

PRESS RELEASE

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Randeep Singh Surjewala, Incharge Communications, AICC has issued the following statement to the press today:-

“Rail Budget 2016-17 of Modi government has proved to be a mere accounting exercise, bereft of any vision or direction for Railway safety, expansion of Railways by laying new lines, route electrification, punctuality and providing effective connectivity to remotest corners of India.

Besides letting down the ordinary Rail passengers, entire business community and sensex have given a thumb down to Shri Suresh Prabhu’s ‘Rail Budget’. Sensex has fallen below 23000 i.e. a hundred percentage points and most rail stocks derailed by 2% to 5%. Even Cement companies have seen a decline in value of stocks from 1% to 5%.

Is it a prelude to or indicator of a non-budget hike in passenger and freight fares as has been done in the past? To recapitulate, Modi government hiked passenger fare by 18.55% over last 20 months i.e. 14.20% in June, 2014 and 4.35% in November, 2015. As against this, Congress Party did not hike the passenger fare by even one paisa in its period of ten years between 2004 and 2014. Similarly, there was a 7% freight fare hike in June, 2014 and an another inflationary hike in February, 2015 with freight fare of grains and pulses being increased by 10%, coal by 6.3%, cement by 2.7% and iron ore by 0.80%. Burdening of ordinary user did not stop here with Modi government hiking platform tickets by 100% in March, 2015 (Rs.5/- to Rs.10/-), ticket cancellation charges by 100% (November, 2015) and Tatkal charges by 33% (December, 2015).

Despite such heavy burdening of the ordinary Rail user, Rail Minister has utterly failed to meet even the target of Rail Budget 2015-16. Naturally, current Rail Budget is an exercise in ‘Big Promises – No Delivery’. Rail Minister has raised the Plan Outlay to Rs.1.21 lakh crore from Rs.1.00 lakh crore in previous budget. Yet, he has failed to explain the manner of resource generation to support the Plan Outlay. Failure of his rhetoric can be gauged from the following:-

- (a) Shri Suresh Prabhu had projected ‘gross traffic receipt’ of Rs.1.83 lakh crore in 2015-16. He garnered Rs.16,000 crore less i.e. Rs.1.67 lakh crore. This year i.e. 2016-17, he expects to collect Rs.1.84 lakh crore i.e. an increase of 10% over last year’s Rs.1.67 lakh crore. Is it doable?
- (b) Shri Suresh Prabhu projected ‘passenger traffic revenue’ of Rs.50,175 crore in 2015-16. He garnered nearly Rs.5,000 crore less. This year i.e. 2016-17, he expects to collect Rs.51,012 crore i.e. a 10% increase over last year. Is it doable?

- (c) Shri Suresh Prabhu projected freight revenue of Rs.1.21 lakh crore in 2015-16. He garnered Rs.8,000 crore less i.e. Rs.1.13 lakh crore. Surprisingly, he has kept a revenue target of Rs.1.18 lakh crore in 2016-17, which is even less than the projected target of last year. With pessimism in his projections, how does he propose to meet the target? Does it not mean that Modi government proposes to hike the passenger and freight fares in 2016-17 to meet with these targets?

Shri Suresh Prabhu has made a lot of noise about route electrification and laying of new lines but the same lacks complete substance. During his last Rail Budget speech of 2015-16, Shri Prabhu stated that Railway requires investment of Rs.8.5 lakh crore in five years for new lines and route electrification. In this year's speech, Shri Prabhu says that LIC will give Rs.1.5 lakh crore over five years for the purpose. He conveniently omits to mention as to where is the difference of Rs.7 lakh crore coming from. Shri Suresh Prabhu also makes no mention of the proposed Rs.92,000 crore loan for the 'Bullet Train' and how does he propose to service the same. Nor does he make a mention about resource generation for payment of Rs.32,000 crore for implementation of 7th Pay commission.

Rail Minister has also failed to achieve the 'Operating Ratio' i.e. money spent by Railway to earn the revenue. A 90% 'Operating Ratio' would mean that Railways spend Rs.90/- to earn Rs.100/-. Shri Suresh Prabhu promised an 'Operating Ratio' of 88.5% while it stands at 97.3%. In fact, failure can be judged from the following:-

	2013-14	2014-15	BE 2015-16	Actuals
Operating Ratio	93.6%	91.3%	88.5%	97.3%

One of the big ticket announcements is development of 400 stations on PPP mode cleared by the Union Cabinet. Rail Minister omits to explain the model to the Parliament completely. Is it a mere 'real estate development project' to help the builder lobby and pledge hard-earned assets of the people into private hands? How does Modi government propose to ensure that ownership of these assets running into lakhs of crore is not divested?

Rail Budget also talks about 'organizational restructuring'. Does it entail free hiring and firing of labour, whose nomenclature he changed in the current budget?

Rail Budget also talks about a new 'Rail Development Authority'. Shri Suresh Prabhu omits to explain the nature of its functions and mandate. What will it do? Is it only for subversion of tender rules and governmental financial rules?

Overall, the ordinary Rail passenger has nothing to gain, Rail safety – expansion – electrification have been given a go-bye and Railways appear to drop out its primary priority i.e. movement of goods and passengers quickly, efficiently and at lowest fares. To summarize it, 'आंकड़ों का खेल – जनता से दूर रेल'."