

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:2759
ANSWERED ON:15.03.2001
BALANCING OF TARIFFS
SUBODH MOHITE

Will the Minister of RAILWAYS be pleased to state:

- (a) whether there is a need for re-balancing the tariffs of the Indian Railways to reduce the rate of cross- subsidisation;
- (b) if so, the present position in this regard; and
- (c) the manner in which the Government propose to reduce the rate of cross-subsidisation without putting burden on general public?

Answer

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

(a) to (c): A degree of cross-subsidisation exists in most industries and Indian Railways are not an exception. As far as Indian Railways are concerned, alongwith its commercial operations, it also is required to discharge various social responsibilities. The assessment for the year 1999-2000 of the total cost of its social services obligations was Rs 4739 crore which included Rs 1790 crore on Staff Welfare and Law and Order. Net of these costs, the figure worked outto Rs 2949 crore. There is a constant endeavour to improve the productivity of assets in order to limit operating losses and to maximise earnings.