

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
STARRED QUESTION NO. 454
TO BE ANSWERED ON 05.04.2017**

EARNINGS OF RAILWAYS

***454. DR. KIRIT P. SOLANKI:**

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the total earnings of Railways from goods and passengers have substantially declined as against the target and if so, the details thereof along with the revenue generated during the last three years, year-wise;**
- (b) the reasons behind such a decline and steps taken to perk up the earnings;**
- (c) whether the reduction in revenue collection has had any adverse impact on any of the Railways activities and if so, the details thereof and the action taken to address the same; and**
- (d) whether the introduction of a flexi-fare system and rationalisation of freight rates have improved the fiscal deficit and if so, the details thereof?**

ANSWER

MINISTER OF RAILWAYS

(SHRI SURESH PRABHAKAR PRABHU)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO.454 BY DR. KIRIT P. SOLANKI TO BE ANSWERED IN LOK SABHA ON 05.04.2017 REGARDING EARNINGS OF RAILWAYS

(a) Based on approximate figures available, passenger earnings for 2016-17 are estimated to be around ₹48000 crore (same as revised estimates target) which is higher than last year's actuals of ₹44283 crore.

Based on approximate figures available, Goods earnings are estimated to be ₹105000 crore against the RE target of ₹108900 crore.

Taking into account earnings under other heads like sundries, other coaching etc, total earnings in 2016-17 is estimated to be ₹167000 crore as against ₹163791 crore achieved during 2015-16.

The revenue generated by Indian Railways from Goods and Passengers during the last three years is as under:-

	(₹ in Crore)		
	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)
Goods Earnings	93905.63	105791.34	109207.65
Passenger Earnings	36532.25	42189.61	44283.26

Note: figures of the preceding three completed years given as above excluding 2016-17 for which the Accounts is not yet closed.

(b) The reason for shortfall in goods earnings vis-a-vis revised target in 2016-17 is attributed to drop in average freight lead. Leads across all the commodity baskets, especially coal, have been decreasing as production centres have come closer to places of consumption resulting in drop in earnings.

Efforts towards maximizing goods and passenger earnings are as under:-

Goods Earnings

Railway has initiated various freight rationalization measures to increase growth rates in freight earnings. Some of these steps are as under:

- (1) Withdrawal of Port Congestion Charge from 13.04.2016.**
- (2) Extension of Automatic Freight Rebate scheme for traffic loaded in empty flow direction upto 31.03.2017.**
- (3) Withdrawal of Busy Season Charge for traffic loaded in BCN group and BCNHL wagons w.e.f. 01.05.2016 till 30.06.2016.**
- (4) Withdrawal of dual freight policy for iron ore w.e.f. 10.05.2016.**
- (5) Re-introduction of short lead concession and reduction of minimum distance for charge from 125 km to 100 km w.e.f. 15.07.2016.**
- (6) Rationalization of Coal Tariff has been done with reduction in freight for long lead power houses w.e.f. 22.08.2016 and classification of Coal has also been reduced from Class-150 to Class-145.**
- (7) BCN group permitted for two point booking and mini rake w.e.f. 15.03.2016.**
- (8) Distance for mini rake increased from 400 km to 600 km w.e.f. 15.03.2016.**
- (9) A liberalized policy with delegation of power to Zonal Railways introduced for two point booking of covered wagons in which any two stations within a distance of 200 km in busy season and 400 km in lean season have been permitted for two point booking w.e.f. 22.07.2016.**

- (10) Rationalization of Merry-Go-Round (MGR) system w.e.f 01.04.2016, which has led to reduction in freight rate to the extent of 80%.**
- (11) Proliferation of Roll-On Roll-Off (RORO) service launched on ECR from 25.05.2016 and subsequently on other Zonal Railways.**
- (12) Permission to notify Group I and Group II station/goods sheds as CRTs for lift on-lift off operations w.e.f 12.07.2016.**
- (13) Charging of commodities for transportation by containers has been liberalized. 43 additional commodities de-notified for charging at FAK rates w.e.f 02.09.2016.**
- (14) Guidelines for Station to Station Rate policy issued on 29.09.2016.**
- (15) Class of various commodities have been rationalized and new commodities have been added in Goods Tariff.**
- (16) Instruction for movement of HSD Oil in BTPN rates from Numaligarh refinery siding (NRSR) to Parbatipur, Bangladesh has been issued w.e.f 13.03.2016.**
- (17) The system of transportation to Bangladesh through 'Dump' and 'load adjustment' has been discontinued.**
- (18) Withdrawal of levy of congestion charge for stone traffic transported from Eastern Railway to Bangladesh via Darsana/Benapole.**
- (19) Weighment of Standard Bagged consignment policy has been rationalized.**
- (20) Discount on loading of bagged consignment in open and flat wagons w.e.f 24.10.2016.**
- (21) Policy on Long Term Contracts with key freight customers launched.**

