

Railways Budget 2016-17: Detailed Analysis

The Minister of Railways, Mr. Suresh Prabhu, presented the Railways Budget 2016-17 to Parliament on February 25, 2016. In his address, he assessed the performance of Railways in 2015-16 and laid out his budget proposals for 2016-17. This note gives an overview of Railways' finances, and the changes from the 2015-16 Budget to the 2016-17 Budget estimates.

Key highlights and proposals

- **Plan outlay:** The proposed plan outlay for 2016-17 is Rs 1,21,000 crore which is a 21% increase from the 2015-16 budget estimates.
- **Revenue:** Total revenue for 2016-17 is estimated at Rs 1,89,271 crore which is a 10% increase from the revised estimates of 2015-16. Total revenue in 2015-16, undershot budget estimates by Rs 16,752 crore (9%).
- **Traffic revenue:** Total revenue from traffic for 2016-17 is estimated at Rs 1,84,820 crore, which is a 10% increase from the revised estimates of 2015-16. Revenue from freight and passenger is expected to grow by 5% and 12% respectively. In 2015-16, revenue from traffic decreased from budget estimates by 9%.
- **Expenditure:** Total expenditure for 2016-17 is projected at Rs 1,71,060 crore which is a 13% increase from the revised estimates of 2015-16. In 2015-16, total expenditure decreased from budget estimates by Rs 11,573 crore (7%).
- **Surplus:** The railways surplus (after payment of dividend to the central government) in 2016-17 is estimated at Rs 8,479 crore which is a 26% decrease from the revised estimates of 2015-16. In 2015-16, the net surplus decreased from budget estimates by 20% to Rs 11,402 crore.
- **Operating Ratio:** Operating Ratio for 2016-17 is projected to increase to 92%. In 2015-16, the Operating Ratio increased from a budgeted estimate of 88.5% to 90.5%.
- **Strategy:** The overall strategy of Railways for the upcoming year will be based on three pillars: (i) new revenues – revision of freight policy, and explore new sources of revenue; (ii) new norms – re-examine all money that is spent to ensure optimal productivity, and (iii) new structures – revise the structure of decision making and problem solving under Railways.

Overview of Finances

In his 2016-17 Budget speech, the Railways Minister identified the slowdown of the international market, and the impact of the Seventh Pay Commission as major challenges for the Railways finances in 2016-17. Further

the declining share of Indian Railways in the overall transport sector poses an additional challenge, as it leads to declining revenues for Railways.

Revenue

Indian Railways is primarily financed through (i) Gross Budgetary Support (GBS) from the central government, (ii) its own internal resources (freight and passenger revenue, leasing of railway land, etc.), and (iii) Extra Budgetary Resources (market borrowings, institutional financing, etc.).¹

The proposed plan investment for 2016-17 is Rs 1,21,000 crore. This is about 43% higher than the proposed plan investment for 2015-16. However, in 2015-16, planned investment reduced by 15% from the budget estimates of Rs 1,00,011 crore to Rs 84,853 crore (see Table 1 below).

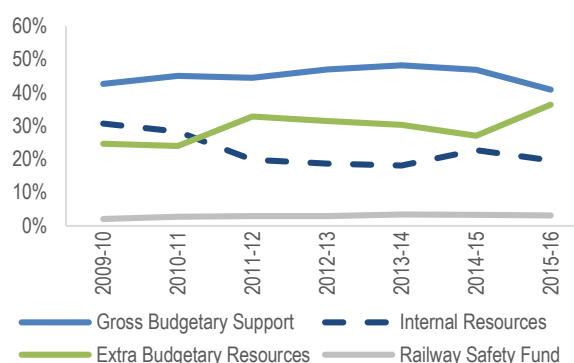
Table 1: Plan outlay (in Rs crore)

	2014-15 Actuals	2015-16 Budget	2015-16 Revised	% Change (RE/ BE 2015-16)
Gross Budgetary Support	31,624	40,000	34,661	-13%
Internal Resources	15,347	17,793	16,638	-6%
Extra Budgetary Resources	18,261	40,572	30,893	-24%
Railway Safety Fund	2,200	1,646	2,661	62%
Total	67,432	1,00,011	84,853	-15%

Sources: Railways Outcome Budget 2016-17; PRS.

