

Demand for Grants 2019-20 Analysis

Railways

The Railways finances were presented on July 5, 2019 by the Finance Minister Ms. Nirmala Sitharaman along with the Union Budget 2019-20. The Ministry of Railways manages the administration of Indian Railways and policy formation through the Railway Board. Indian Railways is a departmental commercial undertaking of the government.¹ This note looks at the proposed expenditure of the Ministry of Railways for the year 2019-20, its finances over the last few years, and issues with the same.

Key highlights

- **Revenue:** Railways' revenue for 2019-20 is estimated at Rs 2,16,935 crore which is a 10% increase from the revised estimates of 2018-19.
- **Traffic revenue:** Total revenue from traffic for 2019-20 is estimated at Rs 2,16,675 crore, which is a 10% increase from the revised estimates of 2018-19. In 2019-20, revenue from freight and passenger traffic is expected to grow by 10% and 8% respectively. In 2018-19 (revised estimates), the revenue from freight traffic increased by 6%, while revenue from passenger traffic did not see any change.
- **Expenditure:** The total expenditure by Railways for 2019-20 is projected at Rs 2,07,900 crore which is a 9% increase from the revised estimates of 2018-19. In 2018-19 (revised estimates), total expenditure increased by 2%.

2019-20 Budget announcements²

Key announcements and proposals related to Railways made in Budget 2019-20 include:

- **Investment in Railway infrastructure:** Rail infrastructure would need an estimated investment of Rs 50 lakh crore between 2018-2030. PPPs will be used to help with faster development and completion of tracks, rolling stock manufacturing and delivery of passenger freight services.
- **Rail network:** Indian Railways will be encouraged to invest more in suburban railways through Special Purpose Vehicle structures such as the Rapid Regional Transport System proposed on the Delhi-Meerut route. Transit Oriented Development will be encouraged to ensure commercial activity around transit hubs.
- **Passenger amenities:** To make railway travel a pleasant and satisfying experience for the common citizen, a massive railway station modernisation programme will be launched this year.

Overview of Finances^{3,4}

In the last few years, Railways has been struggling to generate its own revenue. Railways' operating ratio has consistently been higher than 90% in the past several years, which indicates that its capability to generate operational surplus is low. The growth rate of Railways' earnings from its core business of running freight and passenger trains has been declining. This is due to a decline in the growth of both freight and passenger traffic. Railways is also slowly losing traffic share to other modes of transport. The share of Railways in total freight traffic has declined from 89% in 1950-51 to 30% in 2011-12.⁵

On the other hand, Railways' expenditure on salaries has been gradually increasing with a significant jump every few years due to Pay Commission revisions. There is an increasing expenditure on pension too, which is unproductive, as this does not generate any revenue for the Railways. The pension bill may increase further in the next few years, as about 40% of the Railways staff was above the age of 50 years in 2016-17.⁶

A decline in the growth of internal revenue generation has meant that Railways has been funding its capital expenditure through budgetary support from the central government and borrowings. While the support from central government has mostly remained consistent, Railways' borrowings have been increasing. An increased reliance on borrowings could further exacerbate the financial situation of Railways.^{7,8} In the following section we discuss each of these financial components.

Railways' Revenue

Indian Railways is financed through: (i) its own internal resources (freight and passenger revenue, and leasing of railway land), (ii) budgetary support from the central government, and (iii) extra budgetary resources (primarily borrowings but also includes institutional financing, public private partnerships, and foreign direct investment). Railways' working expenses (salaries, staff amenities, pension, asset maintenance) are met through its internal resources. Capital expenditure (procurement of wagons, station redevelopment) is financed through extra budgetary resources, the budgetary support from central government, and Railways' own internal resources.

Budgetary support from central government

The central government supports Railways in order to expand its network and invest in capital expenditure. Until recently, this budgetary support from the central

government used to be the primary source of funds for capital expenditure for Railways (51% in 2014-15). However, post 2015-16, over most of the capital expenditure is being met through borrowings, and external investments.

