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Old Schemes in New Budget for Indian Railways

(/old-schemes-new-budget-indian-railways)

The Budget, presented by FM Nirmala Sitharaman announced kisan rail, electrification, station redevelopment, solar energy and private trains - which have either already been announced or were on the pipeline for long.

Arun Kumar Das (/author/Arun Kumar Das) 03 Feb 2020

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(https://www.newsclick.in/sites/default/files/2020-02/indian%20railway%20.png)

File Photo

The announcement of Krishi rail for perishable goods, solar park along the tracks, complete electrification, more Tejas to connect tourist sites and redevelopment of New Delhi and Mumbai stations among others are major takeaways for Indian Railways in the Union Budget which was tabled on February 1.

The Union Budget, presented by Finance Minister Nirmala Sitharaman amid a declined growth rate for six successive quarters, incidentally, does not offer anything new or innovative for railways. All of these - kisan rail, electrification, station redevelopment, solar energy and private trains, have either already been announced or were on the pipeline for long.

The cash starved railways were allocated Rs 1,61,042 crore as capital expenditure and Rs 70,000 crore as budgetary support for the fiscal year 2020-21.

reiterating the government's resolve to go forward with private train operations, the FM read out the

and also announced a plan for offering another IRCTC operated private train

INTERACTIVE ELECTION MAP

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The Budget also presented the operating ratio to be at 97.46%, against 95% as envisaged in the budget estimate (BE) of 2019-20. Though by the end of January 2020, the railways earnings are falling behind the target, chairman of Railway Board, VK Yadav, said they will be able to achieve the operating ratio at 97.46% by the end of March 2020.

"It is true that our earnings are facing distress because of various reasons. We are reducing our expenditure through curbing diesel consumption by pressing more electric locos besides other tightening measures," Yadav said in a post-budget presser.

The 148 kms long Bengaluru suburban project with an estimated cost of Rs 18,600

crore was also announced during the Budget session. For this project, the central government would provide 20% equity and facilitate external assistance up to 60% of the project.

Aiming at farmers' benefit, the FM announced the Krishi rail project to transport perishable goods as a national cold supply chain through PPP arrangements. "There will be refrigerated coaches in express and freight trains as well," she said in her second consecutive budget presentation which went on for over two hours in the Lok Sabha. However, to be noted here is that, this scheme had already been announced by two former railway ministers - Lalu Prasad and Mamata Banerjee - during their tenure. Also, solar energy, station redevelopment and electrification plans were also launched with much fan fare by former Railway Minister Suresh Prabhu.

The total receipts of the Railways comprising earnings from passenger, goods, sundry other heads and railway recruitment boards are expected to increase by 9.5% in the BE of 2020-21 over the Revised Estimates (RE) of 2019-20.

In the latest Budget, funds worth Rs 12,000 crore have been allocated for construction of new lines, Rs 2,000 crore for gauge conversion, Rs 700 crore for doubling, Rs 5,786.97 crore for rolling stock and Rs 1,650 crore for signalling and telecom. The total budgetary allocation of Rs 70,000 crore and an outlay for capital

Expenditure amounting to Rs 1.61 trillion, is a paltry 3% more than the previous year.

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freight loading at 105

million tons (MT), which is 42 MT (3.4%)

incremental over RE 2019-20. Revenue receipts amounting to Rs 61,000 crore through passenger earnings and Rs 1,47,000 crore in goods earnings have been envisaged in the coming financial year. The gross traffic receipts are, thus, kept at Rs 2,25,613 crore. This is 9.6% above RE 2019-20.

Criticising the budget proposals, the Opposition maintains that it seems that the government has given up on reviving the economy or accelerating the growth rate, instead focussing on promoting private investments. Not only that, the Opposition has also said the Budget 2020-21 does not portray that the government is in anyway keen on increasing the efficiency of the Indian Railways or creating jobs.

Also read: Budget 2020-21: Will Finance Minister Highlight Railway Revenue Fall or Hide it?
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