In 2015-16, revenue from all three sources, saw a decline from the budget estimates (shown in Table 1). In the last few years, the share of GBS has remained constant and internal resources have been declining. However, as per revised estimates of 2015-16, while the share of GBS has declined, the share of internal resources has increased.

Figure 1: Sources of funds (as % of total revenue)



Notes: Numbers for 2015-16 are revised estimates.

Sources: Railways Budget documents 2009-16; PRS.

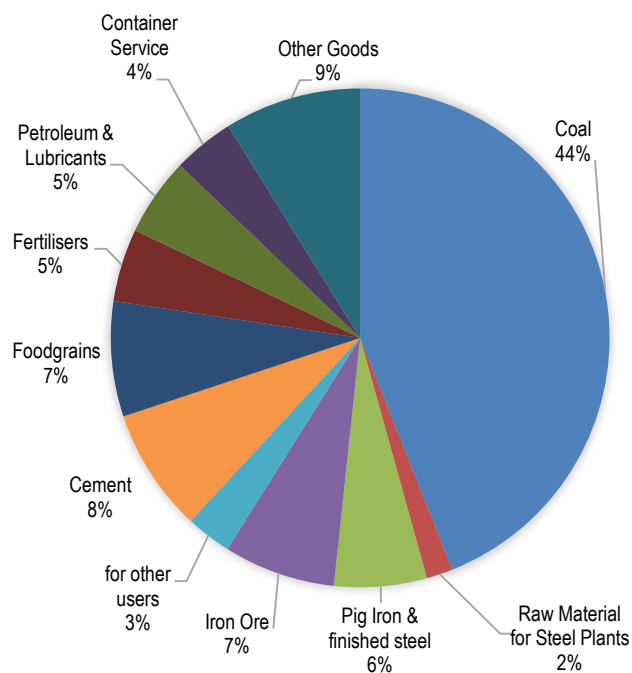
Gross Budgetary Support (GBS): The central government supports Railways in the form of GBS, in order to expand its network. Railways pays a return on

this investment every year, known as dividend. In 2015-16, the gross budgetary support from central government decreased by 13% from a budget estimate of Rs 40,000 crore to revised estimates of Rs 34,661 crore.

Internal Resources: Railways earns its internal revenue primarily from freight traffic. Freight traffic contributed to about 66% of the total revenue for the year 2014-15 (latest actuals available). After freight, passenger traffic was the next biggest source of revenue at 26%.

In 2015-16, freight traffic decreased by 10%, and freight earnings reduced by 5% from the budget estimates (see Table 7 in Appendix III). Railways generates most of its freight revenue from the transportation of coal (about 44%), followed by cement (8%), iron ore (7%), and foodgrains (7%). As per the budget estimates of 2016-17, Railways is expected to generate 46% of its revenue from the transportation of coal, followed by 8% from cement, 7% from foodgrains, and 6% from iron ore.

Figure 2: Share in freight revenue for 2014-15 (in %)

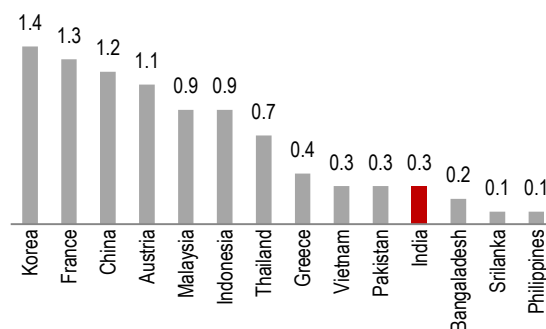


Sources: Explanatory Memorandum on the Railways Budget 2016-17; PRS.

In 2015-16, revenue from coal saw an increase of 5% from the budget estimates, despite a 9% decrease in volume. This could be attributed to a 6% hike in freight rates for coal in 2015-16. However, earnings from cement, iron ore, and foodgrains saw a decrease of 13%, 32%, and 24% respectively. Budget 2016-17 estimates a 4% increase in freight volume and 5% increase in freight revenue from the revised estimates of 2015-16.