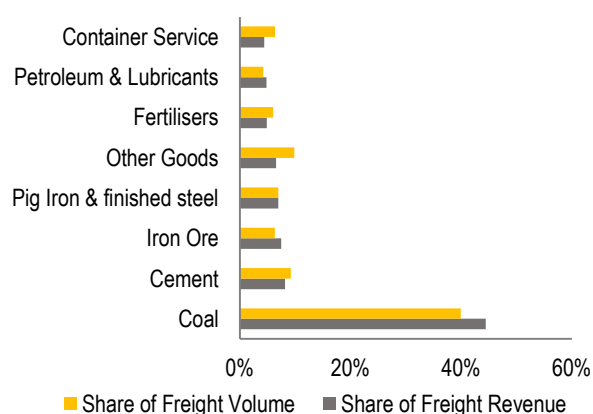
In 2019-20, the gross budgetary support from central government is proposed at Rs 66,105 crore. This is a 25% increase from the revised estimates of 2018-19 (Rs 53,060 crore). The central government also reimburses Railways for the operating losses made on strategic lines, and for the operational cost of e-ticketing to IRCTC.

Internal Resources

Railways earns its internal revenue primarily from passenger and freight traffic. In 2017-18 (latest actuals), freight and passenger traffic contributed to about 65% and 27% of the internal revenue respectively. In 2019-20, Railways expects to earn 66% of its internal revenue from freight and 26% from passenger traffic. The remaining 8% will be earned from other miscellaneous sources such as parcel service, coaching receipts, and sale of platform tickets.

Freight traffic: Railways generates most of its freight revenue from the transportation of coal (44%), followed by cement (8%), iron ore (8%), and food-grains (7%) (see Figure 1). It mostly transports bulk freight, and the freight basket has mostly been limited to include raw materials for certain industries such as power plants, and the iron and steel plants. In 2019-20, Railways expects to earn Rs 1,43,000 crore from goods traffic, an increase of 10% over the revised estimates of 2018-19.

Figure 1: Share of freight volume and revenue in 2017-18 (in %)



Sources: Expenditure Profile, Union Budget 2019-20; PRS.

Passenger traffic and revenue: Passenger traffic is broadly divided into two categories: suburban and non-suburban traffic. Suburban trains are passenger trains that cover short distances of up to 150 km, and help move passengers within cities and suburbs. Majority of the passenger revenue (94% in 2017-18) comes from the non-suburban traffic (or the long-distance trains).

In 2019-20, Railways expects to earn Rs 56,000 crore from passenger traffic, an increase of 8% over the revised estimates of 2018-19. However, note that the growth in passenger traffic for 2019-20 is estimated at

2.7%. In 2018-19 (revised estimates), there was a 2% increase in passenger traffic, but no change in the revenue estimated from passenger traffic.

Extra Budgetary Resources (EBR)

Extra Budgetary Resources (EBR) include market borrowings such as financing from banks, institutional financing, and external investments. External investments in Indian Railways could be in the form of public private partnerships (PPPs), joint ventures, or market financing by attracting private investors to potentially buy bonds or equity shares in Railways. Railways mostly borrows funds through the Indian Railways Finance Corporation (IRFC). IRFC borrows funds from the market (through taxable and tax-free bond issuances, term loans from banks and financial institutions), and then follows a leasing model to finance the rolling stock assets and project assets of Indian Railways.

In the past few years, borrowings have increased sharply to bridge the gap between the available resources and expenditure. As mentioned earlier, majority of the Railways' capital expenditure was met from the budgetary support from central government. In 2015-16, this trend changed with majority of Railways' capital expenditure being met through EBR. In 2019-20, Rs 83,571 crore is estimated to be raised through EBR, which is an increase of 5% over revised estimates of 2018-19 (Rs 79,298 crore).

