

**STANDING COMMITTEE
ON RAILWAYS
(1995-96)**

TENTH LOK SABHA

20

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

DEMANDS FOR GRANTS - 1995-96

*(Action Taken by the Government on recommendations/observations
contained in 14th Report of the Standing Committee on Railways
on Ministry of Railways - Demands for Grants, 1995-96)*

TWENTIETH REPORT



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**LOK SABHA SECRETARIAT
NEW DELHI**

February, 1996/Phalguna, 1917 (Saka)

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on Ministry of Railways–Demands for Grants, 1995-96]*

Presented to Lok Sabha on 29.02.1996

Laid in Rajya Sabha on 29.02.1996



LOK SABHA SECRETARIAT
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STANDING COMMITTEE ON RAILWAYS (1995-96)

Shri Somnath Chatterjee — *Chairman*

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4. ** Vacant
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-
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** Vacancy caused due to resignation of Shri G. Madegowda on 9.2.1996.
*** Vacancy caused due to death of Shri B.K. Gudadinni.
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1. Smt. Roli Srivastava — *Joint Secretary*
2. Shri T.R. Sharma — *Deputy Secretary*
3. Shri R.C. Gupta — *Under Secretary*

INTRODUCTION

I, the Chairman of the Standing Committee on Railways (1995-96) having been authorised by the Committee to present the Report on their behalf present this Twentieth Report on Action Taken by Government on the recommendations/observations contained in their Fourteenth Report on Ministry of Railways' Demands for Grants (1995-96).

2. The Fourteenth Report was presented to Lok Sabha on 26 April, 1995 and contained 44 recommendations/observations. Replies of the Government to all the recommendations contained in the Report were received in January 1996 and were considered by the Committee on 27 February, 1996.

3. The Committee considered and adopted the Twentieth Report at their Sitting held on 27 February, 1996.

4. An analysis of the Action Taken by the Government on recommendations/observations contained in the Fourteenth Report (Tenth Lok Sabha) of the Committee is given in Appendix II.

NEW DELHI;
27 February, 1996
8 Phalguna, 1917 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on Railways.

CHAPTER I

REPORT

This Report of the Standing Committee on Railways (1995-96) deals with the action taken by the Government on the recommendations and observations contained in the Fourteenth Report (Tenth Lok Sabha) on 'Demands for Grants-1995-96' of Railways which was presented to the Lok Sabha on 20th April, 1995. The Report contained 44 recommendations/observations.

2. The Action Taken note have been received from Government in respect of all the 44 recommendations/observations contained in their Report and these replies have broadly been categorised as follows :

- (i) Recommendations/Observations which have been accepted by the Government—Paras @ 1.58, 1.60, 1.62, 1.63, 1.64, 1.67, 1.69, 2.83, 2.84, 2.90, 2.93, 2.96, 2.99, 2.100, 2.102, 2.104, 2.105 & 2.112.
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies—Paras 1.57, 1.61, 1.68, 1.70, 2.89, 2.103 & 2.106.
- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee—Paras 1.59, 1.65, 1.66, 2.85, 2.87, 2.88, 2.92, 2.97 & 2.110.
- (iv) Recommendations/Observations in respect of which final replies of Government are still awaited—Paras 2.86, 2.91, 2.94, 2.95, @2.98, 2.101, @2.107, 2.108, 2.109, @2.111.

3. The Committee desire that the final replies in respect of the recommendations for which only interim replies have been given should be furnished to them expeditiously.

4. Some of the Action Taken Replies of the Ministry of Railways (Railway Board) are dealt with hereunder.

Freight Traffic Demands

Recommendation (Para No. 1.59)

5. The Committee had in Para 1.59 of the Report, found that there was a distinct Peaking Pattern of Freight Traffic Demands on Railways.

@ latest information received.

The Committee had observed that the traffic rose in January, February and reaches a peak during March every year. The Minister, in his Budget Speech while referring to this peaking pattern, had admitted that excess offer of traffic during these months lead to unsatisfied demands. During evidence the Committee were informed that during the peak season the Railways did have a mismatch as far as availability of wagons was concerned. The Committee, had, therefore recommended that Railways should acquire sufficient number of wagons so that they did not lose any traffic due to non-availability of wagons.