The share of Railways in total freight traffic has declined from 89% to 30% over the last 60 years, with most of the share moving towards roads. High freight rates could be a reason behind the decline of freight traffic. In several countries, passenger fares are either higher or almost equal as freight rates. However, in India, the ratio of passenger fare to freight rate is about 0.3 (see Figure 3).²

Figure 3: Ratio of average passenger fare to average freight rates



Sources: NTDP India Transport Report; PRS.

Railways freight traffic is dominated by 10 bulk commodities (see Figure 2). In the 2016-17 Budget, the Minister has proposed expanding Railways’ freight basket to include more commodities, which would help increase the revenue base.

In 2015-16, passenger traffic decreased by 4% and passenger revenue decreased by 10% from the budget estimates (see Table 8 in Appendix III). While non-suburban traffic reduced by 3%, suburban traffic saw a decrease of 13% from budget estimates.

Budget 2016-17 estimates an increase of 12% in passenger revenue over revised estimates of 2015-16, with a 0.26% increase in passenger traffic. It is unclear how the Ministry will achieve a 12% increase in revenue without a corresponding increase in traffic, or without any increase in fares (no hikes in passenger fares have been announced in Budget 2016-17).

Extra Budgetary Resources (EBR): EBR includes market borrowings, financing from banks, external investments, etc. External investments in Indian Railways could be in the form of public private partnerships (PPPs), joint ventures (JVs), or market financing by attracting private investors to buy bonds or equity shares in Railways.^{3,4}

In 2015-16, about Rs 40,572 crore was estimated to be raised through EBR. However, the investment decreased by 24% to Rs 30,893 crore as per the revised estimates of 2015-16.

Most of Railways EBR comes in the form of market borrowings from the Indian Railways Finance Corporation (IRFC) (see Table 2 below). A new financing method was announced in 2015-16 called the Extra Budgetary Resources (Institutional Financing) (EBR(IF)).⁵ Under EBR(IF), no expenditure can be accounted for unless the funds are specifically available against the project. Various committees have noted that an increased reliance on borrowings will further exacerbate the financial situation of Railways.^{3,4} Table 2 shows the break-up of the funds received through EBR.

Table 2: Extra Budgetary Resources (in Rs crore)

Extra Budgetary Resources (EBR)	2015-16 Budget	2015-16 Revised	% Change (RE/BE 2015-16)	% share of total EBR
IRFC	17,276	11,848	-31%	38%
RVNL	379	-	-100%	0%
PPP	5,781	9,461	64%	31%
EBRIF	17,136	9,584	-44%	31%
Total	40,572	30,892	-24%	

Notes: IRFC – Indian Railways Finance Corporation; RVNL – Rail Vikas Nigam Limited; PPP – Public Private Partnerships; EBRIF - Extra Budgetary Resources (Institutional Financing).

Sources: Railways Outcome Budget 2016-17; PRS.

Expenditure

As per the Budget actuals from 2014-15, Indian Railways spent most of its money on staff wages and salaries (30%), followed by expenses on pension fund (20%), and fuel (18%). In Budget 2016-17, the total expenditure is estimated to increase by 12% over the revised estimates of 2015-16. As per the Ministry, most of this increase is because of (i) the increase in staff costs and pensionary charges due to the recommendations of the Seventh Pay Commission, and (ii) an increase in the cost of materials and additional maintenance costs.⁶

In 2016-17, the highest expenditure under planned investment are estimated to be towards rolling stock (23%), doubling of tracks (21%), and the construction of new lines (13%) (see Table 4 in Appendix II).

Staff wages and pension: As per the budget estimates of 2016-17, staff costs will increase by about Rs 16,000 crore to meet the impact of the recommendations of the Seventh Pay Commission. Further, pensionary charges are expected to increase by about Rs 12,600 crore (37%). Further, the appropriation to Pension Fund is estimated to increase by Rs 8,000 crore (23%).