Capital outlay

The total proposed capital outlay (amount spent on capital expenditure) for 2019-20 is Rs 1,60,176 crore. This is 15% higher than the revised plan outlay for 2018-19 (Rs 1,38,858 crore).

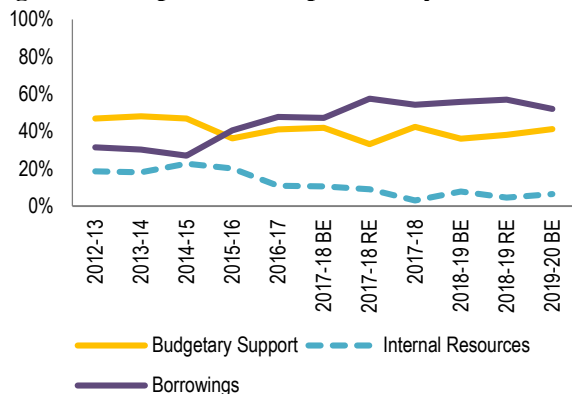
Table 1: Capital outlay (in Rs crore)

	2017-18 Actuals	2018-19 Revised	2019-20 Budget	% Change (2019-20 BE/ 2018-19 BE)
Gross Budgetary Support	43,418	53,060	66,105	25%
Internal Resources	3,070	6,500	10,500	62%
Extra Budgetary Resources	55,498	79,298	83,571	5%
Total	1,01,985	1,38,858	1,60,176	15%

Note: RE – Revised Estimates; BE – Budget Estimates.

Sources: Expenditure Profile, Union Budget 2019-20; PRS.

Majority of this capital expenditure will be financed through extra budgetary resources (53%), followed by the budgetary support from the central government (41%). Railways will fund only 7% of this capital expenditure from its own internal resources. Figure 2 shows the trends in capital outlay over the last few years. Railways continues to operate as a commercial undertaking, but its capability to increase its own revenue stream has been declining.

Figure 2: Components of capital outlay

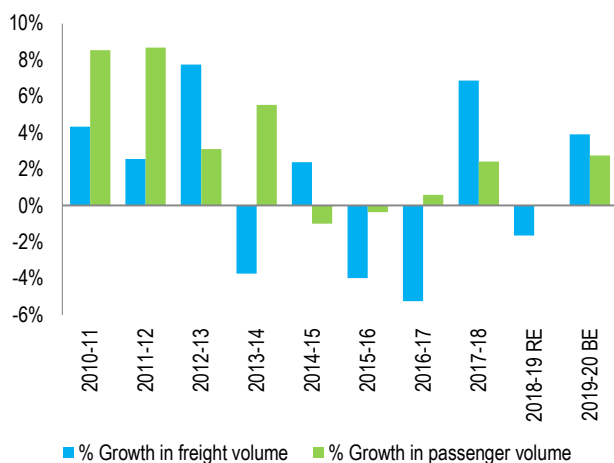
Note: RE – Revised Estimates, BE – Budget Estimates.

Sources: Expenditure Profile, Union Budget 2019-20; PRS.

Challenges in raising revenue

The growth rate of Railways' earnings from its core business of running freight and passenger trains has been declining. This is due to a general decline in the growth of both freight and passenger traffic. However, in 2017-18, there was an increase in the growth of both freight and passenger traffic (see Figure 3).

The NTDPC had noted that freight services are run with a focus on efficiency instead of customer satisfaction.⁵ The rail network's capacity is severely constrained due to which trains tend to slow down, affecting the quality of services. Further, Indian Railways does not have an institutional arrangement to attract and aggregate traffic of smaller parcel size.⁵ Therefore, it has been losing out on high potential markets such as FMCGs, hazardous materials, or automobiles and containerised cargo. Most of this traffic is transported by roads.

Figure 3: Volume growth for freight and passenger

Note: RE – Revised Estimates; BE – Budget Estimates.

Sources: Expenditure Profile, Union Budget 2019-20; PRS.

