

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:2958

ANSWERED ON:14.03.2013

FINANCIAL CONDITION

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Chitthan Shri N.S.V.;Gaikwad Shri Eknath Mahadeo;Krishnaswamy Shri M.;Majhi Shri Pradeep Kumar;Paranjpe Shri Anand Prakash;Patel Shri Kishanbhai Vestabhai;Ray Shri Rudramadhab

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways propose to implement any reforms measures to improve their financial condition and if so, the details thereof;
- (b) whether the Railways have fixed any targets to control their losses by adopting various cost cutting measures and if so, the details thereof;
- (c) whether the Railways proposes to raise revenues through non-core activities and through commercial exploitation of land reserves, advertising space and scrap sales etc. to meet their expenses;
- (d) if so, the details of the non-core activities so identified;
- (e) the quantum of amount likely to be generated as a result thereof; and
- (f) the other steps taken/proposed to be taken by the Railways in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI ADHIR RANJAN CHOWDHURY)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE UNSTARRED QUESTION NO.2958 BY SHRI B.B. PATIL, SHRI RUDRA MADHAB RAY, SHRI ANAND PRAKASH PARANJPE, SHRI N.S.V. CHITTHAN, SHRI KISHNBHAI V. PATEL, SHRI EKNATH M. GAIKWAD, SHRI M. KRISHNASSWAMY AND SHRI PRADEEP MAJHI TO BE ANSWERED IN LOK SABHA ON 14.03.2013 REGARDING FINANCIAL CONDITION

(a) Yes, Madam. Railways has taken a number of measures to improve their financial condition, which inter alia, include rationalization of the fare and freight structure taking into account the cost of inputs, introduction of Fuel Adjustment Component (FAC) linked revision in tariffs, prioritizing the projects for better resource utilisation, setting up a new debt service fund for timely discharge of loan liabilities, returning the loan of rs 3,000 crore to government, containing the expenditure within prudent limits.

(b) While there has been no loss, it has been the continuous endeavour of the Railways to improve the internal resource generation required for Railways' plan expenditure. The internal resource generation for Railways' plan has been progressively increasing year after year and has been budgeted at rs 20,707 crore for 2013-14. Various cost cutting measures taken/being taken are:

Prioritization of works for optimal use of scarce resources.

Improvement in staff productivity through better man-power planning.

Better asset utilization.

Improvement in inventory management.

Optimization of fuel consumption.

Tight control over expenditure in areas such as contractual payment, overtime allowance, purchase of material etc.

Austerity and economy measures in areas such as hospitality, publicity, advertisements, inaugural ceremonies, seminars and workshops, contingent office expenses etc.

Implementation of the guidelines on expenditure control & management circulated by the Ministry of Finance on the Railways also.

Rigorous monitoring of expenditure with respect to the monthly budget proportions.

(c) to (e) The non-core Railway revenues presently comprise mainly of publicity and advertisement on Railway assets, commercial use of Railway land, dividend from Railway Public Sector Undertakings etc. Revenue generation from non-core areas forms part of Sundry Other Earning of Railways which have been budgeted at Rs. 4,506 crore in Budget Estimates 2013-14. The scrap disposal target in Budget Estimates 2013-14 is Rs. 4,500 crore.

(f) Apart from the steps mentioned above, Railway are also taking the following measures to enhance earnings:

Continuous efforts to capture more traffic.

Creation of additional capacity and optimum utilisation of the existing one.

Improved throughput through increased productivity and efficiency.

Reduction in wagon turnaround time.

Simplification and rationalization of tariff.

Market responsive and dynamic tariff policies.

Customer oriented freight policies.

Introduction of engine on load scheme.

Terminal incentive schemes.

Discount on incremental traffic in empty flow direction and lean season.

Introduction of new trains, increase in frequency and extension to existing trains to capture more passenger traffic.

Extension of Passenger Reservation System and Unreserved Ticketing System facilities to more and more locations.

Introduction of passenger profile management system.

Deployment of additional coaches in patronized trains.

Introduction of premium parcel service.

Leasing of parcel space in trains.

Introduction of Liberalized Wagon Investment Schemes.

Rail Side Warehousing Terminals through Public Private Partnership.