Demand for Grants 2020-21 Analysis

Railways

The Railways finances were presented on February 1, 2020 by the Finance Minister Ms. Nirmala Sitharaman along with the Union Budget 2020-21. The Ministry of Railways manages the administration of Indian Railways and policy formation through the Railway Board. Indian Railways is a commercial undertaking of the government.[1] This note looks at the proposed expenditure of the Ministry of Railways for the year 2020-21, its finances over the last few years, and issues with the same.

Key highlights

- **Revenue**: Railways' revenue for 2020-21 is estimated at Rs 2,25,913 crore which is a 10% increase from the revised estimates of 2019-20.
- **Traffic revenue**: Total revenue from traffic for 2020-21 is estimated at Rs 2,25,613 crore, which is a 10% increase from the revised estimates of 2019-20. In 2020-21, revenue from both freight and passenger traffic is expected to grow by 9%. As per the revised estimates of 2019-20, revenue from freight traffic is estimated to be 6% lower than the budget estimate.
- **Expenditure**: The total revenue expenditure by Railways for 2020-21 is projected at Rs 2,19,413 crore which is an 8% increase from the revised estimates of 2019-20. In 2019-20 (revised estimates), total revenue expenditure is estimated to be 3% lower than the budget estimate.
- **Operating Ratio**: In 2020-21, the Railways' Operating Ratio is estimated to be 96.2%. This is marginally better than the revised estimates of 2019-20 at 97.4%.

2020-21 Budget announcements[2]

Key announcements and proposals related to Railways made in Budget 2020-21 include:

- Railways will set up a Kisan Rail to build a national cold supply chain for perishables, including milk, meat and fish. This will be set up through PPP arrangements. Express and freight trains will have refrigerated coaches.
- Rs 100 lakh crore will be invested on infrastructure over the next five years. This will include projects on modernising railway stations, metro and railway transportation, and logistics and warehousing.
- Large solar power capacity will be set up alongside the rail tracks, on the land owned by the Railways.
- Four station re-development projects and operation of 150 passenger trains will be implemented through PPP mode.
- More Tejas type trains will be introduced to connect iconic tourist destinations.
- A 148 km long suburban transport project will be set up in Bangalore at a cost of Rs 18,600 crore. The central government will provide 20% of equity and facilitate external assistance of up to 60% of the project cost.

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 (see Figure 3). This is due to a decline in the growth of both freight and passenger traffic. Railways is also steadily 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] During the same period, share of roads on total freight traffic increased from 11% to 61%.

On the other hand, Railways' expenditure on salaries has been gradually increasing with a significant jump every few years due to Pay Commission revisions. Between 2015 and 2020 (budget estimate), Railways' expenditure on salary has grown at an average annual rate of 13%. 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

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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' 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. However, since 2015-16, an increasingly higher proportion of the capital expenditure is being met through extra budgetary resources. In 2017-18, 54% of the capital expenditure was met through extra budgetary resources.

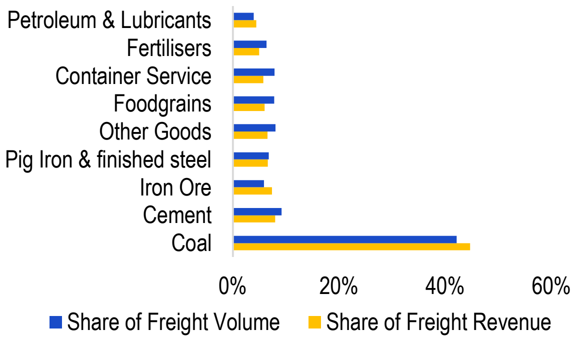
In 2020-21, the gross budgetary support from central government is proposed at Rs 70,250 crore. This is 3% higher than the revised estimates of 2019-20 (Rs 68,105 crore). The central government also reimburses Railways for the operating losses made on strategic lines, and for the operational cost of e-ticketing to IRCTC (Rs 2,216 crore as per budget estimates of 2020-21).