The freight basket is also limited to a few commodities, most of which are bulk in nature (see Figure 1). For example, coal contributes to about 44% of freight revenue and 25% of the total internal revenue. Therefore, any shift in transport patterns of any of these bulk commodities could affect Railways' finances significantly.

Freight cross-subsidises passenger traffic

In 2014-15, while Railways' freight business made a profit of about Rs 44,500 crore, its passenger business incurred a net loss of about Rs 33,000 crore.⁹ The total passenger revenue during this period was Rs 49,000 crore. This implies that losses in the passenger business are about 67% of its revenue. Therefore, in 2014-15, for every one rupee earned in its passenger business, Indian Railways ended up spending Rs 1.67.⁹ These losses are primarily caused due to: (i) passenger fares being lower than the costs, and (ii) concessions to various categories of passengers.

The NITI Aayog (2016) had noted that Railways ends up using profits from its freight business to provide for such losses in the passenger segment, and also to manage its overall financial situation.⁹ Such cross-subsidisation has resulted in high freight tariffs. The NTDPC report (2014) had noted that, in India, the average freight revenue per NTKM is one of the highest in the world, second only to Germany. In comparison, the average realisation per PKM is one of the lowest in the world.

Various experts have recommended rationalising both freight and passenger fares. One of the ways could be to price passenger fares closer to cost, thereby increasing these fares. However, in a competitive market where the demand for transport is elastic, Railways can only increase fares up to a certain limit depending on the competition from other transport modes like roads and airways.⁹

Social service obligations of the Railways

In 2014-15, the passenger business incurred a loss of about Rs 33,000 crore.⁹ Railways classifies these losses as the social service obligations of its passenger business. As mentioned earlier, these obligations include: (i) pricing tickets at fares lower than costs, and (ii) passenger concessions (such as cheaper tickets for senior citizens, army veterans).⁹

Three issues arise from such classification. First, it is not clear whether this figure hides any operational inefficiencies. The Committee on Restructuring Railways (2015) had noted that the methods of calculating the cost of running passenger business are not scientific and accurate.⁷ Therefore, it is difficult to compute accurately the levels of under-recoveries.

Second, inefficiency in Railways' fare structure may also be a factor contributing to the losses in the passenger service business.⁹ The NITI Aayog had suggested that Railways can price passenger fares as per the prevalent market rates in corresponding transport modes.⁹ The CAG (2018) had noted that there is no justification for the Railways for not fully recovering the cost of passenger services in case of AC and First Class travel.¹⁰

Third, this raises the question whether Railways should bear these social obligations, when it works as a commercial department under the government. The NITI Aayog (2016) had noted that there is lack of clarity on the social and commercial objectives of Railways. The Committee on Restructuring Railways (2015) had

noted that several decisions on the Indian Railways such as increase in fares, introduction of new trains, and provision of halts are not taken on the basis of commercial considerations.⁷

The Standing Committee on Railways (2017) had recommended that the Ministry of Finance should reimburse the Ministry of Railways on losses made on all strategically important lines.¹¹ Till 2016-17, the Ministry of Finance was reimbursing Railways for operational losses on six strategic lines.

Railways' Expenditure

In 2017-18 (latest actuals available), Indian Railways spent most of its money on staff (41%), followed by expenses on pension fund (26%), and fuel (17%). In 2019-20, the total expenditure by Railways is estimated at Rs 2,07,900 crore which is a 9% increase over the revised estimates of 2018-19.

Staff wages and pension

Staff wages and pension together comprise more than half of the Railways' expenditure. For 2019-20, the expenditure on staff is estimated at Rs 86,554 crore, which is 11% higher than the revised estimates of 2018-19. Allocation to the Pension Fund is estimated at Rs 50,100 crore, which is 6% higher than the revised estimates of 2018-19. Together, these constitute about 66% of the Railways' estimated expenditure in 2019-20.

