

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:182
ANSWERED ON:24.02.2000
LOSSES SUFFERED BY RAILWAYS
PRABHUNATH SINGH;RAMJI MANJHI

Will the Minister of RAILWAYS be pleased to state:

- (a) whether in spite of increase in the passenger and goods traffic the Railways are likely to suffer huge losses this year;
- (b) if so, the reasons therefor; and
- (c) the steps taken to improve the fiscal deficit by the Railways?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) to (c) A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARAS (a) to (c) OF UNSTARRED QUESTION NO. 182 BY SHRI PRABHUNATH SINGH AND SHRI RAMJI MANJHI TO BE ANSWERED IN LOK SABHA ON 24.02.2000 REGARDING LOSSES SUFFERED BY RAILWAYS

(a) & (b) The Railways are passing through a difficult phase due to the combined effect of the increase in staff cost and pension as a result of the implementation of the recommendations of V Central Pay Commission during 1997-98 and 1998-99 and shortfall in freight earnings 1998-99. In the current year, while the volume of traffic has increased, the freight load and mix have been below expectations. As a result, some net shortfall in earnings is to be expected. The recovery of dues is not also up to the mark, the expenditure has gone up due to various post-budgetary increases like the cess on diesel oil and hike in prices of diesel oil, revision of electric traction tariff by some of the SEBs, revision of incentive rates in workshops, restoration work due to Orissa cyclone, etc. While these are largely being met through economy and austerity measures in other areas of working, the pensionary charges are also likely to increase by around Rs. 800 cr as per the latest estimates. On the whole, certain fall in the `Excess` of receipts over expenditure is likely.

(c) In an effort to increase their internal generation, Railways are taking various measures to contain the expenditure and augment earnings. Apart from formulating an appropriate freight policy, they are also seriously considering non-traditional areas for resource mobilization which include exploitation of railway land, air space, leasing of `right of way` of optical fibre cable, advertising rights and parcel services, public/private partnership schemes, etc.