Internal Resources

Railways earns its internal revenue primarily from passenger and freight traffic. In 2018-19 (latest actuals), freight and passenger traffic contributed to about 67% and 27% of the internal revenue respectively. In 2020-21, Railways expects to earn 65% of its internal revenue from freight and 27% 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: In 2018-19, Railways generated most of its freight revenue from the transportation of coal (45%), followed by cement (8%), iron ore (7%), and pig iron/ finished steel (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 2020-21, Railways expects to earn Rs 1,47,000 crore from goods traffic, an increase of 9% over the revised estimates of 2019-20.

Figure 1: Share of freight volume and revenue in 2018-19 (in %)



Sources: Expenditure Profile, Union Budget 2020-21; 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 2018-19) comes from the non-suburban traffic (or the long-distance trains).

In 2020-21, Railways expects to earn Rs 61,000 crore from passenger traffic, an increase of 9% over the revised estimates of 2019-20. However, note that in 2020-21, passenger traffic is estimated to grow at 1%. In 2019-20 (revised estimates), a 2% decline is estimated in passenger traffic, while no change is estimated in passenger revenue.

Extra Budgetary Resources (EBR)

Extra Budgetary Resources (EBR) include market borrowings such as financing from banks, institutional financing, and external investments. External investments in 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 used to be 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 2020-21, Rs 83,292 crore is estimated to be raised through EBR, which is marginally higher than the revised estimates of 2019-20 (Rs 83,247 crore).

Capital outlay

The total proposed capital outlay (amount spent on asset creation) for 2020-21 is Rs 1,61,042 crore. This is 3% higher than the revised capital outlay for 2019-20 (Rs 1,56,352 crore).

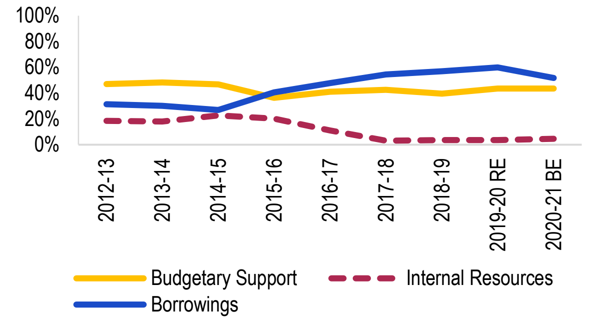
Table 1: Capital outlay (in Rs crore)

	2018-19 Actuals	2019-20 Revised	2020-21 Budget	% Change (2020-21 BE/ 2019-20 BE)
Gross Budgetary Support	52,838	68,105	70,250	3%
Internal Resources	4,663	5,000	7,500	50%
Extra Budgetary Resources	75,876	83,247	83,292	0%
Total	**1,33,377**	**1,56,352**	**1,61,042**	**3%**

Note: RE – Revised Estimates; BE – Budget Estimates.
Sources: Expenditure Profile, Union Budget 2020-21; PRS.

Majority of this capital expenditure will be financed through extra budgetary resources (52%), followed by the budgetary support from the central government (44%). Railways will fund only 5% of this capital expenditure from its own internal resources. Figure 2 shows the trends in capital outlay over the last few years. This implies that Railways' capability to fund its capital outlay from its own revenue stream has been declining.

Figure 2: Components of capital outlay



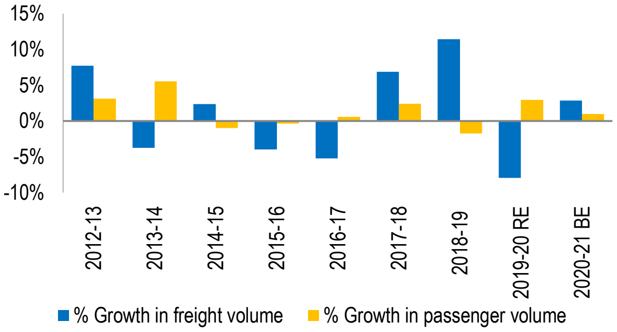
Note: RE – Revised Estimates, BE – Budget Estimates.
Sources: Expenditure Profile, Union Budget 2020-21; PRS.

