian Railways:

- Preparation of a five-year corporate safety plan by June 2015, which would indicate annual quantifiable targets.
- All pending recommendations made by High Level Safety Review Committee headed by Dr. Kakodkar will be examined by April 2015.
- Development of devices to provide audio visual warning to road users at unmanned railway crossings. This would be done in collaboration with RDSO, ISRO and IIT Kanpur.
- To facilitate the construction of ROB/RUB, a web based application has been commissioned with user-friendly measures for online submission and approval of drawings within 60 days. An MOU has also been signed with the Ministry of Road Transport and Highways in this regard.
- 970 ROB/RUBs and other safety-related works to eliminate 3,438 level crossings at a total expense of Rs. 6,581 crore have been sanctioned for 2015-16.

### Passenger amenities

Indian Railways carries about 13 million passengers every day. The major issues with passenger satisfaction include long transit times, lack of cleanliness at stations, and poor reservation facilities.<sup>1</sup>

With respect to passenger amenities, the following proposals were made in the budget:

- The funding towards passenger amenities has been increased by 67%.
- A new department will be created for keeping stations and trains clean.
- 17,000 bio toilets will be constructed to replace existing toilets. So far 17,388 bio toilets exist.
- Designs for bed linen and railway coach interiors will be improved. Catering services will be improved by linking it with the IRCTC website.
- Leveraging technology by issuing unreserved tickets on smart phone, providing hand-held terminals to Travelling Ticket Examiners, introducing a railway display network at 2,000 stations,
- So far, 1052 stations have been identified for upgradation of Passenger Amenities at Station under Adarsh station scheme. An additional 200 stations will be included under this scheme.
- Wi-Fi services will be provided at all A1, A and B category stations.
- Capacity in identified trains will be augmented from the existing 24 coaches to 26 coaches.

### Rolling stock

Indian Railways has a total capacity of 10,749 locomotives, with 5,749 diesel ones and 5,000 electric ones. These are maintained across 71 sheds. Indian Railways has 63,511 broad gauge coaches of which 9,319 are AC coaches.

Indian Railways has taken up a few initiatives to improve their rolling stock capacity.<sup>1</sup> These include:

- Development of wagons with higher pay to tare ratio, light wagons and special purpose wagons for specific commodities.
- A proposal has also been made to set up new generation Diesel & Electric Loco Factories in Bihar under JV/PPP Route.

In his budget speech, the Minister announced developing partnerships with the private sector to improve last mile connectivity, expand the fleet of rolling stock, and modernize station infrastructure.

### Station redevelopment and logistics parks

With regards to station redevelopment, the Minister made the following announcements:

- Revamp the station redevelopment policy completely and simplify processes for faster redevelopment by inviting open bids from interested parties.
- The present stations will be available for development on “as is where is” basis, to exploit the space and air rights on concession basis. However, land will not be sold for such projects. Anyone can participate by providing the operational requirements of Railways for running trains at these stations.
- Satellite Railway terminals will be developed in major cities with the twin purpose of decongesting the city as well as providing service to passengers residing in suburbs.
- A Foreign Rail Technology Cooperation scheme will be launched to provide technical assistance to railway authorities on station redevelopment.

<sup>1</sup> “Indian Railways – Lifeline of the nation (A white paper)”, Ministry of Railways, February 26, 2015, [http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance\\_budget/Budget\\_2015-16/White\\_Paper-English.pdf](http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance_budget/Budget_2015-16/White_Paper-English.pdf).

<sup>2</sup> “Putting Public Investment on Track: The Rail Route to Higher Growth”, Economic Survey 2014-15, Ministry of Finance, February 25, 2015, <http://indiabudget.nic.in/es2014-15/echapvol1-06.pdf>.

<sup>3</sup> “Railways”, Sector Reports, Chapter 1, National Transport Development Policy Committee, February 2014.

<sup>4</sup> “Report of High Level Safety Review Committee”, Ministry of Railways, February 2012.

