

BNK SECURITIES PVT. LTD.

INDIA

Rail Budget 2011-12: No hike in passenger fares, freights

Indian Railway Minister Ms. Mamata Banerjee presented the Railway Budget today. The Annual Plan for the year 2011-12 has been proposed at ₹ 57,630 Cr. which is the highest ever plan investment by the railways in a single year. The Plan is proposed to be financed through GBS of ₹ 20,000 Cr., diesel cess of ₹ 1041 Cr., internal resources of ₹ 14,219 Cr., market borrowings of ₹ 20,594 Cr. through Indian Railway Finance Corporation (IRFC), considering its past excellent performance in the financial market. Normally IRFC raises between ₹ 9,000-10,000 Cr. annually for leasing of rolling stock. Next year, an additional amount of ₹ 10,000 Cr. will be raised through tax free bonds for financing select capacity enhancement works. Railways will ensure servicing this debt of tax-free bonds. Further, external source of financing through PPP, WIS etc is expected to yield ₹ 1,776 Cr.

Key Highlights of the Railway Budget 2011-2012

Financial Highlights

- ☞ Annual gross budgetary support ₹ 20,000 Cr.
- ☞ Annual plan for FY 12 at ₹ 57,630 Cr.
- ☞ Market borrowing for FY 12 seen at ₹ 20,594 Cr.
- ☞ IRFC to borrow ₹ 10,000 Cr. via tax free bonds
- ☞ Railway earnings set to exceed ₹ 1 lakh Cr. mark
- ☞ See ₹ 5,258 Cr. excess funds with Railways FY12
- ☞ To see ₹ 5,260 Cr. savings in FY12
- ☞ FY11 gross traffic receipts seen ₹ 94,840 Cr.
- ☞ FY11 gross earnings revised to ₹ 94,742 Cr.
- ☞ FY12 operating ratio pegged at 91.1%
- ☞ FY12 Disaster Relief Fund appropriation ₹ 7,000 Cr.
- ☞ Freight loading aim 993 million tn FY12
- ☞ FY12 total working expenses seen ₹ 96,400 Cr.
- ☞ FY12 gross traffic receipt seen ₹ 1.06 trillion
- ☞ ₹13,824 Cr. for acquisition of rolling stock
- ☞ Saved ₹ 300 Cr. on rail re-alignment
- ☞ Operating ratio excluding pay panel arrears 84% now
- ☞ Railways saved ₹ 3,700 Cr. due to austerity steps
- ☞ Disruptions cost ₹ 1,500 Cr. loss FY11
- ☞ Lost ₹ 2,000 Cr. FY11 on iron ore export curbs
- ☞ Expect Railways financial health to revive FY12
- ☞ Double-stack container train from Gujarat to Gurgaon
- ☞ Railways passing through difficult financial phase
- ☞ To add 1,000 km of new rail lines in FY12
- ☞ Set aside ₹ 6,735 Cr. dividend for FY12

New Routes, Trains

- ☞ To introduce 56 new express trains
- ☞ To launch 3 new Shatabdi trains
- ☞ To launch 9 new Duronto trains
- ☞ 10 Rajya Rani trains to ply intra-state from capitals
- ☞ Frequency of 17 trains to be increased
- ☞ To launch 15 new suburban trains in Kolkata
- ☞ 2 new trains, 2 projects for "trouble-free" states
- ☞ 1 AC double-decker train between Ahmedabad-Mumbai
- ☞ 1 AC double-decker train between Jaipur-Delhi
- ☞ To extend run of 33 trains
- ☞ To launch 34 new services in Kolkata Metro
- ☞ To introduce 47 more suburban svcs in Mumbai