6. In their action taken reply, the Ministry of Railways have stated as under :

“The Planning for acquisition of wagons is a need based exercise which takes into account the transport output required to be produced and the efficiency of utilization. The system is visualised to function more or less on a uniform loading with marginal surges. In case the peaking is very distinct in the range of 15% or so, the system cannot take it. If 15% peaking were to be provided for on 1993-94 performances. It would require an extra expenditure of Rs. 340 crores for additional wagons and Rs. 110 crores for correspondingly extra locos. In addition, this will require commensurate facilities for maintenance including staff which means additional investment in workshops and sheds, etc. This will also require substantial investment in line capacity and terminal capacity. This capacity would remain unutilised for 8 to 9 months.

However, the Railways would plan procurement of wagons in such a manner as the additional wagons acquired every year become available during the peak season. In this respect the ‘Own Your Wagon’ Scheme under which more than 4000 wagons have been ordered and another 6000 to 7000 wagons are likely to be ordered, would also augment the fleet of wagons to lift the peak-time traffic.”

7. The Committee are not convinced with the reply of the Government. During peak season an acute shortage of wagons is experienced resulting in loss of freight traffic by the Railways apart from the delay in transportation of freight. As rail transport is about 6 times more fuel efficient than road transport, no traffic should be allowed to be lost due to non-availability of wagons.

No doubt, the wagons acquired under ‘own your wagon’ scheme would augment the fleet of wagons in the country but it is not understood by the Committee as to how the Ministry of Railways could be sure about utilisation of these wagons during peak season,

particularly when the wagons under the scheme are owned by respective organisations/institutions. Keeping in view the above facts, the Committee reiterate their earlier recommendation that Railways should acquire sufficient number of wagons on their own so that they may not lose any freight traffic due to non-availability of wagons.

Maintenance of Steam Locomotives

Recommendation (Para No. 1.65)

8. In Para 1.65 of their Report, the Committee had expressed their concern over the huge amount of Rs. 80.33 crores having been provided for Repairs and Maintenance of Steam Locomotives even though steam traction was proposed to be phased out by 1996-97. According to the Ministry of Railways about 85% of the above amount was provided for staff costs as the steam loco staff, rendered surplus, had not been gainfully redeployed and their wage bill still continued to be charged to that head.

The Committee had, therefore, recommended that an action plan might be chalked out immediately to retrain the staff rendered surplus so that they could be gainfully employed as early as possible. Simultaneously, the retrenched employees from steam loco sheds etc. should also be retrained and gainfully re-employed.

9. In their action taken reply, the Ministry of Railways have stated as under :

Expenditure on the Indian Railways towards maintenance of steam locos is allotted to Demand 5-C. The trend of booking under this head during last few years is as follows :

	(Rs. Crores)			
	1992-93	1993-94	1994-95	1995-96
Demand 5-C	157.2	118.2	86.32	80.31

As on date, there are only 311 steam locos on line. It may, therefore, prima facie, appear that an expenditure of Rs. 80.31 crore for maintaining a mere 300 locos is, rather unrealistic. It is, however, submitted that demand 5-C though notionally denotes only steam loco repairs and maintenance, encompasses many other activities. It covers, inter-alia, the following :

- (a) Cost of steam loco spares.
- (b) Wages of steam maintenance staff.

- (c) Wages of staff rendered surplus from steam sheds but awaiting redeployment.
- (d) Maintenance of Break-down cranes (Wages and materials) which are situated in a large number of stations for attending to accidents and emergencies.
- (e) Maintenance of running rooms (Wages & materials) meant for boarding & lodging of loco and traffic crew at out stations.
- (f) Wages of Box Boys, Call Boys and such other staff meant for calling crews for duty, conveyance of their kit etc.
- (g) Wages of staff posted in diesel fuelling installations.

It may be seen that except for (a) & (b) above, rest of the items have no relevance to steam loco maintenance. They are borne under demand 5-C due to historic reasons. This was because the fuelling staff, Call Boys, Box Posters, Crane drivers etc. were traditionally placed under the control of erstwhile Steam Loco Foremen. Items (d) to (g) above are universal in nature and have no particular relevance to steam traction. These staff exist in fully electrified territories also.

Review of Budget Estimate

In the light of Standing Committee's observations, Zonal Railways had been asked to once again conduct review of their projections under Demand 5-C.