Challenges in raising revenue

Over the last few years, there has been a decline in the growth of both rail based freight and passenger traffic (see Figure 3). This affects Railways' earnings from its core business of running freight and passenger trains. In 2019-20, Railways estimates a decline in some of its key revenue earning traffic. For example, coal traffic is estimated to decline by 6% from the budget estimates, and foodgrains transport by 11%. Overall freight traffic is estimated to decline by 5% in 2019-20. Similarly, in 2019-20 (revised estimate), passenger traffic is estimated to decline by 2% from the budget estimates.

The National Transport Development Policy Committee (NTDPC), in 2014, 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 (year-on-year)



Note: RE – Revised Estimates; BE – Budget Estimates.
Sources: Expenditure Profile, Union Budget 2020-21; PRS.

The freight basket is also limited to a few commodities, most of which are bulk in nature (see Figure 1). For example, in 2018-19, coal contributed to about 45% of freight revenue and 30% of the total internal revenue. Therefore, any shift in transport patterns of any of these bulk commodities (coal, cement, iron ore) could affect Railways' finances significantly.

Freight cross-subsidises passenger traffic

In 2017-18, passenger and other coaching services incurred losses of Rs 37,937 crore, whereas freight operations made a profit of Rs 39,956 crore.[9] Almost 95% of profit earned from freight operations was utilised to compensate for the loss from passenger and other coaching services. The total passenger revenue during this period was Rs 46,280 crore. This implies that losses in the passenger business are about 82% of its revenue. Therefore, in 2017-18, for every one rupee earned in its passenger business, Indian Railways ended up spending Rs 1.82. These losses are primarily caused due to: (i) passenger fares being lower than the costs, and (ii) concessions to various categories of passengers.[10]

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.[10] Such cross-subsidisation has resulted in high freight tariffs. The NTDPC report (2014) had noted that, in India, the average freight revenue per Net Tonne Kilometre is one of the highest in the world, second only to Germany (one NTKM is the net weight of goods carried for a kilometre). In comparison, the average realisation per Passenger Kilometre is one of the lowest in the world (one PKM is when a passenger is carried for a kilometre).

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.[10] Note that in January 2020, Railways marginally increased the passenger fares for the non-suburban traffic.[11]

Social service obligations of the Railways

In 2016-17, passenger and other coaching services incurred losses of Rs 37,937 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).[10]

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.[10] The NITI Aayog had suggested that Railways can price passenger fares as per the prevalent market rates in corresponding transport modes.[10] 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.[12]

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.[6] In 2020-21, Rs 2,216 crore has been allocated towards reimbursement for losses on strategic lines.

Railways' Expenditure

In 2018-19 (latest actuals available), Indian Railways spent most of its money on staff (42% of its working expenditure), followed by expenses on pension fund (24%), and fuel (18%). In 2020-21, the total revenue expenditure by Railways is estimated at Rs 2,19,413 crore which is an 8% increase over the revised estimates of 2019-20.

Staff wages and pension

Staff wages and pension together comprise two-thirds of the Railways' expenditure. For 2020-21, the expenditure on staff is estimated at Rs 92,993 crore, which is 7% higher than the revised estimates of 2019-20. Allocation to the Pension Fund is estimated at Rs 53,260 crore, which is 10% higher than the revised estimates of 2019-20. Together, these constitute about 66% of the Railways' estimated revenue expenditure in 2020-21.

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.

