

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO.2564
TO BE ANSWERED ON 04.12.2019**

REVENUE IN RAILWAYS

2564. SHRI PRATHAP SIMHA:

Will the Minister of RAILWAYS be pleased to state:

- (a) the details of revenue generated /loss incurred by the Railways during the last three years and the current year, year and State-wise;**
- (b) whether the Railways has assessed the key areas/sectors, incurring losses and if so, the details thereof;**
- (c) whether any target has been fixed by the Railways to increase its revenue and if so, the details thereof; and**
- (d) whether the Government is considering to formulate various business models, including the Public-Private Partnership (PPP) Mode to meet revenue gap and if so, the details thereof?**

ANSWER

MINISTER OF RAILWAYS AND COMMERCE & INDUSTRY

(SHRI PIYUSH GOYAL)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF UNSTARRED QUESTION NO. 2564 BY SHRI PRATHAP SIMHA TO BE ANSWERED IN LOK SABHA ON 04.12.2019 REGARDING REVENUE IN RAILWAYS

(a): The details of revenue and surplus generated by the Railways during the last three years and current year, year-wise is as under:-

(₹ in crore)

Year	Total Receipts	Surplus Generated
2016-17	165382.48	4913.00
2017-18	178929.64	1665.61
2018-19	190507.37	3773.86
2019-20 (upto Oct.-2019)	130962.41	*

*** Surplus /Shortfall is calculated on yearly basis after closure of Annual Account. State-wise data is not being compiled.**

(b): Indian Railways carries out certain transport activities which are uneconomic in nature but carried out in the larger interest of the country. Losses incurred on this account are assessed every year (annual basis) which are termed as Social Service Obligation on Indian Railways. The details of Social Service Obligation borne by Railways for the last three years are as under:-

(₹ in crore)

Sr. No.	Description	2015-16	2016-17	2017-18
(i)	Loss on low rated commodities	41	42	60
(ii)	Concession in Passenger Fare	1603	1670	1810
(iii)	Losses on account of EMU Suburban Services	5125	5324	6184
(iv)	Losses on Un-economic Branch Lines	1895	1855	2042
(v)	Losses on Strategic Lines	1225	1450	1797
(vi)	Losses on Parcel, Luggage, Postage and Catering Services etc.	3808	3705	4729

Sr. No.	Description	2015-16	2016-17	2017-18
(vii)	Losses on account of pricing of fares below cost and other Social Services Obligations	22262	25561	31128
(viii)	Total Losses on Coaching & Goods Services {(i) to(vii)}	35959	39607	47750
(ix)	Total Social Service Obligation (viii)-(vi)	32151	35902	43021
(x)	Deduct Staff Welfare and Law & Order Cost	8933	9968	10664
(xi)	*Net Social Service Obligation (ix)-(x)	23218	25934	32357

*** For calculation of net social service obligation cost the cost on staff welfare and law & order is deducted from total social service obligation.**

(c): A 14% increase in Revenue target on performance of 2018-19 has been targeted during 2019-20. The revenue target for the financial year 2019-20 is ₹ 216575 crore as detailed below:-

(₹ in crore)

Passenger	Other Coaching	Goods	Sundry Others
56000	6000	143000	11575

(d): A few new business models considered to attract new traffic streams, enhance loading and meet Revenue gap include the following:

- i. Redevelopment of Stations and Revenue generation through commercial exploitation of Railway Land under Public Private Partnership (PPP) by leasing of Railway lands in station area, on long term basis to Private Developers for Commercial Development generating revenues in the form of Premium and revenue share.**
- ii. Launching of pilot projects to study feasibility of using Railway Parcel Service for e-tail players under which Amazon India has**

been provided 2.5 tonnes space in the SLR/Break Van under Guard's charge for loading/unloading of consignments, in 12314/12313 New Delhi-Sealdah Rajdhani Express and 12952/12951 New Delhi-Mumbai Rajdhani Express trains.

- iii. Introduction of new passenger services with improved features and amenities and appropriate fare structure like in Tejas Express, AC EMU services, Anubhuti Coaches, Mahamana Express, Hamsafer Express, Antodya Express, Gatiman Express.**
- iv. Liberalized Automatic Freight Rebate Scheme for traffic loaded in empty flow direction.**
- v. New policy issued on 30.03.2017 for Long Term Tariff Contracts (LTTC) with key freight customers. The main aim of the policy is to attract additional traffic to Railways thereby garnering additional revenue by giving stable tariff rate.**
- vi. Promoting Containerization through introduction of new delivery model of Double Stack Dwarf Container, liberalization of terminal access charges. For liberalization of charging of notified commodities, the benefit of Freight All Kind (FAK) has been extended from 30 Twenty Foot Equivalent Unit (TEU) up to 50 TEU per rake for movement of notified commodities.**
- vii. In order to increase revenue from freight services, private freight terminal have been introduced and these have been incentivized by levying ₹ 20 per tonne for inward and outward traffic for all commodities (excluding Container traffic) vide policy issued on 27.12.2018.**
- viii. Freight Advance Scheme issued on 09.03.2019 by giving stable tariff rate and assured loading.**
- ix. Non Fare Revenue initiatives include revenue sharing arrangement between Indian Railways and RailTel for content on demand on passenger services.**