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## ANNEXURE

### Appendix I: Railways Budget 2015-16 Summary

**Table 2: Railways Revenue and Expenditure**

	Actual (2013-14)	Budget (2014-15)	Revised (2014-15)	% Change RE/BE (2014-15)	Budget (2015-16)	% Change (2015-16 BE/ 2014-15 RE)
<b>Receipts</b>						
Passenger - Upper Class	10,820	13,330	12,737	-4%	15,074	18%
Passenger - Second Class	25,712	31,315	30,265	-3%	35,101	16%
Other Coaching	3,679	4,200	4,028	-4%	4,612	14%
Freight	93,906	1,05,770	1,06,927	1%	1,21,423	14%
Sundry	5,721	5,500	5,241	-5%	7,318	40%
Suspense	-280	50	50	0%	50	0%
<b>Gross Traffic Receipts</b>	<b>1,39,558</b>	<b>1,60,165</b>	<b>1,59,248</b>	<b>-1%</b>	<b>1,83,578</b>	<b>15%</b>
Miscellaneous	3,656	4,209	4,202	0%	4,979	18%
<b>Total Revenue</b>	<b>1,43,214</b>	<b>1,64,374</b>	<b>1,63,450</b>	<b>-1%</b>	<b>1,88,557</b>	<b>15%</b>
<b>Expenditure</b>						
Ordinary Working Expenses	97,571	1,12,649	1,08,970	-3%	1,19,410	10%
Appropriation to Depreciation Reserve Fund	7,900	6,850	7,775	14%	7,900	2%
Appropriation to Pension Fund	24,850	28,550	29,225	2%	34,900	19%
<b>Total Working Expenditure</b>	<b>1,30,321</b>	<b>1,48,049</b>	<b>1,45,970</b>	<b>-1%</b>	<b>1,62,210</b>	<b>11%</b>
Miscellaneous	1,144	1,127	1,028	-9%	1,270	24%
<b>Total Expenditure</b>	<b>1,31,465</b>	<b>1,49,176</b>	<b>1,46,998</b>	<b>-1%</b>	<b>1,63,480</b>	<b>11%</b>
Dividend payable to General Revenues	8,009	9,135	9,174	0%	10,811	18%
<b>Net Surplus after payment of Dividend</b>	<b>3,740</b>	<b>6,064</b>	<b>7,278</b>	<b>0</b>	<b>14,266</b>	<b>96%</b>
<b>Operating Ratio</b>	<b>93.6%</b>	<b>92.5%</b>	<b>91.8%</b>		<b>88.5%</b>	
Appropriation to Railway Development Fund	3,075	300	1,306	335%	5750	340%
Appropriation to Capital Fund	500	5,663	5,919	5%	7615.71	29%
Appropriation to Debt Service Fund	165	101	54	-47%	900	1573%

Source: Budget of Railways Revenue and Expenditure of the Central Government for 2015-16

#### Explanatory Notes

##### Other sources of earning

1. Coaching earnings include income from parcels and luggage
2. Sundry earnings represent earnings from lease of railway land, advertisement and publicity etc.
3. Suspense represents unrealized traffic earnings

##### Performance parameters

4. 'Net Surplus after payment of Dividend' represents excess of receipts over expenditure after the Dividend liability (payment for investment in Railway capital) of General Revenues has been paid off
5. 'Operating Ratio' is the ratio of operating expenses to receipts. A lower ratio indicates higher surplus availability for investments.

##### Railway Funds

6. Depreciation Reserve Fund – Finances the cost of new assets replacing old assets including the cost of any improved features. Appropriation to this fund are made on the recommendations of the Railway Convention Committee (RCC)
7. Pension Fund – Finances all pension payments to retired Railway staff
8. Development Fund – Finances expenditure on Passenger and Other Railway Users' Amenities Works, Staff Welfare Works, Un-remunerative operating improvements etc.
9. Capital Fund - Used for capital augmentation. Appropriations to this fund are made only after making necessary appropriations to other funds.