In December 2019, the Union Cabinet approved organisational restructuring of Indian Railways.[13] This restructuring includes merging various Group A services into a single service called Indian Railways Management Service. The proposed restructuring will also include reorganising the Railways Board on functional lines. It will have four members responsible for (i) infrastructure, (ii) operations & business development, (iii) rolling stock, and (iv) finance, respectively. Currently, the Board has several directorates to assist in its work, mostly on departmental lines (such as infrastructure, land, coaching, economics, finance, finance (budget)).

Fuel and electricity

In 2020-21, the expense on fuel and electricity is estimated to be Rs 32,435 crore, an increase of 4% from the revised estimates of 2019-20. The expense on fuel and electricity is estimated to decrease by 5%, from Rs 32,810 crore in 2018-19 to Rs 31,043 crore in 2019-20 (revised estimates).

Lease Charges

Railways also pays lease charges to 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 2020-21, Rs 14,224 crore is estimated to be spent on lease charges, which is an increase of 16% from the revised estimates of 2019-20. These lease charges are estimated to increase from Rs 9,977 crore in 2018-19 to Rs 11,566 crore in 2019-20 (revised estimate).

Depreciation Reserve Fund (DRF)

Appropriation to the DRF is intended to finance the costs of new assets replacing old ones.[8] In 2020-21, appropriation to DRF is estimated at Rs 800 crore. In the last few years, appropriation to the DRF has decreased significantly. In 2014-15, appropriation to the DRF was Rs 7,775 crore. In 2018-19, this appropriation to the DRF was reduced to Rs 300 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] CAG (2019) noted that at the end of 2017-18, the value of over-aged assets pending for replacement using this fund was estimated at Rs 1,01,194 crore.

Further, in 2017-18, the Railways' contribution towards its new safety fund, the Rashtriya Rail Sanraksha Kosh 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.[14]

Safety

The expenditure on safety includes revenue expenditure such as repairs and maintenance of tracks and wagons. It also includes capital expenditure such as track renewals, bridge works, creating level crossings, and road over bridges and under bridges (see Table 2).

Table 2: Expenditure on Safety (in Rs crore)

	2018-19 Actuals	2019-20 Revised	2020-21 Budget	% Change (2020-21 BE/ 2019-20 RE)
Revenue	45,342	47,707	51,326	8%
Capital	21,615	23,266	26,522	14%
Total	66,957	70,973	77,848	10%

Note: RE – Revised Estimates, BE – Budget Estimates.
Sources: Expenditure Profile, Union Budget 2020-21; PRS.

Rashtriya Rail Sanraksha Kosh: The Rashtriya Rail Sanraksha Kosh (RRSK) was created in 2017-18 to finance critical safety related works of renewal, replacement and augmentation of assets. The fund has a corpus of one lakh crore rupees over a period of five years (partially funded by the central government).

In 2020-21, Railways has allocated Rs 5,000 crore towards the RRSK. The remaining Rs 15,000 crore will be provided from the general revenues of the central government. As per the revised estimates of 2019-20, Railways is estimated to allocate Rs 2,500 crore towards the fund, which is 50% less than the proposed allocation for that year (Rs 5,000 crore). In 2018-19, the actual allocation towards the fund was Rs 3,024 crore, which is 40% less than the proposed allocation of Rs 5,000 crore.

