

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:345
ANSWERED ON:09.08.2012
RAILWAY FINANCES
Sivasami Shri C.

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways are considering to rationalise both passenger and freight tariffs;
- (b) if so, the details thereof;
- (c) whether the Railways have been advised to explore alternate sources of financing;
- (d) if so, the details thereof and the action taken in this regard;
- (e) whether the Railways' accumulated funds have eroded by 93 percent; and
- (f) if so, the details thereof and the reasons therefor?

Answer

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

(a) to (f) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF UNSTARRED QUESTION NO. 345 BY SHRI SIVASAMI C. TO BE ANSWERED IN LOK SABHA ON 09.08.2012 REGARDING RAILWAY FINANCES.

(a) & (b) Evaluation of various alternatives relating to rationalization of the fare and freight structures is an ongoing process.

(c) & (d) Railways have implemented a number of projects through Public-Private Partnership (PPP) as an alternative source of financing. Under Public-Private Partnership (PPP), Railways have implemented rail connectivity to some of the ports, permitted operations of container trains by private operators and permitted investments in procurement of wagons. In future, development of private freight terminals, setting up of automobile and ancillary hubs, acquisition of rolling stock, elevated rail corridors, dedicated freight corridor and high speed trains are being explored for generating alternate financing resources.

(e) & (f) The opening balances of Rs.5,032 crore in 2010-11 reduced to Rs. 342 crore at the close of the year, i.e. a reduction of 93 percent. The main reason for reduction in fund balances during 2010-11 was the cumulative effective of implementation of the recommendations of the 6th Central Pay Commission (CPC), which were estimated to have an additional outgo of Rs. 55,000 crore upto 2010-11.