## Appendix II: Investment and Infrastructure augmentation

**Table 3: Investment by plan heads (in Rs crore)**

Plan Head	Actuals 2013-14	BE 2014-15	RE 2014-15	BE 2015-16	% Change BE 2015-16/ RE 2014-15
Transfer to National Investment Fund	17,634	30,100	30,100	40,000	33%
New Lines (Construction)	5,809	8,569	8,964	12,830	43%
Gauge Conversion	3,103	2,540	3,429	5,555	62%
Doubling	2,978	3,675	4,046	18,420	355%
Traffic Facilities - Yard remodelling and others	659	900	959	2,374	148%
Computerisation	154	339	317	393	24%
Railway research	25	25	25	40	62%
Rolling stock	17,498	15,322	17,377	19,343	11%
Leased assets - Payment of capital component	4,971	5,462	5,452	6,293	15%
Road safety works - level crossings	504	413	460	306	-34%
Road safety works - road over/under bridges	1,482	2,287	2,017	1,340	-34%
Track renewals	4,985	4,800	5,047	6,035	20%
Bridge works	390	403	465	560	20%
Signalling and telecommunication works	905	966	1,033	1,115	8%
Electrification projects	1,265	1,206	1,400	2,163	54%
Other electrical works excl TRD	122	123	132	189	43%
Traction distribution works	194	205	222	249	12%
Machinery & plant	450	310	463	475	3%
Workshops including production units	1,823	2,780	2,722	2,624	-4%
Staff quarters	229	301	308	400	30%
Amenities for staff	283	351	343	399	17%
Passengers amenities	862	1,038	1,050	1,753	67%
Inv. In govt comm under public undertaking	642	1,495	572	2,733	378%
Inv. In non-govt und. Including JVs/ SPVs	4,088	10,006	7,812	13,091	68%
Other specified works	323	399	449	444	-1%
Stores suspense	57	-91	-208	-13	-94%
Manufacture suspense	308	46	16	8	-50%
Miscellaneous advances	-66	13	-15	-28	86%
Total credits (gross excluding metro)	-1,816	-1,796	-2,156	-2,577	20%
Metropolitan transport projects	905	1,859	1,781	2,000	12%
New Lines (Construction)- dividend free projects	804	1,500	1,300	1,500	15%
MTP (Excluding suspense) credits or recoveries	-2		-2	-2	1%
<b>Total</b>	<b>53,989</b>	<b>65,445</b>	<b>65,798</b>	<b>1,00,011</b>	<b>52%</b>

Sources: Explanatory Memorandum to Railways Budget 2015-16; PRS

**Table 4: Investments through Extra Budgetary Resources**

<b>Plan Head</b>	<b>Actual 2013-14</b>	<b>Budget 2014-15</b>	<b>Revised 2014-15</b>	<b>Budget 2015-16</b>	<b>% Change BE 2015-16/ RE 2014-15</b>
New Lines (Construction)	-	1,395	1,436	4,086	185%
Gauge Conversion	-	108	100	2,144	2044%
Doubling	-	237	166	11,307	6708%
Traffic Facilities - Yard remodelling and others	-	100	99	1,099	1015%
Rolling stock	14,785	11,500	11,773	17,276	47%
Road safety works - road over/under bridges	-	500	277	-	-100%
Electrification projects	-	-	-	560	-
Workshops including production units	-	1,000	988	430	-56%
Passengers amenities	-	13	4	4	0%
Inv. In non-govt und. Including JVs/ SPVs	440	2,108	2,091	2,832	35%
Metropolitan transport projects	-	835	835	835	0%

Sources: Explanatory Memorandum to Railways Budget 2015-16; PRS

**Table 5: Targets and achievements: Major developmental activities**

	<b>2013-14 Target</b>	<b>2013-14 Achievement</b>	<b>2014-15 Target</b>	<b>2015-16 Target</b>
1. Electrification (Route Kms.)	1350	1350	1300	1600
2. Track Renewals (Track Kms.)	2100	2885	2100	2500
3. Construction of New Lines (Route Kms.)	450	450	300	300
4. Gauge Conversion (Route Kms.)	404	404	450	500
5. Rolling Stock				
(a) Locos				
(i) Diesel	375	385	375	375
(ii) Electric	300	302	250	261
(b) Coaches including EMU/MEMU/DMUs/Metro/etc.	4085	3887	3658	3390
(c) Wagons (in terms of vehicle units)	15666	9326	12857	16800