The Committee on Restructuring Railways (2015) had observed that the expenditure on staff is extremely high and unmanageable. This expense is not under the control of Railways and keeps increasing with each Pay Commission revision. Further, employee costs (including pensions) is one of the key components that reduces Railways' ability to generate surplus, and allocate resources towards operations. The Committee had recommended unifying and streamlining the recruitment process, and rationalising the manpower. It also recommended making the organisation more business oriented, amenable to private participation while retaining an optimal level of functional specialisation within it.

Fuel and electricity

The expense on fuel and electricity increased by 10%, from Rs 30,067 crore in 2017-18 to Rs 32,949 crore in 2018-19 (revised estimates). In 2019-20, the expense on fuel and electricity is estimated to be Rs 35,308 crore, an increase of 7% from the revised estimates of 2018-19.

Depreciation Reserve Fund (DRF)

Appropriation to the DRF is intended to finance the costs of new assets replacing old ones.⁸ In 2019-20, appropriation to DRF is estimated at Rs 500 crore.

In the last few years, appropriation to the DRF has decreased significantly. In 2016-17, appropriation to the DRF was Rs 5,200 crore. This means that Railways spent Rs 5,200 crore towards its depreciating assets in 2016-17, as compared to Rs 7,775 and Rs 5,500 in 2014-15 and 2015-16 respectively. In 2017-18, appropriation

to the DRF declined by 70% from the previous year to Rs 1,540 crore.

Under-provisioning for the DRF has been observed as one of the reasons behind the decline in track renewals, and procurement of wagons and coaches.⁸ The Standing Committee on Railways (2015) had observed that appropriation to the DRF is obtained as a residual after payment of the dividend and appropriation to the Pension Fund, instead of the actual requirement for the replacement of assets.⁸ Further, in 2017-18, the Railways' contribution towards its new safety fund, the Rashtriya Rail Sanraksha Kosh (Rs 5,000 crore) was advanced entirely from the DRF. The Standing Committee on Railways (2018) had noted that transferring funds from DRF to the Rail Sanraksha Kosh, does not allow for replacement and repair of depreciating assets. It shows a lack of vision and poor way of utilising and appropriating valuable resources.¹¹

Safety

The expenditure on safety includes revenue expenditure such as repairs and maintenance of the tracks and wagons, etc. It also includes capital expenditure such as track renewals, bridge works, creating level crossings, and road over bridges and under bridges. Table 2 below shows the expenditure carried out by Railways towards safety.

Table 2: Expenditure on Safety (in Rs crore)

	2017-18 Actuals	2018-19 Revised	2019-20 Budget	% Change (2019-20 BE/ 2018-19 RE)
Revenue	42,437	45,205	49,192	9%
Capital	18,447	25,404	26,788	5%
Total expenditure on safety	60,884	70,609	75,980	8%

Note: RE – Revised Estimates, BE – Budget Estimates.

Sources: Expenditure Profile, Union Budget 2019-20; PRS.

In Union Budget 2017-18, the Rashtriya Rail Sanraksha Kosh was created to provide for passenger safety in Railways. Typically, the safety fund is used towards elimination of unmanned level crossings, and improving and modernising signalling systems. It was to have a corpus of Rs one lakh crore over a period of five years (Rs 20,000 crore per year). In 2019-20, Railways allocated Rs 5,000 crore towards the Kosh from its internal revenue. This is the same as the allocation in the last two years. In addition, the central government has allocated Rs 20,000 crore towards this Kosh.

With the Railways struggling to meet its expenditure and declining internal revenues, it is unclear how Railways will continue to fund the Rail Sanraksha Kosh. The Standing Committee on Railways (2018) noted that by the end of January 2018, the expenditure out of the Rail Sanraksha Kosh was Rs 10,709 crore (about 50% of the allocation). It observed that if funds from the Kosh cannot be utilised well, then the purpose of having a dedicated safety fund becomes futile.

