

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:1864
ANSWERED ON:11.08.2011
OPERATING RATIO OF RAILWAYS
Dutt Smt. Priya Sunil

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the operating ratio of Indian Railways is very high;
- (b) if so, the details thereof and the reasons therefor;
- (c) the steps taken/being taken in this regard; and
- (d) The remedial measures taken/being taking by the Railways for funding of new projects with such a high operating ratio?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF RAILWAYS (SHRI K.H. MUNIYAPPA)

(a) & (b) The Operating Ratio of the Railways was 90.5% in 2008-09, 95.3% in 2009-10 and 94.6% in 2010-11. Budget Estimates 2011-12 envisage an operating ratio of 91.1%.

The main reason for Operating Ratio being more than 90% is steep increase in staff cost and pensionary charges consequent upon implementation of the recommendations of VI Central Pay Commission. This is despite a healthy growth in earnings of 9.1% in 2008-09, 8.6% in 2009-10 and 8.5% in 2010-11. The ordinary working expenses, however, registered a much higher growth of 33% and 21% in 2008-09 and 2009-10 respectively, against a normal increase of 8% to 9%.

(c) With the stabilizing of the impact of the VI Central Pay Commission, the Operating Ratio is expected to improve in due course. Railways are also taking several measures to augment traffic earnings and controlling expenditure.

(d) Besides taking steps to augment the internal resources and increase in the gross budgetary support by Ministry of Finance, Railways has also been permitted for the first time to raise Rs 10,000 cr. through issue of tax-free bonds for financing the projects.