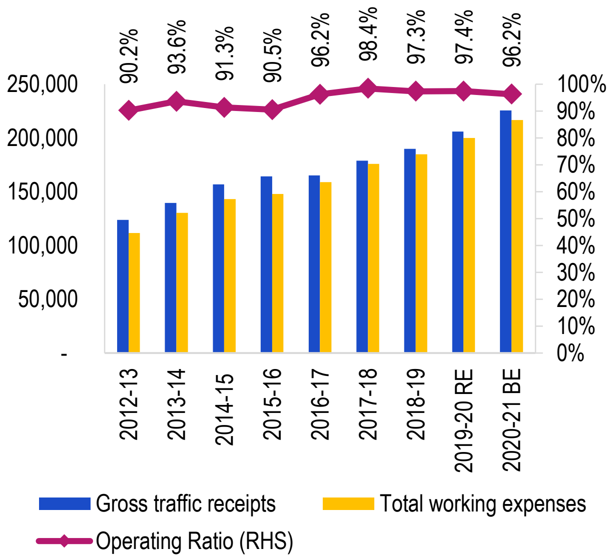
With Railways struggling to meet its expenditure and declining internal revenues, it is unclear how Railways will continue to fund the RRSK. As discussed earlier, in 2017-18, the RRSK was credited through funds from the DRF. The Ministry of Railways mentioned that the adverse resource position of the transporter during 2018-19 did not permit the desired level of funds to be transferred to the fund.[15] The Standing Committee on Railways (2018) also noted that if funds from the fund cannot be utilised well, then the purpose of having a dedicated safety fund becomes futile.[14]

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. The CAG (2019) noted that in 2017-18, the decline in revenue surplus led to a decline in appropriation to the various funds managed by Railways from its internal resources.[9]

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 2020-21, Railways expects to generate a surplus of Rs 6,500 crore. This is a 71% higher than the revised estimates of 2019-20 (Rs 3,811 crore). In 2018-19, the ratio worsened to 97.3% as compared to the estimated ratio of 92.8%. The CAG (2019) had noted that if advances for 2018-19 were not included in receipts, the operating ratio for 2017-18 would have been 102.66%.[9]

Figure 4: Operating Ratio



Note: RE – Revised Estimates, BE – Budget Estimates.
Sources: Expenditure Profile, Union Budget 2020-21; PRS.

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ANNEXURE

Appendix I: Railways Budget 2020-21 Summary

Table 3: Railways Receipts and Expenditure for 2020-21 (in Rs crore)

		2018-19 Actuals	2019-20 Budget	2019-20 Revised	% Change (2019-20 RE/ 2019-20 BE)	2020-21 Budget	% Change (2020-21 BE/ 2019-20 RE)
	Receipts						
1	Passenger	51,067	56,000	56,000	0%	61,000	9%
2	Freight	127,433	143,000	134,733	-6%	147,000	9%
3	Other traffic sources	11,407	17,675	15,100	-15%	17,613	17%
4	**Gross Traffic Receipts (1+2+3)**	**189,907**	**216,675**	**205,833**	**-5%**	**225,613**	**10%**
5	Miscellaneous	601	260	436	68%	300	-31%
6	**Total Internal Revenue (4+5)**	**190,507**	**216,935**	**206,269**	**-5%**	**225,913**	**10%**
	Expenditure						
7	Ordinary Working Expenses	140,200	155,000	151,208	-2%	162,753	8%
8	Appropriation to Pension Fund	44,280	50,000	48,350	-3%	53,160	10%
9	Appropriation to Depreciation Reserve Fund	300	500	400	-20%	800	100%
10	**Total Working Expenditure (7+8+9)**	**184,780**	**205,500**	**199,958**	**-3%**	**216,713**	**8%**
11	Miscellaneous	1,953	2,400	2,500	4%	2,700	8%
12	**Total Revenue Expenditure (10+11)**	**186,734**	**207,900**	**202,458**	**-3%**	**219,413**	**8%**
13	**Net Surplus (6-12)**	**3,774**	**9,035**	**3,811**	**-58%**	**6,500**	**71%**
14	Appropriation to Rashtriya Rail Sanraksha Kosh	3,024	5,000	2,500	-50%	5,000	100%
15	Appropriation to Development Fund	750	1,000	1,311	31%	1,500	14%
16	Appropriation to Capital Fund	-	3,035	-	-100%	-	-
17	**Operating Ratio**	**97.3%**	**95.0%**	**97.4%**		**96.2%**	

Note: RE – Revised Estimate, BE – Budget Estimate.
Sources: Expenditure Profile 2020-21; PRS.

