

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 1934
TO BE ANSWERED ON 09.03.2016**

OPERATIONAL COST OF RAILWAYS

1934. 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 MANOJ SINHA)

(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. 1934 BY SHRI SHIVKUMAR UDASI TO BE ANSWERED IN LOK SABHA ON 09.03.2016 REGARDING OPERATIONAL COST OF RAILWAYS

(a) Yes, Madam. It has been a continuous endeavour on part of the Railways to contain and economise Ordinary Working Expenses(OWE) of which the operating expenses is also a part. Details of the reduction in OWE in the Revised Estimates 2015-16 over the Budget Estimates are as under:

(₹ in crore)

Items	Budget Estimates(BE)	Revised Estimates(RE)	Variation of RE over BE
Staff Cost	58334	57187	-1147
Fuel Cost	29951	26535	-3416
Stores Cost	6337	6690	353
Lease Charges(Interest component)	8616	7903	-713
Miscellaneous Expenses(compensation claims, health & welfare services, contractual payments etc	16172	12375	-3797
OWE	1,19,410	1,10,690	-8,720

(b) Operational cost of other countries is not maintained in this Ministry.

(c) Railways' endeavour to contain controllable heads of operating expenses is an ongoing exercise. However, in 2015-16, a comprehensive list of economy and expenditure control measures was implemented. Some of the steps resorted to in this regard are:

- Constant endeavour to effect economy in expenditure on controllable heads like travelling allowances, over-time allowance etc.;**

- **Austerity and economy measures in areas such as hospitality, publicity, advertisements, inaugural ceremonies, seminars/workshops and contingent office expenses etc.**
- **Implementation of guidelines on expenditure control and management circulated by Ministry of Finance.**
- **Imposition of Spending Limits and Exchequer control**
- **Rigorous monitoring of expenditure with regard to the monthly budget proportions.**
- **Pre-check of indents and estimates.**
- **Concurrent and internal audit functions.**
- **Various cost cutting measures in purchase and use of fuel, both electric and diesel, like purchase of power as distribution licensee, purchase of power at lower rates from various State Electricity Boards and other units, taking up of various energy conservation measures, fitment and working of auxiliary power units, use of bio diesel, rationalization of fueling pattern, improvement in SFC and SEC, etc.**
- **Manpower planning, benchmarking and yardsticks based on work studies**
- **Post checks of pension payment by banks**
- **Efficiency and productivity of assets**