Staff costs have increased from 2005-06 to 2014-15 (BE) at an average rate (CAGR) of 13%.³ The Committee on Restructuring Railways had observed that the expenditure on staff is extremely high and unmanageable. It has also been observed that employee costs (including pensions) is one of the key components that reduces Railways' ability to generate surplus.³

Fuel: In 2015-16, the expenditure on fuel decreased by 11% from the budget estimates. In 2016-17, the expense on fuel is estimated to decrease by about Rs 3,500 crore (13%). This may be due to a decrease in fuel prices and low cost of electricity.

Dividend: As mentioned earlier, Railways pays a return on the budgetary support it receives from the government (GBS) every year, known as dividend. The rate of this dividend is determined by the Railways Convention Committee. In 2015-16, the rate of dividend was about 5%, and the Committee had recommended decreasing it from 5% to 4%. In 2016-17, the dividend payable to the central government is estimated to increase by 15% from the revised estimates of 2015-16.

Depreciation Reserve Fund (DRF): Appropriation to the DRF is made annually based on the recommendation

of the Railways Convention Committee. The DRF is intended to finance the costs of new assets replacing the old ones. It has been observed that appropriation to the DRF is obtained as a residual after payment of the dividend and appropriation to the Pension Fund, instead of the actual requirement for maintenance of assets.³

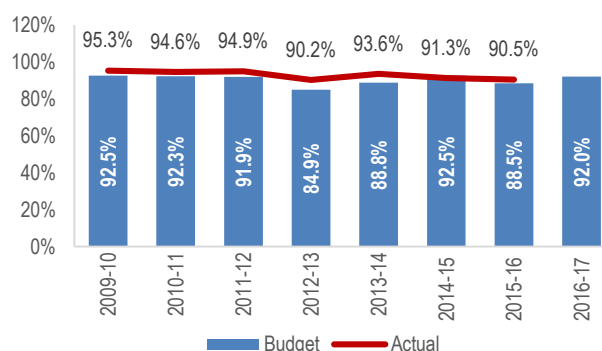
In the last few years, appropriation to the DRF has been decreasing. In 2016-17, appropriation to the DRF has been reduced by 42% to Rs 3,200 crore. This means that Railways will spend Rs 3,200 crore on asset maintenance in 2016-17, as compared to Rs 7,775 and Rs 5,500 in 2014-15 and 2015-16 respectively. Under-provisioning for the DRF has been observed as one of the reasons behind the decline in track renewals, and procurement of wagons and coaches.³

Surplus and Operating Ratio

Operating Ratio is the ratio of the working expenditure (expenses arising from day-to-day operations of Railways) to the revenue earned from traffic. Therefore, a higher ratio indicates a poorer ability to generate surplus that can be used for capital investments such as laying new lines, deploying more coaches, etc.

In 2015-16, the Operating Ratio increased from a budgeted estimate of 88.5% to 90.5%. The Operating Ratio for 2016-17 is projected to increase to 92%.

Figure 4: Operating Ratio (Budget Estimate vs Actuals)



Notes: Numbers for 2015-16 are Budget Estimates vs Revised Estimates.

Sources: Railways Budget documents 2009-2016; PRS.

2016-17 Budget Proposals

Key proposals made by the Railways Minister in Budget 2016-17 include:

- **Strategy:** Overall strategy of Railways for the upcoming year will be based on three pillars: (i) new revenues, (ii) new norms, and (iii) new structures. Under new revenues, the freight policy will be revised and new sources of revenue will be explored. Under new norms, all money that is spent will be re-examined to ensure optimal productivity. Under new structures, the decision making and problem solving under Railways will be revised.
- **Improving freight revenue:** The freight basket of Railways which is dominated by 10 bulk commodities will be expanded to increase the

revenue base. The freight tariff policy will be reviewed to rationalize freight tariffs, and make them more competitive as compared to other modes of transport.