Source: Explanatory Memorandum to Railways Budget 2015-16

**Table 6: Freight traffic details**

Commodity	Revised Estimates 2014-15			Budget Estimates 2015-16			% Change BE 2015-16/ RE 2014-15		
	Tonnage Originating (Millions)	Net Tonne Kms. (Millions)	Earnings (Rs in crores)	Tonnage Originating (Millions)	Net Tonne Kms. (Millions)	Earnings (Rs in crores)	Tonnage Originating (Millions)	Net Tonne Kms. (Millions)	Earnings (Rs in crores)
<i>Coal</i>									
Steel Plants	54.22	22993	3262.36	55.3	23447	3696.44	2%	2%	13%
Washeries	1.4	350	62.91	1.7	425	70.82	21%	21%	13%
Thermal Power Houses	366.52	206717	30969.03	394	222610	35082.67	7%	8%	13%
Other public users	120.86	66471	10191.98	134	73700	11548.66	11%	11%	13%
Raw Material for Steel Plants	19.26	11711	1753.81	21	12789	1982.98	9%	9%	13%
<i>Pig Iron &amp; finished steel</i>									
from Steel Plants	29.07	29799	5251.64	31.5	32319	5868.23	8%	8%	12%
from other points	11.44	6007	1109.04	12	6300	1240.18	5%	5%	12%
<i>Iron Ore</i>									
for export	2.24	1207	1355.38	2	1080	1507.69	-11%	-11%	11%
for Steel Plants	67.19	18478	3627.69	71	19525	4050.14	6%	6%	12%
for other users	46.98	18322	3754.91	52	20280	4209.4	11%	11%	12%
Cement	113.21	60570	9668.42	120.5	64828	10813.56	6%	7%	12%
Food grains	57.25	73856	9088.9	62	79980	10158.58	8%	8%	12%
Fertilisers	46.11	38270	4697.21	49.5	41333	5317.35	7%	8%	13%
Petroleum & Lubricants	42.31	27499	6073.21	43.25	28329	6787.69	2%	3%	12%
Container Service	50.61	53632	4591	54.5	57767	5849	8%	8%	27%
Other Goods	72.58	52618	8919.52	82	57979	10339.61	13%	10%	16%
Misc Earnings (Goods)			2550			2900			14%
<b>Total</b>	<b>1101.25</b>	<b>688500</b>	<b>106927</b>	<b>1186.25</b>	<b>742691</b>	<b>121423</b>	<b>8%</b>	<b>8%</b>	<b>14%</b>

Source: Explanatory Memorandum to Railways Budget 2015-16



**Table 7: Passenger traffic details**

	REVISED 2014-15			BUDGET 2015-16			% Change BE 2015-16/ RE 2014-15		
	Number of passengers (millions)	Passenger Kms (in millions)	Earnings (Rs in crores)	Number of passengers (millions)	Passenger Kms (in millions)	Earnings (Rs in crores)	Number of passengers (millions)	Passenger Kms (in millions)	Earnings (Rs in crores)
<i>Suburban</i>									
First Class	264	9,115	343	272	9,661	375	3%	6%	9%
Second Class (Ordinary)	4,268	1,53,462	2,318	4,396	1,62,670	2,528	3%	6%	9%
<b>Total Suburban</b>	<b>4,532</b>	<b>1,62,577</b>	<b>2,661</b>	<b>4,666</b>	<b>1,72,331</b>	<b>2,903</b>	<b>3%</b>	<b>6%</b>	<b>9%</b>
<i>Non Suburban</i>									
AC First class	2	1,571	537	3	1,665	637	3%	6%	19%
AC Sleeper	23	18,080	3,103	24	19,165	3,680	3%	6%	19%
First Class (M&E)	1	192	34	1	203	41	2%	6%	18%
First Class (ordinary)	6	597	28	6	633	34	3%	6%	19%
AC 3 Tier	68	56,115	7,285	70	59,482	8,640	3%	6%	19%
Sleeper Class (M&E)	296	2,41,689	11,248	305	2,56,191	13,339	3%	6%	19%
Second Class (M&E)	990	3,45,511	10,716	1,020	3,66,241	12,707	3%	6%	19%
Sleeper Class (ordinary)	11	3,433	135	11	3,639	147	3%	6%	9%
Second Class (Ordinary)	2,396	2,76,270	5,848	2,468	2,94,966	6,380	3%	7%	9%
AC Chair Car	24	9,018	1,274	25	9,560	1,511	3%	6%	19%
Executive Class	1	366	131	1	389	156	3%	6%	19%
<b>Total Non-Suburban</b>	<b>3,818</b>	<b>9,54,842</b>	<b>40,341</b>	<b>3,933</b>	<b>10,12,134</b>	<b>47,272</b>	<b>3%</b>	<b>6%</b>	<b>17%</b>
<i>Total Passenger</i>									
AC First class	2	1,571	537	3	1,665	637	3%	6%	19%
AC Sleeper	23	18,080	3,103	24	19,165	3,680	3%	6%	19%
First Class (M&E)	1	192	34	1	203	41	2%	6%	18%
First Class (ordinary)	270	9,712	372	278	10,294	408	3%	6%	10%
AC 3 Tier	68	56,115	7,285	70	59,482	8,640	3%	6%	19%
Sleeper Class (M&E)	296	2,41,689	11,248	305	2,56,191	13,339	3%	6%	19%
Second Class (M&E)	990	3,45,511	10,716	1,020	3,66,241	12,707	3%	6%	19%
Sleeper Class (ordinary)	11	3,433	135	11	3,639	147	3%	6%	9%
Second Class (Ordinary)	6,664	4,31,732	8,166	6,865	4,57,636	8,908	3%	6%	9%
AC Chair Car	24	9,018	1,274	25	9,560	1,511	3%	6%	19%
Executive Class	1	366	131	1	389	156	3%	6%	19%
<b>Total</b>	<b>8,350</b>	<b>11,17,419</b>	<b>43,002</b>	<b>8,601</b>	<b>11,84,465</b>	<b>50,175</b>	<b>3%</b>	<b>6%</b>	<b>17%</b>