- (22) Proliferation of 25T axle load routes to increase throughput per train.**
- (23) Encouraging longer lead traffic by permitting movement from Talcher to Southern Power Houses through all rail routes.**
- (24) Electronic Registration of Demands & Electronic Transmission of Railway Receipt.**
- (25) Innovative policies to enhance the ease of doing business such as simplifying rules and procedures, efficient weighment system and shift to digital and e-based procedures including cashless payment system.**
- (26) SAMVAD- A process of structured dialogue between customers and top Railway authority has been initiated at Railway Board as well as zonal level to take continuous feedback from customers. Ten key Customer Managers at Railway Board level have been nominated to liaise with major freight stakeholders.**
- (27) Introduction of time-tabled freight trains to attract traffic to rail.**
- (28) Besides, following measures are being planned for 2017-18:**
 - i. New delivery models like- Running of double stack dwarf container under-wire.**
 - ii. Expansion of freight basket.**

Further in order to increase the earnings of Railways in freight transportation and to improve the efficiency of Freight Traffic specially for non-conventional traffic in high capacity and special purpose wagons, the following schemes have been introduced by Indian Railways for procurement of rakes for transportation of freight traffic by inviting private investment through Public Private Partnership (PPP):

(i) Liberalized Wagon Investment Scheme.

So far, approval for procurement of 68 rakes has been accorded to various customers by Ministry of Railways. Out of these, 32 rakes have been procured/inducted and are running on the system.

(ii) Wagon Leasing Scheme.

Two Companies have been registered as Wagon Leasing Companies under the policy. They have procured 12 rakes of BLC wagons and 1 BTAP rake and approval for 4 new BLC, 1 BTAP and 6 BFNS (22.9t axle load) rakes has been accorded.

(iii) Special Freight Train Operators Scheme.

So far, 3 rakes of BRNA wagons have been inducted and approval for procurement of 3 rakes of BFNS (22.9t axle load) has been given.

(iv) Automobile Freight Train Operators Scheme.

Under this scheme, License has been given to two companies to work as AFTO and they have procured 9 rakes till date.

Further, to facilitate rapid development of network of freight terminals with private investment to provide efficient and cost effective logistics services with warehousing solution to end users, a scheme namely Private Freight Terminal (PFT) has been introduced.

Passenger:-

Initiatives taken to enhance passenger earnings include:

- (1) Attachment of additional coaches, running of special trains during festivals and holidays, running of Suvidha trains, etc. for the convenience of passengers.**
- (2) Organising intensive ticket checking drives, including fortress checks, etc to discourage ticketless travels.**

- (3) Augmentation of ticket selling capacity through operation of Automatic Ticket Vending Machines (ATVM), mobile ticketing, utilising the services to ticketing agents like Jan Sadharan Ticket Booking Sewaks (JTBS), Station Ticket Booking Agents (STBA), Yatri Ticket Suvidha Kendra (YTSK) etc.**
- (4) Introduction of Alternate Train Accommodation Scheme known as VIKALP on pilot basis to provide confirmed accommodation to wait-listed passengers in the alternate trains based on choice exercised by them and to ensure optimum utilisation of available accommodation.**
- (5) Dynamic pricing has been implemented in Rajadhani, Duronto and Shatabdi Express trains.**
- (6) Facility of booking tickets through internet has been strengthened for convenient booking of reserved tickets and service charges on booking of e-tickets/i-tickets withdrawn upto 30.06.2017.**
- (7) Facility of booking unreserved tickets through mobile phones has been provided on certain suburban sections of Central, Western, Eastern, South Eastern, Southern, South Central and non-suburban section (Delhi-Palwal) of Northern Railway. The project is being expanded further to cover more sections/zonal Railways.**
- (8) Facility of cashless transactions at PRS/UTS counters (including suburban) through POS (Point of Sale) machines to enable payment through credit/debit cards is being provided to cover all PRS/UTS locations. An arrangement has been made to install 10000 POS machines through State Bank of India.**

- (c) **The decline in traffic earnings has no adverse impact on operation and maintenance of Railways activities. However, this has impacted generation of surplus to finance Capex thereby increasing the Railways dependence on Ministry of Finance for support.**
- (d) **Evaluation of various alternatives relating to rationalization of passenger fare structure and freight rates is an on-going process. Recently, in case of new trains such as Humsafar and Antyodaya, due to higher capital cost and various additional facilities provided, dynamic fare structure has been introduced. In Humsafar trains, the fare has been fixed at 1.15 times the basic fare of AC 3-Tier superfast Mail/Express for the first passenger block of 50% and thereafter a 10% increase for every 10% increase in the passenger block for the remaining 50%. The fares of fully unreserved Antyodaya trains have also been fixed 15% higher in base fare than Mail/Express trains. The additional earnings generated have contributed to the improvement in overall receipts position of the Railways.**