They have scaled down their requirement to a substantial extent by 32% from Rs. 80.31 crores to Rs. 54.75 crores as per details shown below :—

Railways	Demand No. 5-C	
	Budget Estimate	(Rs. in Lakhs) Revised Estimates
Eastern	1651	1542
Northern	1135	459
North Eastern	1545	1491
N.E. Railway	1044	680
Southern	239	185
South Central	274	143
South Eastern	455	207
Western	1688	768

Steam Surplus Staff

As and when steam sheds are closed, the staff who are rendered surplus are asked to opt for jobs in other departments subject to availability of posts. These staff are retrained in the new discipline, before posting. But often they have to wait for absorption for reasons such as want of vacancies/posts, issue of seniority caused by such lateral induction of steam staff and other connected litigations. Redeployment of steam surplus staff is, therefore, a protracted affair and sometimes takes many months together at a stretch. It is, therefore, submitted that demand 5-C continues to be burdened with expenditure towards a large number of steam surplus staff who are in the process of redeployment.

Action Plan for Deployment

Railways have reviewed the steam surplus staff on their system with a view to quickly redeploying them in productive assignments. The plan for deployment during 1995-96 is as follows :—

Railway	Steam Staff Surplus as on 1.04.1995	Projected Redeployment during financial year 1995-96
Central	126	126
Eastern	1203	973
Northern	1962	600
North Eastern	1748	400
N.F. Railway	1181	200
Southern	239	239
South Central	466	466
South Eastern	396	175
Western	59	59
Total	7330	3238

It may thus be seen that surplus staff is expected to be wiped out more or less in four out of nine zonal railways and on the whole as much as 44% of these men would possibly be redeployed before end of the year.

Phasing out of Steam Traction

Not many of the present holding of 311 steam locos are likely to be rendered surplus during this year. There will be, thus, no fresh arising, in steam surplus staff, whose numbers will start declining fast.

10. The Committee appreciate that in the light of their observations the requirement under Demand 5-C has been scaled down by 32% from Rs. 80.31 crores of Rs. 54.75 crores.

They however, feel that the activities mentioned at (d), (e), (f) & (g) of Demand No. 5-C have no relevance to steam loco maintenance. The Committee desire that the sub-heads under the Demand No. 5-C should be revised so as to exclude the projections made for the activities at item No. (d), (e), (f), (g) and place them under the appropriate Demands/Heads.

Maintenance of Wagons and Carriages

Recommendation (Para No. 1.66)

11. The Committee in Para No. 1.66 had stated that they were not satisfied with the measures taken by the Ministry to improve the maintenance of wagons and carriages including Passenger Coaches and desired that these measures be further intensified.

12. In their action taken reply, the Ministry of Railways have stated as under :—

“Railways attach utmost importance to proper upkeep and maintenance of the existing fleet of rolling stock and efforts are being intensified further. Wherever necessary, replacement are made on age-cum-condition basis. Maintenance practices are reviewed periodically to take into account the recent developments in material technology in India. Some of the steps taken to improve the maintenance of wagons and coaching stock are :—

- Mid-life rehabilitation of coaches at Bhopal and of wagons at Jamalpur and Dohad workshop to uplift the condition of the rolling stock.
- Augmentation of periodic overhaul (POH) capacity of coaches by conversion of MG workshops at Gorakhpur, Jodhpur, Ajmer, Hubli and Dibrugarh to enable timely maintenance attention to coaches.
- Upgradation and augmentation of infrastructure for Routine Overhaul (ROH) of Wagons.

- Accelerated phasing out of overaged rolling stock, standardisation of maintenance facilities for coaches.
- Standardisation of rakes (train composition)
- Segregation and standardisation of passenger operation into distinct spheres to cater to specific traffic demands.
- Introduction of Diesel Multiple Units and Road buses for suburban services.
- Replacement of 24V train lighting system in BG coaches by 110 V system with V-belt driven transom mounted alternators.
- Use of sealed maintenance free battery to replace the existing battery which requires intensive and regular maintenance.
- Introduction of high capacity power car with greater reliability and low maintenance.
- Replacement of the incandescent lamps in electrical multiple units in Bombay Area with fluorescent tube light fittings for better illumination and reduced energy consumption.”

Railways are also seized of the problem of meeting the emerging challenges of the 21st Century for handling increased levels of traffic with the ushering in of economic liberalization policies. With the objective of providing enhanced customer satisfaction through reliability and quality of service particularly in passenger services. Railways have decided to induct modern light weight coaches with Transfer of Technology now available in the international market. These coaches have the distinct advantages of improved riding comfort, higher reliability and easy maintainability with aerodynamic energy efficient profiles.