Source: Explanatory Memorandum to Railways Budget 2015-16

### Appendix III: Zone wise expenditure

**Table 8: Zone wise Plan expenditure (in thousands of rupees)**

Railway	2014-15		2015-16		% Change BE 2015-16/ BE 2014-15
	Expenditure	Percent of Total Plan Expenditure	Expenditure	Percent of Total Plan Expenditure	
Central Railways	265,83,985	4.06%	419,56,486	4%	58%
Eastern Railways	193,28,373	2.95%	366,33,506	4%	90%
Northern Railways	1758,99,273	26.88%	2388,02,403	24%	36%
Northeast Railways	85,49,459	1.31%	208,18,868	2%	144%
Northeast Frontier Railways	659,49,847	10.08%	684,46,100	7%	4%
Southern Railways	176,14,854	2.69%	403,24,731	4%	129%
South Central Railways	255,17,850	3.90%	429,07,099	4%	68%
South Eastern Railways	138,36,320	2.11%	284,01,846	3%	105%
Western Railways	215,91,908	3.30%	499,86,999	5%	132%
East Central Railways	225,50,140	3.45%	370,83,108	4%	64%
East Coast Railways	161,74,053	2.47%	298,95,541	3%	85%
North Central Railways	132,99,033	2.03%	248,87,335	2%	87%
North Western Railways	131,77,161	2.01%	235,33,820	2%	79%
South East Central Railways	121,24,890	1.85%	313,03,387	3%	158%
South Western Railways	144,43,908	2.21%	282,02,251	3%	95%
West coast Railways	143,88,723	2.20%	278,06,864	3%	93%
Metro Railway- Kolkata	60,35,588	0.92%	66,79,451	1%	11%
Chittaranjan Locomotive Works	7,09,621	0.11%	6,37,717	0%	-10%
Diesel Locomotive Works	13,64,310	0.21%	20,06,064	0%	47%
Integral Coach Factory	12,79,903	0.20%	11,92,521	0%	-7%
Rail Wheel Factory	1,84,214	0.03%	1,64,523	0%	-11%
Diesel Loco Modn Works	2,94,157	0.04%	5,71,055	0%	94%
Rail coach factory	8,79,228	0.13%	52,96,969	1%	502%
Railway Electrification	120,29,900	1.84%	215,77,300	2%	79%
Research Designs & Standards Org	2,50,000	0.04%	4,04,378	0%	62%
Metropolitan Transport Projects - Chennai	1,10,000	0.02%	1,59,800	0%	45%
Railway Board (Rolling Stock)	1502,83,302	22.96%	1904,25,878	19%	27%
<b>TOTAL</b>	<b>6544,50,000</b>		<b>10001,06,000</b>		<b>53%</b>

