

**GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS**

**LOK SABHA  
UNSTARRED QUESTION NO.3494  
TO BE ANSWERED ON 02.01.2019**

**SOCIAL SECTOR SUBSIDIES**

**3494. SHRI S. P. MUDDAHANUME GOWDA:  
SHRI B. V. NAIK:**

**Will the Minister of RAILWAYS be pleased to state:**

- (a) whether the Railways are looking for ways to do away with the social sector subsidies;**
- (b) if so, the details of the recommendations received by the Railways on segregation of the Railways' social responsibility from its operational finances;**
- (c) whether the Government has approved Railways proposal for a sector regulator, namely Rail Development Authority;**
- (d) if so, the details thereof; and**
- (e) the time by which this Authority is likely to be set up?**

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF RAILWAYS**

**(SHRI RAJEN GOHAIN)**

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

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO. 3494 BY SHRI S. P. MUDDAHANUME GOWDA AND SHRI B. V. NAIK TO BE ANSWERED IN LOK SABHA ON 02.01.2019 REGARDING SOCIAL SECTOR SUBSIDIES**

**(a) & (b) Indian Railways carries out certain transport activities which are uneconomic in nature in the larger interest of the country. The tariff policy on Indian Railways has traditionally been one of restraint with regard to increase in passenger fare. Indian Railways continues to incur losses every year by performing a variety of un-remunerative service such as (i) low ordinary second class fare, (ii) low Suburban and non-suburban season ticket, (iii) essential commodities carried below cost, and (iv) a variety of concessions granted on passenger ticket, working of uneconomic branch lines etc.**

**Indian Railways had engaged National Institute of Public Finance and Policy (NIPFP) for study of “Developing a mechanism for computing the value of Social Service Obligation (SSO) being borne by Indian Railways”. NIPFP had submitted recommendations that, the losses on account of concession in passenger fare, uneconomic branch lines, strategic lines, EMU suburban services, may be considered as social services obligations.**

**(c) to (e) Yes, Madam. Government has approved the constitution of the Rail Development Authority (RDA) and constituted a search-cum selection committee, under the chairman ship of Cabinet Secretary to select three Members of the Rail Development Authority (RDA).**