

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 5200
TO BE ANSWERED ON 24.07.2019**

OPERATING EFFICIENCY OF RAILWAYS

**5200. SHRI SUDHEER GUPTA:
SHRI SANJAY SADASHIV RAO MANDLIK:
SHRI GAJANAN KIRTIKAR:
SHRI BIDYUT BARAN MAHATO:**

Will the Minister of RAILWAYS be pleased to state:

- (a) whether Railways is not able to meet its operating cost of passengers and other coaching services;**
- (b) if so, the details thereof and the reasons therefor, zone/State-wise;**
- (c) the details of the losses of Railways during each of the last three years and the current year on account of passengers fare;**
- (d) whether the profit earned from freight services is used to compensate the loss incurred on passenger and coaching services and if so, the details thereof; and**
- (e) the other corrective measures taken/being taken by the Railways to make it a profitable entity?**

ANSWER

MINISTER OF RAILWAYS AND COMMERCE & INDUSTRY

(SHRI PIYUSH GOYAL)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF UNSTARRED QUESTION NO. 5200 BY SHRI SUDHEER GUPTA, SHRI SANJAY SADASHIV RAO MANDLIK, SHRI GAJANAN KIRTIKAR AND SHRI BIDYUT BARAN MAHATO TO BE ANSWERED IN LOK SABHA ON 24.07.2019 REGARDING OPERATING EFFICIENCY OF RAILWAYS

(a) & (b): Indian Railways (IR) carry out certain transport activities which are uneconomic in nature and are carried out in the larger interest of the country. Zone-wise details of operating cost of coaching services for the year 2017-18 are as under:

S. No.	Zonal Railways	Operating cost (₹ in crore)
1.	Central	10,149
2.	Eastern	8,788
3.	East Central	6,187
4.	East Coast	2,503
5.	Northern	15,394
6.	North Central	5,825
7.	North Eastern	5,107
8.	Northeast Frontier	5,052
9.	North Western	4,634
10.	Southern	9,937
11.	South Central	7,699
12.	South Eastern	4,189
13.	South East Central	2,106
14.	South Western	3,689
15.	Western	8,464
16.	West Central	4,353
17.	Metro	584

State-wise data are not maintained.

(c) The details of the losses of Railways during each of the last three years on account of pricing of passenger fares below cost of operations are as under:

Year	Losses (₹ in crore)
2015-16	22,262
2016-17	25,561
2017-18 (latest available)	31,128

Indian Railways being the major transport carrier of the country bears a Social Service Obligation towards its countrymen. It is committed to offer affordable transportation solution to the poorest section of the society. This essential feature of IR contributes not only to promoting economic and industrial growth but also in providing certain services below their cost of operation in the interest of common men.

(d) The tariff policy on Indian Railway has traditionally been one of restraint with regard to increase in passenger fares and moderation in case of periodic increases in freight rates. Conventionally, the losses incurred in passenger and other coaching services have been compensated through a process of ‘cross-subsidization’ from revenues generated in the freight segment.

(e) The other measures taken/being taken by Railways which increase the revenue from passenger traffic:

(i) The concept of Premium Tatkal Quota has been introduced w.e.f. 01.10.2014 on dynamic fare. Dynamic earning from this scheme for 2018-19 is approximately ₹ 603 Crore.

(ii) The concept of special trains on special charges (10% higher for second class reserved and 30% higher for other classes) have been introduced on higher fares from May 2015. For unreserved second class fare is equivalent to fare of second class (unreserved) for superfast Mail/Express trains. Additional earnings have been generated.

(iii) From 01.07.2015 the concept of Suvidha specials have been introduced on variable fare structures. For unreserved second class fare is equivalent to fare of second class (unreserved) for superfast Mail/Express trains. Additional earnings have been generated.

(iv) Rationalization of tatkal fare scheme with effect from 25.12.2015.

(v) Flexi fare scheme has been introduced in Rajdhani, Shatabdi and Duronto trains with effect from 09.09.2016. Additional flexi fare earnings upto November 2018 is ₹ 1836 crore.

(vi) 10% discount on vacant berths/seats after preparation of first chart is granted in all reserved trains with effect from 01.01.2017. Earnings from booking after preparation of first chart has been increased from ₹ 769 crore during 2016-17 to ₹ 1024 crore during 2017-18.

(vii) Discounted fare in Shatabdi trains over 4 sections viz. Bengaluru-Mysuru, Mysuru-Bengaluru, Ahmedabad-Vadodara and Jalpaiguri-Malda Town sections. Both occupancy and earnings have been increased.

(viii) To facilitate second class passengers, sleeper class coaches running underutilised have been de-reserved over certain sections as second class unreserved on second class (unreserved) fare. No separate data is maintained as regards additional earnings.

(ix) After successful implementation in 5 pairs of trains over Bengaluru-Mysuru-Bengaluru section, the power has been delegated to Zonal Railways to declare AC-3tier coaches (underutilised over particular section) as AC Chair Car on AC Chair Car fare, which is lower than the AC-3tier fare. Both occupancy and earnings have been increased.

(x) Flexi Fare scheme has been rationalized w.e.f. 15.03.2019 as under:-

(I) Discontinuation of Flexi Fare scheme (Rajdhani, Shatabdi and Duronto Express trains) from 15 trains fully and from 32 trains during pre defined lean period of 3 months (February, March & August). Out of these, during pre-defined lean period, Flexi Fare has been withdrawn from 5 Rajdhani Express trains.

(II) Maximum cap of Flexi Fare scheme has been reduced to 1.4 times from 1.5 times earlier in all Flexi Fare applicable classes.

(III) In case of flexi fare trains i.e., Rajdhani, Shatabdi, Duronto train and Humsafar trains where class-wise occupancy is less than 60% four days prior to scheduled departure of train graded discount is given as under:-

Occupancy	Discount
Up to 70%	20% on last fare
70 to 80%	10% on last fare
Above 80%	Nil

This shall however be subject to charging of minimum basic fare and other applicable supplementary charges.