- **Improving non-tariff revenue:** Over the next five years, revenue generated from non-tariff sources will be improved. This will be done through: (i) redevelopment of stations; (ii) monetisation of land along tracks; (iii) monetisation of soft assets such as PNR enquiry, e-commerce activities on the IRCTC website, etc; (iv) advertising at stations and land adjacent to tracks outside big stations; (v) overhauling the parcel business; and (vi) improving manufacturing activities.
- **Seven Missions:** Seven activities will be undertaken in Mission mode. Each Mission will be headed by a Mission Director who will report directly to the Chairman of the Railway Board. These include: (i) *Mission 25 Tonne* will aim at introducing 25-tonne axle-load wagons and target movement of 70% freight traffic on these wagons; (ii) *Mission Zero Accident* will aim at elimination of unmanned railway crossings and implementation of train collision avoidance systems; (iii) *Mission Procurement and Consumption Efficiency* will aim at bringing procurement practices in line with international standards; (iv) *Mission Raftaar* will target doubling average speeds of freight trains and increasing speeds of express trains by 25 kmph; (v) *Mission Hundred* will aim to complete at least 100 sidings over the next two years; (vi) *Mission Beyond Book-Keeping* will aim to move from single entry to double entry systems, and from cash based to accrual based accounting systems; and (vii) *Mission Capacity Utilisation* will prepare a blueprint for using the dedicated freight corridor.
- **New types of services:** The Minister announced five new types of services: two for unreserved passengers, and three for reserved passengers. (i) The Antyodaya Express will be long-distance, fully unreserved, superfast train; (ii) two to four Deen Dayalu coaches will be provided in long-distance trains for unreserved travel; (iii) Humsafar will be a fully air-conditioned third AC service for reserved passengers; (iv) Tejas trains, for reserved passengers, will operate at speeds of 130 kmph and above, and will offer on-board services such as entertainment and wi-fi; and (v) the Utkrisht Double-Decker Air-conditioned Yatri (UDAY) trains will be overnight double decker trains that will be introduced on the busiest routes.
- **Suburban trains:** Two elevated suburban corridors have been proposed for Mumbai between (i) Churchgate and Virar, and (ii) Chhatrapati Shivaji Terminus and Panvel. A Ring Railway system (with 21 stations) has been proposed for Delhi. Suburban

lines have been proposed for the cities of Ahmedabad, Hyderabad, Chennai, and Bengaluru. These will be developed in partnership with the respective state governments.

- **Organisational restructuring:** The Railway Board will be organised as per commercial principles and the Chairman of the Board will be empowered accordingly. Cross-functional directorates will be set up within the Railway Board to focus on areas such as non-fare revenues, speed enhancement, information technology, etc. The Public Private Partnership (PPP) cell will be strengthened. All companies owned by Railways will be brought under one holding company to leverage the combined resources.
- **New organisations:** The Special Railway Establishment for Strategic Technology and Holistic Advancement (SRESTHA) will be set up to drive long term research. A team called the Special Unit for Transportation Research and Analytics (SUTRA) will be established for carrying out data analytics.
- **Planning:** A Railway Planning and Investment Organisation will be set up for drafting medium term (five years) and long term (10 years) corporate plans for the Railways. The organisation will conduct independent studies and will also propose financing mechanisms for identified projects. A National Rail Plan (NRP-2030) will be developed in consultation with all stakeholders including the state governments and other relevant ministries. NRP-2030 will seek to integrate Railways with other modes of transport and help develop a multi-modal transportation system for the country.

¹ Railways Budget documents for the years 2009-2015.

² "India Transport Report: Moving India to 2032", National Transport Development Policy Committee, June 17, 2014, [http://planningcommission.nic.in/sectors/index.php?sectors=National%20Transport%20Development%20Policy%20Committee%20\(NTDPC\)](http://planningcommission.nic.in/sectors/index.php?sectors=National%20Transport%20Development%20Policy%20Committee%20(NTDPC))

³ Report of the Committee for Mobilization of Resources for Major Railway Projects and Restructuring of Railway Ministry and Railway Board, Ministry of Railways, June 2015, http://www.indianrailways.gov.in/railwayboard/uploads/directorate/HL_SRC/FINAL_FILE_Final.pdf.

⁴ "4th Report: Demands for Grants (2015-16)", Standing Committee on Railways, April 20, 2015, http://164.100.47.134/lssccommittee/Railways/16_Railways_4.pdf.

⁵ "Booking of expenditure under Extra Budgetary Resources (Institutional Finance) i.e. EBR (IF)", Ministry of Railways, March 24, 2015, http://www.indianRailways.gov.in/railwayboard/uploads/directorate/finance_budget/Budget_2015-16/EBR/EBR_240315.pdf.

