

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO.5345
TO BE ANSWERED ON 28.03.2018**

OPERATIONAL COST OF RAILWAYS

5345. SHRI SHIVKUMAR UDASI:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways has slashed its operational cost and working expenses and if so, the details thereof;**
- (b) whether the operational cost of Railways is higher than that of China and America and if so, the details thereof, country-wise; and**
- (c) the steps taken/proposed to be taken by the Government to reduce the operational cost of railways?**

ANSWER

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI RAJEN GOHAIN)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF UNSTARRED QUESTION NO.5345 BY SHRI SHIVKUMAR UDASI TO BE ANSWERED IN LOK SABHA ON 28.03.2018 REGARDING OPERATIONAL COST OF RAILWAYS.

(a) It has been a continuous endeavor on part of the Railways to control its Working Expenses of which operational cost of Railways is also a part. As a result of various measures taken in this regard, the Railways have been able to substantially control the growth of Ordinary Working Expenses. The Ordinary Working Expenses in 2016-17 and 2017-18 grew only by about 10% despite being the years of implementation of the 7th Central Pay Commission recommendations as against about 30% on the earlier occasion.

(b) Cross-country data of operational cost of Railways is not maintained in this Ministry.

(c) The steps taken by the Ministry to reduce the operational cost of Railways are as under:

- **Railways are given spending limits lower than the sanctioned budget. They are also repeatedly instructed to effect savings in revenue expenditure to compensate for unavoidable post-budgetary increases such as revision of diesel prices, hike in power tariff, increase in rates of certain allowances/incentive bonus etc. The expenditure is monitored strictly according to the spending limits through monthly financial reviews.**
- **Tight control over expenditure in areas such as fuel/power consumption, contractual payments, purchase of materials etc is maintained.**
- **Energy audit of major load centres, effecting savings in electricity bills due to purchase of power by railways as “distribution licensee”**
- **Prioritization of expenditure on works/activities for better use of available resources.**
- **Improvement in Manpower productivity.**
- **Improvement in asset utilization by taking innovative measures and best practices available.**
- **Improvement in inventory management.**
- **Reducing the cost of operation and maintenance of rolling stock.**