13. Although several measures have been taken by the Ministry of Railways for maintenance of wagons and coaching stock yet the Committee feel that there is still scope for further improvement in maintenance of wagons and coaches with effective monitoring and strict adherence to maintenance schedule. It need hardly be mentioned that recently due to poor maintenance of coaches, a girl student fell down from the vestibule of a running train near Jhansi and lost her life. As proper maintenance of coaching stock is imperative for safety of travelling public, no laxity can be allowed to be shown to this aspect. The Committee feel that the concerned maintenance staff of the Railway should be made fully accountable for any lapse detected in the maintenance of wagon and coaching stock.

The Committee are not at all in favour of import of light weight coaches by the Railways. As already recommended in para 19 of their 18th Report on "Production units of Indian Railways", the Railways should take urgent measures to improve upon the indigenously available technology in RCF and ICF so that these units are able to produce coaches comparable to international standards.

Plan Outlay

Recommendation (Para No. 2.85)

14. The Eighth Plan outlay for the Railways was fixed at Rs. 27,202 crores which as per the original provision consisted of internal resources of Rs. 18,827 crores (69.2% of the Plan size), budgetary support of Rs. 5375 crores (19.8% of the Plan size), and extra budgetary support of Rs. 3000 crores (11% of the Plan size). Thus various developmental activities of the Railways were funded by internal resources, budgetary support from the General Revenue and market borrowing. So far as financing pattern of the Railways' Annual Plans during the first three years of the Eighth Plan was concerned, the Committee observed that the Railways had slowed down the efforts to generate resources internally which had resulted in effecting cuts in total Plan size from time to time. Especially during 1993-94 and 1994-95 the Railways could not achieve the targets fixed for mobilising resources internally. As a result, the Plan-size was reduced by Rs. 300 crores in 1993-94 and by Rs. 260 crores in 1994-95 which adversely affected the overall resource availability to finance the various on-going investment projects.

15. In their action taken reply, the Ministry of Railways have stated as under :—

"The finances for Plan are targets based on internal generation of resources and therefore, Plan outlay needs to be regulated to be in tune with the earnings and also the network development needs. The plan finance during the Eighth Plan is as follows :—

	Budget Estimates			Actual (RE for 1994-95)		
	Internal generation	Bonds	Budgetary Support	Internal generation	Bonds	Budgetary support
1992-93	2575	1200	1925	2548	1026	2589
1993-94	4640	900	960	4030	856	974
1994-95	4315	1050	1150	4055	1050	1150

Internal generation depends on the gross revenue receipts : there has been shortfall over the target. Efforts are continuously made to achieve the targets by adopting various marketing strategies.”

16. The Committee find that there has been substantial shortfall in the targets fixed for internal revenue generation by Railways during the last 2 years which have adversely affected their Plan-size. They would, therefore, like to be apprised of the measures taken by Railways to achieve the targets and how far they have been successful. The Committee have no doubt that by effecting suitable economy measures, the net revenue receipts can be further improved.

Market Borrowing

Recommendation (Para No. 2.87)

17. The Committee had in para 2.87 of the Report expressed their concern on the increasing dependence on market borrowing for funding the network development projects as these had a long gestation period and funding such projects increasingly by market borrowing would mean incurring more cost in terms of repayment charges. The Committee were of the view that for the infrastructure sector like Railways which had to carry social burden, market borrowing was an expensive proposition. Apart from higher budgetary support from the General Revenues and market borrowing having its own limitation due to the cost element involved, it was incumbent upon the Railways to intensify their efforts to generate more internal resources to meet the investment requirements.

18. In their action taken reply, the Ministry of Railways have stated as under :—

“The financing pattern of Railways Annual Plan during the last 5 years is given in the Annexure.

While the budgetary support from General Exchequer is declining, internal resources and extra-budgetary resources have been going up. Though Railways have been exercising effective control on expenditure, there are factors like DA increase and general inflation which contributes escalation in working expenses. These factors are beyond the control of Railways. Internal resources contribute to about 55% of the total Plan outlay. Committee may please appreciate that there is a limit to the capacity of the system to generate internal resources.

To meet the pending demands for network development of Railways, higher budgetary support from General Exchanger is desirable.