⁶ Explanatory Memorandum on the Railway Budget for 2016-17, Ministry of Railways, February 25, 2016, http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance_budget/Budget_2016-17/Explanatory_Memorandum_Railway_Budget_2016-17.pdf.

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ANNEXURE**Appendix I: Railways Budget 2016-17 Summary****Table 3: Railways Revenue and Expenditure for 2016-17 (in Rs crore)**

	2014-15 Actuals	2015-16 Budget	2015-15 Revised	% Change (RE/BE 2015-16)	2016-17 Budget	% Change (2016-17 BE/ 2015-16 RE)
Receipts						
1 Passenger - Upper Class	13,134	15,074	14,667	-3%	16,318	11%
2 Passenger - Second Class	29,056	35,101	30,709	-13%	34,694	13%
3 Other Coaching	3,998	4,612	4,325	-6%	6,185	43%
4 Freight	1,05,791	1,21,423	1,11,853	-8%	1,17,933	5%
5 Sundry earnings	5,093	7,318	6,230	-15%	9,590	54%
6 Suspense	-361	50	50	0%	100	100%
7 Gross Traffic Receipts (Sum 1 to 6)	1,56,711	1,83,578	1,67,834	-9%	1,84,820	10%
8 Miscellaneous	4,307	4,979	3,971	-20%	4,451	12%
9 Total Revenue (7+8)	1,61,017	1,88,557	1,71,805	-9%	1,89,271	10%
Expenditure						
10 Ordinary Working Expenses	1,05,996	1,19,410	1,10,690	-7%	1,23,560	12%
11 Appropriation to Depreciation Reserve Fund	7,775	7,900	5,500	-30%	3,200	-42%
12 Appropriation to Pension Fund	29,225	34,900	34,500	-1%	42,500	23%
13 Total Working Expenditure (10+11+12)	1,42,996	1,62,210	1,50,690	-7%	1,69,260	12%
14 Miscellaneous	1,183	1,270	1,217	-4%	1,800	48%
15 Total Expenditure (13+14)	1,44,179	1,63,480	1,51,907	-7%	1,71,060	13%
16 Dividend payable to General Revenues	9,174	10,811	8,495	-21%	9,731	15%
17 Net Surplus after payment of Dividend (9-15-16)	7,665	14,266	11,402	-20%	8,479	-26%
18 Operating Ratio (13/7)	91.3%	88.5%	90.5%		92%	
19 Appropriation to Railway Development Fund	1,375	5,750	1,324	-77%	2,515	90%
20 Appropriation to Capital Fund	6,233	7,616	6,293	-17%	5,750	-9%
21 Appropriation to Debt Service Fund	57	900	3,786	321%	214	-94%

Sources: Budget of Railway Revenue and Expenditure of the Central Government for 2016-17; PRS.

Explanatory NotesOther 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.

Appendix II: Investment and Infrastructure augmentation

Table 4: Investment by plan heads (in Rs crore)