Explanatory Notes

Performance parameters

1. 'Net Surplus' represents excess of revenue receipts over revenue expenditure (Railways' internal revenue and expenditure).

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.

5. Rashtriya Rail Sanraksha Kosh - Finances critical safety related works of renewal, replacement and augmentation of assets.

Appendix II: Details of freight and passenger traffic

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

	2018-19 Actuals		2019-20 Revised		2020-21 Budgeted		% Change (2020-21 BE/ 2019-20 RE)	
Commodity	**NTKM**	**Earnings**	**NTKM**	**Earnings**	**NTKM**	**Earnings**	**NTKM**	**Earnings**
Coal	3,11,487	56,964	2,84,907	61,482	2,93,940	67,355	3%	10%
Raw materials for steel plants except iron	15,141	2,359	14,387	2,350	14,715	2,779	2%	18%
Pig Iron & finished steel	49,926	8,422	42,369	7,582	44,625	9,238	5%	22%
Iron Ore	43,322	9,377	45,744	14,342	47,230	12,345	3%	-14%
Cement	67,818	10,166	59,916	9,240	61,832	11,022	3%	19%
Foodgrains	57,575	7,616	53,254	6,951	53,820	8,119	1%	17%
Fertilisers	46,835	6,348	44,899	6,391	44,460	7,314	-1%	14%
Petroleum & Lubricants	29,333	5,632	29,104	5,935	29,166	6,874	0%	16%
Container Service	57,882	7,369	53,900	5,770	56,040	4,669	4%	-19%
Other Goods	59,204	8,328	51,532	7,723	53,728	9,307	4%	21%
Miscellaneous earnings		4,852		6,967		7,979		15%
Total	**7,38,523**	**127,433**	**6,80,012**	**134,733**	**6,99,556**	**147,000**	**3%**	**9%**

Notes: NTKM – Net Tonne Kilometre (One NTKM is the net weight of goods carried for a kilometre); RE – Revised Estimates; BE – Budget Estimates.
Sources: Expenditure Profile 2020-21; PRS.

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

	2018-19 Actuals		2019-20 Revised		2020-21 Budgeted		% Change 2020-21 BE/ 2019-20 RE	
	PKM	**Earnings**	**PKM**	**Earnings**	**PKM**	**Earnings**	**PKM**	**Earnings**
Suburban								
Total Suburban	1,46,678	2,813	1,57,952	2,998	1,63,008	3,095	3%	3%
Non Suburban								
AC First class	1,871	518	1,997	596	2,010	651	1%	9%
AC Sleeper	23,252	3,864	25,176	4,512	25,334	4,930	1%	9%
First Class (M&E)	87,207	11,223	84,479	11,726	85,009	12,810	1%	9%
First Class (ordinary)	623	178	521	160	524	175	1%	9%
AC 3 Tier	13,291	1,893	12,752	1,958	12,832	2,140	1%	9%
Sleeper Class (M&E)	115	15	65	9	65	10	0%	9%
Second Class (M&E)	282	13	386	18	388	20	1%	9%
Sleeper Class (ordinary)	2,91,144	14,321	3,22,820	17,126	3,24,844	18,710	1%	9%
Second Class (Ordinary)	3,523	146	3,934	176	3,959	192	1%	9%
AC Chair Car	3,69,835	11,418	3,27,300	10,898	3,29,352	11,906	1%	9%
Executive Class	2,19,353	4,666	2,53,784	5,822	2,55,376	6,360	1%	9%
Total Non-Suburban	**10,10,496**	**48,254**	**10,33,214**	**53,002**	**10,39,693**	**57,905**	1%	9%
Total Passenger	**11,57,174**	**51,067**	**11,91,166**	**56,000**	**12,02,701**	**61,000**	1%	9%

Notes: PKM – Passenger Kilometre (One PKM is when a passenger is carried for a kilometre); RE – Revised Estimates; BE – Budget Estimates.
Sources: Expenditure Profile 2020-21; PRS.