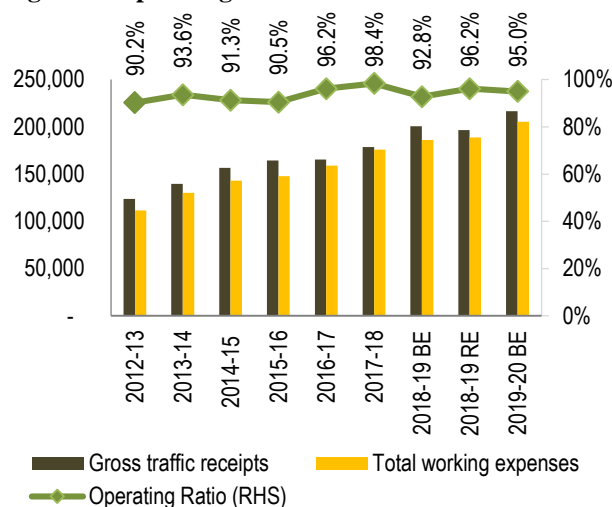
Revenue Surplus and Operating Ratio

Railways' surplus is calculated as the difference between its total internal revenue and its revenue expenditure (this includes working expenses and appropriation to pension and depreciation funds). Operating Ratio is the ratio of the working expenditure (expenses arising from day-to-day operations of Railways) to the revenue earned from traffic. Therefore, a higher ratio indicates a poorer ability to generate surplus that can be used for capital investments such as laying new lines, or deploying more coaches.

In the last decade, Railways has been struggling to generate higher surplus. Consequently, the Operating Ratio has consistently been higher than 90% for more than a decade. In 2019-20, Railways expects to generate a surplus of Rs 9,035 crore. This is a 50% increase from the revised estimates of 2018-19 (Rs 6,014 crore). In

2017-18, the ratio worsened to 98.4% which is the worst since 2000-01, when the ratio was 98.3%.

Figure 4: Operating Ratio



Note: RE – Revised Estimates, BE – Budget Estimates.

Sources: Expenditure Profile, Union Budget 2019-20; PRS.

¹ “Evolution – About Indian Railways”, Ministry of Railways, https://www.indianrailways.gov.in/railwayboard/view_section.jsp?lang=0&id=0.1.261.

² Budget Speech 2019-20, <https://www.indiabudget.gov.in/budgetspeech.php>.

³ Notes on Demands for Grants 2019-20, Demand no 82, Ministry of Railways. <https://www.indiabudget.gov.in/doc/eb/sbe82.pdf>.

⁴ Overview of Receipts and Expenditure, <https://www.indiabudget.gov.in/doc/eb/railstat1.pdf>; Railway Receipts, <https://www.indiabudget.gov.in/doc/eb/railstat3.pdf>, Railway Expenditure, <https://www.indiabudget.gov.in/doc/eb/railstat2.pdf>, Investment: Part A Financials (Budget + IEER), Investment: Part B Physical Targets, Investment: Part C Revenue Earning Traffic Performance Targets, <https://www.indiabudget.gov.in/doc/eb/railstat4.pdf>, Railway Budget at a Glance, Expenditure Profile 2019-20.

⁵ “India Transport Report: Moving India to 2032: Volume II, National Transport Development Policy Committee 2013, June 17, 2014. [http://planningcommission.gov.in/sectors/index.php?sectors=National%20Transport%20Development%20Policy%20Committee%20\(NTDP%20C\)](http://planningcommission.gov.in/sectors/index.php?sectors=National%20Transport%20Development%20Policy%20Committee%20(NTDP%20C)).

⁶ “13th Report: Demands for Grants (2017-18)”, Standing Committee on Railways, March 10, 2017, http://164.100.47.193/lssccommittee/Railways/16_Railways_13.pdf.

⁷ Report of the Committee for Mobilization of Resources for Major Railway Projects and Restructuring of Railway Ministry and Railway Board, Ministry of Railways, June 2015, http://www.indianrailways.gov.in/railwayboard/uploads/directorate/HL_SRC/FINAL_FILE_Final.pdf.