	2014-15 Actuals	2015-16 Budget	2015-15 Revised	% Change (RE/BE 2015-16)	2016-17 Budget	% Change (2016-17 BE/ 2015-16 RE)
Transfer to Central Road Fund	-	-	-	-	10,780	-
Transfer to National Investment Fund	28,185	40,000	24,000	-40%		-100%
New Lines (Construction)	7,139	12,830	13,484	5%	15,586	16%
Gauge Conversion	3,664	5,555	4,281	-23%	4,342	1%
Doubling	3,881	18,420	9,007	-51%	25,119	179%
Traffic Facilities - Yard remodelling and others	785	2,374	1,213	-49%	1,226	1%
Computerisation	204	393	294	-25%	337	15%
Railway research	19	40	24	-40%	37	51%
Rolling stock	16,490	19,343	19,088	-1%	27,278	43%
Leased assets - Payment of capital component	5,449	6,293	6,293	0%	7,000	11%
Road safety works - level crossings	442	306	518	69%	555	7%
Road safety works - road over/under bridges	1,792	1,340	2,144	60%	8,685	305%
Track renewals	5,372	6,035	5,426	-10%	4,000	-26%
Bridge works	441	560	491	-12%	589	20%
Signalling and telecommunication works	1,006	1,115	853	-24%	958	12%
Electrification projects	1,391	2,163	2,265	5%	3,396	50%
Other electrical works excluding traction distribution	108	189	160	-15%	681	324%
Traction distribution works	200	249	189	-24%	276	46%
Machinery & plant	462	475	406	-14%	512	26%
Workshops including production units	1,681	2,624	2,109	-20%	3,680	74%
Staff quarters	242	400	322	-19%	376	17%
Amenities for staff	272	399	302	-24%	297	-2%
Passengers amenities	859	1,753	1,212	-31%	1,838	52%
Inv. In govt comm under public undertaking	554	2,733	926	-66%	2,643	185%
Inv. In non-govt und. Including JVs/ SPVs	4,584	13,091	6,056	-54%	8,410	39%
Other specified works	341	444	385	-13%	348	-10%
Stores suspense	1,215	-13	-341	2434%	-74	-78%
Manufacture suspense	30	8	21	168%	52	143%
Miscellaneous advances	-52	-28	-40	45%	8	-121%
Total credits (gross excluding metro)	2,140	2,577	2,004	-22%	4,058	103%
Metropolitan transport projects	996	2,000	23,412	1071%	1,402	-94%
New Lines (Construction)- dividend free projects	1,294	1,500	1,500	0%	1,500	0%
MTP (Excluding suspense) credits or recoveries	2	2	0	-87%	2	677%
Total	58,719	1,00,011	1,00,000	-0.01%	1,17,000	17%

Sources: Explanatory Memorandum on the Railways Budget 2016-17; PRS

Table 5: Investments through Extra Budgetary Resources (in Rs crore)

	2014-15 Actuals	2015-16 Budget	2015-15 Revised	% Change (RE/BE 2015- 16)	2016-17 Budget	% Change (2016-17 BE/ 2015-16 RE)
New Lines (Construction)	-	4,086	2,061	-50%	3,623	76%
Gauge Conversion	-	2,144	604	-72%	1,066	77%
Doubling	-	11,307	7,176	-37%	20,336	183%
Traffic Facilities - Yard remodelling and others	-	1,099	131	-88%	100	-24%
Rolling stock	10,771	17,276	11,592	-33%	21,830	88%
Road safety works - road over/under bridges	-	-	-	-	6,242	-
Electrification projects	-	560	2,230	298%	3,386	52%
Other electrical works excluding traction distribution	-	-	-	-	400	-
Workshops including production units	-	430	-	-100%	1,342	-
Passengers amenities	-	4	430	10650%	1,000	133%
Investment in non-government undertakings Including JVs/ SPVs	273	2,832	12	-100%	-	-100%
Metropolitan transport projects	-	835	2,217	166%	-	-100%
Total	11,044	40,572	26,453	-35%	59,325	124%

Sources: Explanatory Memorandum on the Railways Budget 2016-17; PRS

Table 6: Targets and achievements: Major developmental activities

	2012-13	2013-14	2014-15		2015-16		2016-17
	Achievement	Achievement	Target	Achievement	Target	Revised	Target
Electrification (Route Kms.)	1,317	1,350	1,300	1,375	1,600	1,600	2,000
Track Renewals (Track Kms.)	3,296	2,885	2,100	2,424	2,500	2,350	1,500
Construction of New Lines (Route Kms.)	501	450	300	313	300	500	400
Gauge Conversion (Route Kms.)	605	404	450	527	500	800	800
Rolling Stock							
(a) Locos							
(i) Diesel	348	385	375	355	375	430	467
(ii) Electric	330	302	250	250	261	280	280
(b) Coaches including EMU/MEMU/DMUs/Metro/etc.		3,887	3,658	3,731	3,390	3,592	3,431
(c) Wagons (in terms of vehicle units)	16,894	9,326	12,857	11,151	16,800	12,814	12,000

Sources: Explanatory Memorandum on the Railways Budget 2016-17; PRS.