Infrastructure

- ☞ Set up single window for public-private partner project OK
- ☞ Got 85 proposals for public-private partnership plans
- ☞ Working on 1,000 MW captive power plant in Bihar
- ☞ To set up 1,300 MW thermal power plant in Andhra
- ☞ Planning 1,320 MW thermal power plant at Agra
- ☞ To set up 700 MW gas-based power plant in Maharashtra
- ☞ To set up rail industrial park in Nandigram, New Bongaigaon
- ☞ Aiming for 1,017 km rail line gauge conversion FY12
- ☞ Two more wagon units in Kerala
- ☞ To begin Orissa wagon unit work on land identification
- ☞ To set up 2 more wagon units under joint venture mode
- ☞ To set up new coach factory at Kolar via JV or PPP
- ☞ To build 10,000 shelters near suburban railways
- ☞ To build new rail line capacity of 700km/yr vs 180 km
- ☞ To set up track machine unit in Bengal's Uluberia
- ☞ Work on Jalpaiguri, Kulti units already taken up
- ☞ Imphal to be connected with rail network soon
- ☞ To set up diesel locomotive centre in Manipur
- ☞ To set up software centre in Darjeeling
- ☞ To set up tunnel and bridge institute in Jammu
- ☞ To set up metro coach factory in Singur
- ☞ To set up coach factory in Palaghat
- ☞ Work on Kanchrapara, Marhaura loco units moving well
- ☞ First coach from new Rae Bareli unit in 3 mos
- ☞ Work on Western freight corridor progressing well
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- ☞ To give 12,000 acres for dedicated freight corridor
- ☞ Setting up metro coach factory at Singur
- ☞ Wagon procurement target 18,000 units FY12
- ☞ To open 2 new passenger coach terminals in Kerala
- ☞ To set up integrated suburban network in large cities

BNK Research

- ☞ Capacity of diesel loco works raised to 300 locos
- ☞ To double-line 867 km of rail tracks FY12
- ☞ To set up Kolkata Rail Vikas Corp for metro
- ☞ To set up suburban rail network in five cities
- ☞ To up capacity of 107 Mumbai local trains
- ☞ To complete 1,075 km new rail lines FY12
- ☞ Aim to complete dedicated freight corridor by Dec 2016
- ☞ To commission 7 new surveys to up Kolkata Metro svcs
- ☞ Loading target reduced by 20 mln tn to 924 mln tn FY12
- ☞ To start 5 polytechnic including at Varanasi, Hubli, Bhilai

Facilities

- ☞ Concession for women senior citizen cut to 58 yr vs 60
- ☞ Concession for senior male citizens up at 40% from 30%
- ☞ To cut booking charge on AC to ₹ 10 vs ₹ 20
- ☞ To create fund to implement socially desirable plans
- ☞ To spend ₹ 9,583 Cr. for new lines FY12
- ☞ Doubling spend on gauge conversion to ₹ 2,470 Cr.
- ☞ Over 400,000 people availed low cost "Izzat" ticket
- ☞ To open centre for excellence in Darjeeling
- ☞ Giving econ share to industrialists to invest in Railway
- ☞ To set up rail-based industries for passenger coaches
- ☞ Combined econ focus with social sector in this budget
- ☞ New super air-conditioned class travel to start soon
- ☞ Multi-purpose 'Go India' smart card on pilot basis
- ☞ Launch 'Go India' smartcard for metro, long distance
- ☞ 442 stations upgradation to be completed by March
- ☞ Started e-procurement system to ensure transparency
- ☞ Longest tunnel, in Kashmir, to be completed this yr
- ☞ To do away with all unmanned rail crossings FY12
- ☞ To construct 172 rail overbridges FY12
- ☞ To have anti-collision devices in 8 of 17 rail zones
- ☞ 3 railway zones to implement anti-collision devices
- ☞ AC E-ticket fee cut to ₹ 10 from ₹ 20
- ☞ Non-AC E-ticket fee cut to ₹ 5 from ₹ 10
- ☞ To set up five polytechnics
- ☞ No fare hike across the board

Miscellaneous

- ☞ Rate of accidents 0.17/km vs 0.29/km 5 yrs ago
- ☞ To recruit 1,110 ex-servicemen in RPF by Mar 2011
- ☞ Induction of 16,000 ex-defence employees by March
- ☞ To recast staff cadre to ensure smooth promotion
- ☞ To fill up 13,000 RPF jobs

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