

# WRONG TRACK

Growing expenditure and an increased reliance on borrowings could hobble the Indian Railways' future prospects. By **Ramesh Chakrapani**

Rising expenditure without a commensurate growth in receipts, which has led to greater reliance on borrowings, could worsen the financial condition of the Indian Railways and weaken its future prospects, according to a new report by Prachee Mishra of the New Delhi-based PRS Legislative Research.

She states that the public sector behemoth might find that "business as usual may be an unsustainable prospect" as its finances and infrastructure investment are "stuck in a vicious cycle", adding that the organisational structure of the Railways needs an overhaul.

The Railways' total receipts are expected to touch Rs.3,36,090 crore for the 2018-19 fiscal, up 13.3 per cent

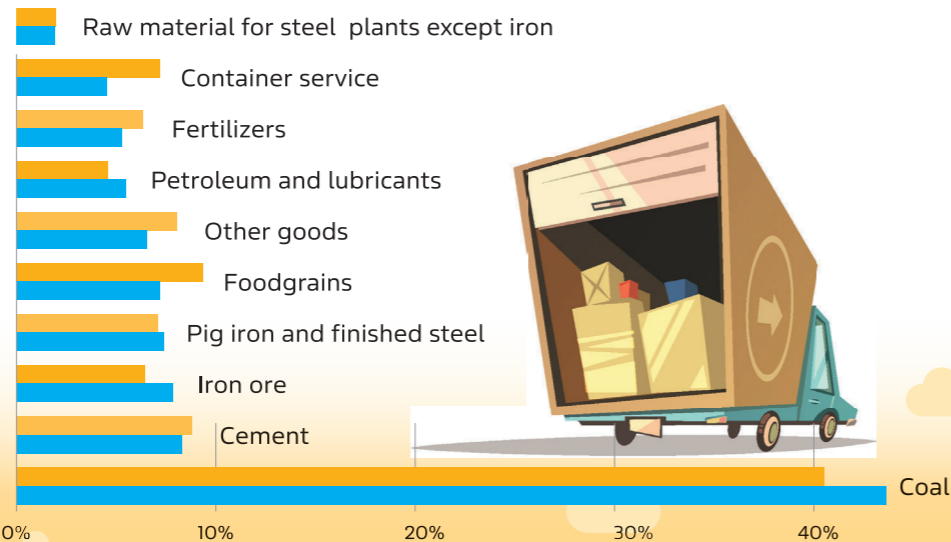
from the previous year's Revised Estimate of Rs.2,96,525 crore. However, much of these receipts are accounted for by budgetary support and extra budgetary resources. Internal resources have grown only marginally in the past few years; from Rs.1,61,018 crore in 2014-15, they are estimated to reach Rs.2,01,090 crore in the current fiscal.

On the other hand, ordinary working expenses climbed from Rs.1,05,996 crore in 2014-15 to Rs.1,30,200 crore in the ongoing fiscal. The Indian Railways' payments to its pension fund, which have also steadily climbed in recent years, are expected to reach Rs.47,500 crore this year, compared with Rs.29,225 crore in 2014-15.

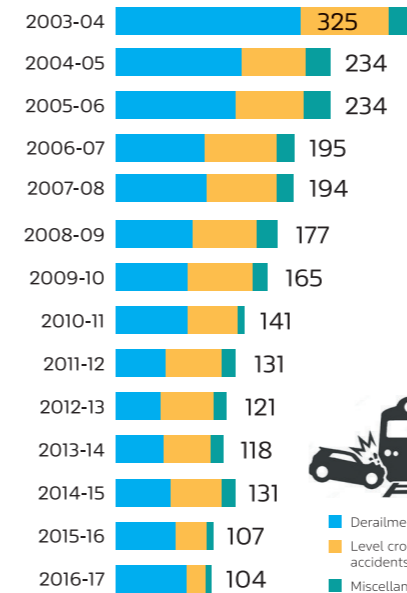
## Employee strength

Zone	2016-17
Northern	1,44,057
Eastern	1,12,906
Central	1,05,928
Western	99,930
Southern	92,027
South Eastern	85,061
South Central	83,965
East Central	80,622
North Central	66,151
Northeast Frontier	63,161
West Central	56,143
North Eastern	51,828
North Western	49,550
East Coast	46,944
South East Central	46,843
South Western	37,320
Metro Rly/Kolkata	3,742

## Share of freight volume and revenue in 2016-17 in %



## Types of accidents



## Broad gauge earnings in ₹ crore

Zone	2015-16	2016-17
Northern	15,882.78	16,254.51
East Coast	13,805.67	14,879.44
South Central	15,158.43	14,580.62
North Central	13,865.57	13,290.98
South Eastern	12,405.89	12,879.02
Central	13,228.60	12,709.11
South East Central	12,179.33	11,987.54
Western	12,555.40	11,684.34
East Central	10,878.34	10,853.99
West Central	10,882.88	9,878.29
North Western	6,998.46	7,604.99
Southern	7,602.93	7,506.86
Eastern	6,223.45	7,171.60
South Western	4,799.54	4,607.21
Northeast*	3,071.33	3,307.80
North Eastern	2,797.94	3,017.43
Northeast**	669.33	2,650.71
Metro	206.15	214.74

\*Frontier Commercial \*\*Frontier Strategic

## Receipts in ₹ crore

	2014-15	2015-16	2016-17	2017-18*	2018-19**
Internal resources	161,018	168,380	165,382	187,425	201,090
Budgetary support	30,121	37,609	45,232	40,000	53,060
Extra budgetary resources	11,044	39,066	52,579	69,100	81,940
Total receipts	202,182	245,055	263,193	296,525	336,090

## Expenditure in ₹ crore

	2014-15	2015-16	2016-17	2017-18*	2018-19**
Revenue expenditure	153,353	157,874	160,470	181,000	188,100
Capital expenditure	58,718	93,520	109,934	120,000	146,500
Total expenditure	212,070	251,394	270,404	301,000	334,600

## Revenue expenditure in ₹ crore

	2014-15	2015-16	2016-17	2017-18*	2018-19**
Ordinary working expenses	105,996	107,736	118,830	130,200	138,000
To pension fund	29,225	34,500	35,000	44,100	47,500
To depreciation reserve fund	7,775	5,600	5,200	5,000	500
Miscellaneous expenditure	1,183	1,315	1,440	1,700	2,100
Dividend to Central govt	9,174	8,723	-	-	-

## Sources of internal revenue in ₹ crore

	2014-15	2015-16	2016-17	2017-18*	2018-19**
Freight revenue	105,791	109,208	104,339	117,500	121,950
Passenger revenue	42,190	44,283	46,280	50,125	52,000
Other traffic sources	8,730	10,843	14,673	19,600	26,890
Miscellaneous receipts	4,307	4,046	90	200	250
Total internal revenue	161,018	168,380	165,382	187,425	201,090

\*Revised Estimate \*\*Budgeted Estimate