⁸ “4th Report: Demands for Grants (2015-16)”, Standing Committee on Railways, April 20, 2015, http://164.100.47.134/lssccommittee/Railways/16_Railways_4.pdf.

⁹ “Reviewing the Impact of “Social Service Obligations” by Indian Railways”, NITI Aayog, http://niti.gov.in/writereaddata/files/document_publication/Social-Costs.pdf.

¹⁰ Report No. 1 of 2018: Railways Finances, Financial Audit, For the year ended March 2017, Report of the Comptroller and Auditor General of India, https://cag.gov.in/sites/default/files/audit_report_files/Report_No.1_of_2018_-_Finance_Audit_on_Railways_Finances_in_Indian_Railways_Union_Government.pdf.

¹¹ “13th Report: Demands for Grants (2018-19)”, Standing Committee on Railways, March 10, 2017, http://164.100.47.193/lssccommittee/Railways/16_Railways_13.pdf.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research (“PRS”). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.

ANNEXURE**Appendix I: Railways Budget 2019-20 Summary****Table 3: Railways Revenue and Expenditure for 2019-20 (in Rs crore)**

	2017-18 Actuals	2018-19 Budget	2018-19 Revised	% Change (2018-19 RE/ 2018-19 BE)	2019-20 Budget	% Change (2019-20 BE/ 2018-19 RE)
Receipts						
1 Passenger	48,643	52,000	52,000	0%	56,000	8%
2 Freight	1,17,055	1,21,950	1,29,750	6%	1,43,000	10%
3 Other traffic sources	13,027	26,890	14,964	-44%	17,675	18%
4 Gross Traffic Receipts (1+2+3)	1,78,725	2,00,840	1,96,714	-2%	2,16,675	10%
5 Miscellaneous	204	250	500	100%	260	-48%
6 Total Internal Revenue (4+5)	1,78,930	2,01,090	1,97,214	-2%	2,16,935	10%
Expenditure						
7 Ordinary Working Expenses	1,28,497	1,38,000	1,41,000	2%	1,55,000	10%
8 Appropriation to Pension Fund	45,798	47,500	47,300	0%	50,000	6%
9 Appropriation to Depreciation Reserve Fund	1,540	500	500	0%	500	0%
10 Total Working Expenditure (7+8+9)	1,75,834	1,86,000	1,88,800	2%	2,05,500	9%
11 Miscellaneous	1,430	2,100	2,400	14%	2,400	0%
12 Total Revenue Expenditure (10+11)	1,77,264	1,88,100	1,91,200	2%	2,07,900	9%
13 Net Surplus (6-12)	1,666	12,990	6,014	-54%	9,035	50%
14 Appropriation to Development Fund	1,506	1,000	1,000	0%	1,000	0%
15 Appropriation to Capital Fund	-	6,990	14	-100%	3,035	21579%
16 Appropriation to Debt Service Fund	-	-	-	-	-	-
17 Appropriation to Railway Safety Fund	160	-	-	-	-	-
18 Appropriation to Rashtriya Rail Sanraksha Kosh	-	5,000	5,000	0%	5,000	-
19 Operating Ratio	98.4%	92.8%	96.2%		95.0%	

Note: RE – Revised Estimate, BE – Budget Estimate.

Sources: Expenditure Profile 2019-20; PRS.

Explanatory NotesPerformance parameters

1. 'Net Surplus' represents excess of receipts over expenditure after the Dividend liability (payment for investment in Railway capital) of General Revenues has been paid off.
2. 'Operating Ratio' is the ratio of operating expenses to receipts. A lower ratio indicates higher surplus availability for investments.

Railway Funds

3. Depreciation Reserve Fund – Finances the cost of new assets replacing old assets including the cost of any improved features. Appropriation to this fund are made on the recommendations of the Railway Convention Committee (RCC).
4. Pension Fund – Finances all pension payments to retired Railway staff.

