

GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.2496**  
**ANSWERED ON 21.03.2025**

**FINANCIAL COMPETITIVENESS OF INDIAN RAILWAYS**

2496. SHRI MANOJ KUMAR JHA:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether Government has assessed the impact of high freight charges on the competitiveness of rail transport compared to road transport;
- (b) whether Government has considered measures to address the cross-subsidisation of passenger services by freight services, if so, the details thereof;
- (c) whether Government plans to rationalise passenger fares to reduce financial losses while ensuring affordability, if so, the details thereof; and
- (d) whether steps have been taken to clearly define and balance the social service obligations and commercial objectives of Indian Railways?

**ANSWER**

MINISTER OF RAILWAYS, INFORMATION & BROADCASTING AND ELECTRONICS &  
INFORMATION TECHNOLOGY

(SHRI ASHWINI VAISHNAW)

(a) to (d) During 2023-24, the earning of Indian Railways was ₹2,56,093 cr and revenue expenditure was ₹2,52,834 cr. Major expenditure is done on Staff cost, Pension, energy consumption etc.

Indian Railways strive to provide affordable services to all strata of the society. During the year 2023-24, the cost of passenger services was 138.71 paisa per Passenger Km while the earning from passenger services was only 72.72 paisa per Passenger Km. This amounts to a subsidy of ₹60, 466 cr (provisional) on passenger tickets in 2023-24.

With a view to offer better services and to enhance passenger earnings, various initiatives have which includes augmentation of on-board capacity, introduction of new trains like Vande Bharat, Amrit Bharat, Namo Bharat rapid rail etc. with better amenities and facilities. Evaluation and

rationalization of passenger fares is a continuous and ongoing process. The fares of various trains/classes is based on the services/facilities provided in these trains.

On account of Social Service Obligations, IR operates trains on uneconomic branch lines, strategic lines, transportation of essential commodities etc.

Freight transportation by rail is not only more environment friendly but also economical than road. Therefore, to increase freight and passenger traffic, IR has taken up network expansion in a big way. To augment the network capacity, construction of new lines, multi tracking of existing lines, gauge conversion of existing lines, removal of operational bottlenecks such as yard remodeling, bypass lines, chord lines, rail flyovers etc. have been taken up. The details of new tracks laid during the last 10 years are as under:

<b>Period</b>	<b>New Tracks Commissioned</b>	<b>Average Commissioning of new tracks</b>
2009-14	7,599 Km	4.2 Km/day
2014-24	31,180 Km	8.54 Km/day ( more than 2 times)

In addition to network expansion, IR has taken up electrification of railway lines in a mission mode. So far, about 98% of the Indian Railways Broad Gauge (BG) network has been electrified and balance sections have been taken up. Significant progress has been made in railway electrification in recent years, a comparison of electrification before and after 2014 is as follows:

<b>Period</b>	<b>Route Kilometer</b>
Before 2014(about 60 years)	21,801
2014-25(up to Feb 25)	45,922

In addition to the development of fixed infrastructure, during the period 2014 to 2025 (up to Feb 2025), Indian Railways has procured about 2 lakh wagons and added more than 10,000 locomotives for increasing the freight and improving the mobility.

Due to continuous thrust on infrastructure augmentation, the freight carried by Indian Railways during 2020-21 was 1233 million tonnes which increased to 1,591 million tonnes during 2023-24 i.e. a growth of 29%. Indian Railways is set to achieve 1.6 billion tonnes freight loading in the FY 2024-25 making it the third largest freight handling railway system in the World.

\*\*\*\*\*