

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO.204
TO BE ANSWERED ON 16.11.2016**

MERGER OF RAIL BUDGET WITH UNION BUDGET

**204. SHRI SATAV RAJEEV:
SHRI KONDA VISHWESHWAR REDDY:
SHRI DHANANJAY MAHADIK:
SHRIMATI SUPRIYA SULE:
PROF. SAUGATA ROY:
SHRIMATI KOTHAPALLI GEETHA:
SHRI SHAILESH KUMAR:**

Will the Minister of RAILWAYS be pleased to state :

- (a) whether the Government has decided to merge rail budget with the union budget;**
- (b) if so, the details thereof and the reasons therefor along with the benefits likely to accrue as a result thereof;**
- (c) the proportion of the budget allocated to Railways during the last five years and the quantum of dividends and interests paid by the railway to the Government; and**
- (d) the estimated savings, if any, to the Railways from the merger?**

ANSWER

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI RAJEN GOHAIN)

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

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF UNSTARRED QUESTION NO. 204 BY SHRI SATAV RAJEEV, SHRI KONDA VISHWESHWAR REDDY, SHRI DHANANJAY MAHADIK, SHRIMATI SUPRIYA SULE, PROF. SAUGATA ROY, SHRIMATI KOTHAPALLI GEETHA AND SHRI SHAILESH KUMAR TO BE ANSWERED IN LOK SABHA ON 16.11.2016 REGARDING MERGER OF RAIL BUDGET WITH UNION BUDGET

(a) & (b) : Yes, the Government has decided to merge Rail Budget with the Union Budget from budget year 2017-18. The merger of Railway Budget with General Budget is based on the recommendations of the Committee headed by Shri Bibek Debroy, Member, NITI Aayog and a separate paper on 'Dispensing with the Railway Budget' by Shri Bibek Debroy along with Shri Kishore Desai. A Committee with representatives from Ministry of Finance and Ministry of Railways examined the issues involved and worked out the procedural details.

The salient features of merger and the benefits likely to accrue therefrom are broadly given below:

- i. Ministry of Railways will continue to function as a departmentally run commercial undertaking;**
- ii. A separate Statement of Budget Estimates and Demand for Grant will be created for Railways;**
- iii. A single Appropriation Bill, including the estimates of Railways, will be prepared and presented by Ministry of Finance to Parliament and all legislative work connected therewith will be handled by Ministry of Finance;**
- iv. Railways will get exemption from payment of dividend to General Revenues and its Capital-at-charge would stand wiped off;**
- v. Ministry of Finance will provide Gross Budgetary Support to Ministry of Railways towards meeting part of its capital expenditure;**
- vi. Railways may continue to raise resources from market through Extra-Budgetary Resources as at present to finance its capital expenditure;**
- vii. The presentation of a unified budget will help present a holistic picture of the financial position of the Government;**
- viii. Merger of Rail Budget with Union Budget would facilitate multimodal transport planning between highways, railways and inland waterways; and**
- ix. It will allow Ministry of Finance greater elbow-room at the time of mid-year review for better allocation of resources, etc.**

(c) : The budgetary support allocated to Railways by the General Exchequer and dividend paid by the Railways to the Government is given below:

(₹ in crore)

Year	Budgetary Support	Dividend and interest paid
2011-12	20013.44	5784.28
2012-13	24131.90	5466.50
2013-14	27072.40	8008.67
2014-15	30121.16	9173.55
2015-16 (Prov.)	35007.87	8722.51

(d): The Capital at charge of the Railways on which annual dividend is paid by the Railways will be wiped off. Consequently, there will be no dividend liability for Railways from 2017-18 while Ministry of Railways continue to get Gross Budgetary support for capital expenditure. This will save Railways from the liability of payment of approximately ₹ 10,000 crore as annual dividend to the Government of India which after adjusting the subsidy in payment of dividend would give a net benefit of about ₹ 5000 core to the Railways.