Sources: Explanatory Memorandum to Railways Budget 2015-16; PRS

**Table 9: Expenditure proposed on Staff welfare (In thousands of Rupees)**

Railway	2014-15		2015-16		% Change BE 2015-16/ BE 2014-15
	Expenditure	Percent of Total Plan Expenditure	Expenditure	Percent of Total Plan Expenditure	
Central Railways	35,28,239	7.56%	41,48,479	8%	18%
Eastern Railways	36,66,346	7.85%	43,16,150	8%	18%
Northern Railways	55,06,441	11.79%	64,64,905	12%	17%
Northeast Railways	17,68,920	3.79%	20,21,618	4%	14%
Northeast Frontier Railways	31,82,610	6.82%	37,50,591	7%	18%
Southern Railways	41,20,283	8.82%	47,13,791	9%	14%
South Central Railways	43,14,070	9.24%	50,97,941	9%	18%
South Eastern Railways	33,03,216	7.07%	35,54,295	6%	8%
Western Railways	37,62,162	8.06%	45,36,806	8%	21%
East Central Railways	24,64,631	5.28%	28,56,303	5%	16%
East Coast Railways	15,92,810	3.41%	19,33,526	4%	21%
North Central Railways	22,97,689	4.92%	27,15,365	5%	18%
North Western Railways	19,25,614	4.12%	23,24,096	4%	21%
South east Central Railways	16,71,333	3.58%	20,12,102	4%	20%
South Western Railways	14,49,914	3.10%	18,55,265	3%	28%
West coast Railways	16,14,915	3.46%	20,08,364	4%	24%
Metro Railway- Kolkata	2,33,112	0.50%	1,50,017	0%	-36%
Chittaranjan Locomotive Works	33,578	0.07%	1,16,915	0%	248%
Diesel Locomotive Works	46,792	0.10%	44,100	0%	-6%
Integral Coach Factory	92,586	0.20%	1,19,800	0%	29%
Rail Wheel Factory	61,331	0.13%	62,136	0%	1%
Diesel Loco Modn Works	17,746	0.04%	12,000	0%	-32%
Rail coach factory	44,013	0.09%	52,100	0%	18%
<b>TOTAL</b>	<b>466,98,351</b>		<b>548,66,665</b>		<b>17%</b>

Sources: Explanatory Memorandum to Railways Budget 2015-16; PRS

**Table 10: Expenditure proposed on Passenger Amenities and Other Railway Users' Amenities (In thousands of Rupees)**

Railway	2014-15		2015-16		% Change BE 2015-16/ BE 2014-15
	Expenditure	Percent of Total Plan Expenditure	Expenditure	Percent of Total Plan Expenditure	
Central Railways	7,82,799	6.90%	13,25,994	7%	69%
Eastern Railways	9,52,118	8.39%	12,43,211	7%	31%
Northern Railways	15,36,202	13.54%	20,00,333	11%	30%
Northeast Railways	4,40,708	3.88%	8,88,852	5%	102%
Northeast Frontier Railways	5,46,745	4.82%	10,75,549	6%	97%
Southern Railways	7,00,935	6.18%	12,67,113	7%	81%
South Central Railways	9,37,912	8.27%	13,70,618	7%	46%
South Eastern Railways	6,74,915	5.95%	11,99,303	6%	78%
Western Railways	6,81,818	6.01%	10,90,236	6%	60%
East Central Railways	6,93,624	6.11%	13,50,020	7%	95%
East Coast Railways	5,53,027	4.87%	7,98,147	4%	44%
North Central Railways	9,61,152	8.47%	11,71,090	6%	22%
North Western Railways	3,53,917	3.12%	9,57,031	5%	170%
South east Central Railways	4,85,874	4.28%	7,71,861	4%	59%
South Western Railways	3,91,831	3.45%	8,63,913	5%	120%
West coast Railways	4,97,852	4.39%	8,99,885	5%	81%
Metro Railway- Kolkata	1,55,133	1.37%	2,40,198	1%	55%
<b>TOTAL</b>	<b>113,46,562</b>		<b>185,13,354</b>		<b>63%</b>

Sources: Explanatory Memorandum to Railways Budget 2015-16; PRS