Appendix III: Details of freight and passenger traffic

Table 7: Freight traffic details (NTKM in millions; Earnings in Rs crore)

Commodity	2015-16 Budget Estimates		2015-16 Revised Estimates		% Change RE/ BE 2015-16		2016-17 Budget Estimates		% Change BE 2016-17/ RE 2015-16	
	NTKM	Earnings	NTKM	Earnings	NTKM	Earnings	NTKM	Earnings	NTKM	Earnings
Coal	3,32,971	52,381	3,03,399	55,132	-9%	5%	3,12,914	56,874	3%	3%
Pig Iron & finished steel	38,619	7,108	37,669	5,815	-2%	-18%	40,586	6,302	8%	8%
Iron Ore	40,885	9,767	33,417	6,593	-18%	-32%	35,533	6,967	6%	6%
Cement	64,828	10,814	56,894	9,398	-12%	-13%	59,940	9,902	5%	5%
Foodgrains	79,980	10,159	57,193	7,731	-28%	-24%	59,800	8,085	5%	5%
Fertilisers	41,333	5,317	47,921	6,148	16%	16%	49,000	6,287	2%	2%
Petroleum & Lubricants	28,329	6,788	28,292	5,907	0%	-13%	28,928	6,040	2%	2%
Container Service	57,767	5,849	46,173	4,955	-20%	-15%	48,293	5,177	5%	4%
Other Goods	57,979	10,082	56,575	10,175	-2%	1%	59,613	12,299	5%	21%
Total	7,42,691	1,18,265	6,67,533	1,11,853	-10%	-5%	6,94,607	1,17,933	4%	5%

Notes: NTKM – Net Tonne Kilometre (1 NTKM is the net weight of goods carried for a kilometre).

Sources: Explanatory Memorandum on the Railways Budget 2016-17; PRS.

Table 8: Passenger traffic details (PKM in millions; Earnings in Rs crore)

	2015-16 Budget Estimates		2015-16 Revised Estimates		%Change RE/ BE 2015-16		2016-17 Budget Estimates		% Change BE 2016-17/ RE 2015-16	
	PKM	Earnings	PKM	Earnings	PKM	Earnings	PKM	Earnings	PKM	Earnings
Suburban										
First Class	9,661	375	10,015	357	4%	-5%	10,122	404	1%	13%
Second Class (Ordinary)	1,62,670	2,528	1,39,720	2,239	-14%	-11%	1,41,212	2,544	1%	14%
Total Suburban	1,72,331	2,903	1,49,735	2,595	-13%	-11%	1,51,334	2,948	1%	14%
Non Suburban										
AC First class	1,665	637	1,611	450	-3%	-29%	1,614	528	0%	17%
AC Sleeper	19,165	3,680	21,135	3,483	10%	-5%	21,164	3,690	0%	6%
First Class (M&E)	203	41	66,284	8,777	32552%	21481%	66,375	9,925	0%	13%
First Class (ordinary)	633	34	306	137	-52%	308%	306	210	0%	53%
AC 3 Tier	59,482	8,640	10,162	1,423	-83%	-84%	10,176	1,519	0%	7%
Sleeper Class (M&E)	2,56,191	13,339	132	20	-100%	-100%	132	20	0%	1%
Second Class (M&E)	3,66,241	12,707	461	21	-100%	-100%	462	21	0%	2%
Sleeper Class (ordinary)	3,639	147	2,71,009	12,609	7347%	8459%	2,71,379	14,981	0%	19%
Second Class (Ordinary)	2,94,966	6,380	3,390	133	-99%	-98%	3,395	158	0%	18%
AC Chair Car	9,560	1,511	3,33,639	10,269	3390%	579%	3,34,095	11,091	0%	8%
Executive Class	389	156	2,76,489	5,459	70977%	3402%	2,76,868	5,920	0%	8%
Total Non-Suburban	10,12,134	47,272	9,84,618	42,781	-3%	-10%	9,85,964	48,064	0%	12%
Total	11,84,465	50,175	11,34,353	45,376	-4%	-10%	11,37,298	51,012	0%	12%

Notes: PKM – Passenger Kilometre (One PKM is when a passenger is carried for a kilometre).

Sources: Explanatory Memorandum on the Railways Budget 2016-17; PRS.