Appendix II: Details of freight and passenger traffic

Table 4: Freight traffic details (NTKM in millions; Earnings in Rs crore)

Commodity	2017-18 Actuals		2018-19 Revised		2019-20 Budgeted		% Change (2019-20 BE/ 2018-19 RE)	
	NTKM	Earnings	NTKM	Earnings	NTKM	Earnings	NTKM	Earnings
Coal	2,76,685	52,042	2,86,392	63,961	3,02,595	71,528	6%	12%
Raw materials for steel plants except iron	14,102	2,183	14,250	2,328	14,794	2,564	4%	10%
Pig Iron & finished steel	48,320	8,182	45,143	8,091	42,256	8,023	-6%	-1%
Iron Ore	43,807	8,802	43,086	9,084	46,682	10,434	8%	15%
Cement	63,954	9,613	63,624	9,924	63,480	10,504	0%	6%
Foodgrains	61,750	8,403	57,956	7,580	59,850	8,305	3%	10%
Fertilisers	42,035	5,744	41,646	5,933	44,304	6,696	6%	13%
Petroleum & Lubricants	29,519	5,668	27,486	5,534	28,800	6,152	5%	11%
Container Service	44,294	5,192	14,636	1,526	56,723	6,928	288%	354%
Other Goods	68,450	7,693	57,690	8,163	59,064	8,866	2%	9%
Miscellaneous earnings	-	3,532	-	3,000	-	3,000		0%
Total	6,92,916	1,17,055	6,51,909	1,25,123	7,18,548	1,43,000	10%	14%

Notes: NTKM – Net Tonne Kilometre (1 NTKM is the net weight of goods carried for a kilometre); RE – Revised Estimates; BE – Budget Estimates.
Sources: Expenditure Profile 2019-20; PRS.

Table 5: Passenger traffic details (PKM in millions; Earnings in Rs crore)

	2017-18 Actuals		2018-19 Revised		2019-20 Budgeted		% Change 2019-20 BE/ 2018-19 RE	
	PKM	Earnings	PKM	Earnings	PKM	Earnings	PKM	Earnings
Suburban								
First Class	9,117	380	9,193	413	9,405	456	2%	10%
Second Class (Ordinary)	1,40,348	2,424	1,43,737	2,669	1,47,058	2,915	2%	9%
Total Suburban	1,49,465	2,804	1,52,930	3,082	1,57,747	3,282	3%	7%
Non Suburban								
AC First class	1,835	507	1,900	566	2,035	629	7%	11%
AC Sleeper	22,946	3,675	23,831	4,114	25,654	4,597	8%	12%
First Class (M&E)	76,923	9,923	79,873	11,107	86,084	12,425	8%	12%
First Class (ordinary)	480	154	497	171	531	190	7%	11%
AC 3 Tier	11,632	1,647	12,071	1,843	12,994	2,059	8%	12%
Sleeper Class (M&E)	70	11	67	11	66	12	-1%	2%
Second Class (M&E)	362	15	373	16	393	18	5%	9%
Sleeper Class (ordinary)	2,94,203	13,821	3,05,592	15,476	3,28,952	17,292	8%	12%
Second Class (Ordinary)	3,582	145	3,722	162	4,009	181	8%	12%
AC Chair Car	3,47,678	10,349	3,36,496	10,016	3,33,517	9,928	-1%	-1%
Executive Class	2,68,524	5,593	2,60,916	5,435	2,58,605	5,386	-1%	-1%
Total Non-Suburban	10,28,235	45,839	10,25,338	48,918	10,52,840	52,718	3%	8%
Total Passenger	11,77,700	48,643	11,78,268	52,000	12,10,587	56,000	2.7%	8%

Notes: PKM – Passenger Kilometre (One PKM is when a passenger is carried for a kilometre); RE – Revised Estimates; BE – Budget Estimates.
Sources: Expenditure Profile 2019-20; PRS.