Recommendations of Parliamentary Committees for enhancing the budgetary support to Railways are under examination of the Government. Till the budgetary support is enhanced, there is no alternative except to go to bond market to generate extra-budgetary resources.

During 1995-96, it is proposed to raise Rs. 2250 crores through IRFC. However, Railways are also taking measures to raise private investments to finance certain projects and procurement of wagons. To the extent private investment materialises, amount of IRFC bonds would be reduced."

ANNEXURE

PLAN OUTLAY

(Rs. in Crore)

	1991-92		1992-93		1993-94		1994-95 (RE)		1995-96 (BE)	
		% age to plan		% age to plan		% age to plan		% age to plan		% age to plan
Total Plan outlay	5293.27		6162.26		5860.77		6255.00		7500.00	
Budgetary support	1756.16	32.56	2589.11	42.02	974.47	16.63	1150.00	18.39	1150.00	15.33
Internal generation	2133.80	39.56	2547.56	41.34	4029.96	68.76	4055.00	64.83	4100.00	54.67
Bonds	1503.31	27.87	1025.58	16.64	856.34	14.61	1050.00	16.79	2250.00	30.00

19. From the reply furnished by the Ministry of Railways, the Committee find that internal generation of resources has continuously been coming down from 68.76 per cent in 1993-94 to 64.83 per cent in 1994-95 and is expected to be to 54.67 per cent of the Plan outlay in 1995-96. Generation of resources through market borrowing needs to be done with great caution after working out the financial implication of each project for which the resources are being generated and the financial return expected to accrue therefrom. The Committee need hardly emphasise that inadequate returns which are not enough to cover the repayment charges may lead to debt trap. Therefore, it is imperative that the Railways should intensify their efforts to generate more internal resources to meet their investment requirement.

Reduction of Annual Plan Size

Recommendation (Para No. 2.88)

20. Commenting on the reduction of Annual Plan Size, the Committee had in para 2.88 of their Report observed :—

"The Committee find that the size of Annual Plan 1994-95 was reduced from Rs. 6515 crores to Rs. 6255 crores effecting a cut of Rs. 260 crores mainly because the Railways failed to generate adequate resources internally but at the same time less procurement of wagons (procurement reduced from 18000 to 12000 wagons) resulted in a saving of Rs. 280 crores as informed by the Ministry of Railways in a written note submitted to the Committee. The Committee, therefore fail to understand as to how the saving of Rs. 280 crores could not be utilized to offset the resource gap of Rs. 260 crores for financing the Plan. The Committee would like to be apprised of how the saving of Rs. 280 crores was utilized and what had been its impact on the overall plan size.

21. In their action taken reply the Ministry of Railways have stated as under:

"On the basis of need-based requirement and improved asset utilization, there was a reduction in the procurement of wagons (in terms of 4-wheelers) from 18000 (originally envisaged for 1994-95) to 12000, resulting in a saving of Rs. 280 crores. More allotment was made to some Plan Heads such as Restoration, Gauge Conversion, Doubling, Traffic Facilities, Track Renewals, Electrification Projects, Amenities for Staff, Passenger Amenities, investment in PSUs and MTPs. Some reduction was also made in other Plan Heads such as New Line, Computerization, Railway Research, Signaling and Telecommunication, Machinery & Plant, Workshops, Staff Quarters, Other Specified Works and Inventories. Thus the Plan size was revised from Rs. 6515 crores to Rs. 6255."

22. The Committee are not satisfied with the reply of the Ministry of Railway. They are of the firm opinion that the revision in the Plan-Heads is being done on adhoc basis. The Committee would like to be apprised of the guidelines laid down for upward or downward revision of allocation of funds under various Plan Heads and whether these guidelines were strictly followed in the instant case.

Allocation for various Plan Heads of Investment

Recommendation (Para No. 2.92)

23. The Committee had in para 2.92 of the Report observed:

"The Committee note that much exercise is not done at the level of Planning Commission in deciding the allocations for different Plan-

heads of investment. The Ministry of Railways have informed that while making Plan-head-wise allocations of outlay for the year 1995-96 excepting a few cases of rolling stock, railway electrification and MTP, the flexibility was left to the Railways. This is indicative of the fact that the Planning Commission gives a superficial treatment to the Railways projects while examining them and as an expert body their role is very limited in the finalization of Railways Plans. In the opinion of the Committee, the Railways have a macro-impact on the national economy and any unsound decision taken by the Railways in haste, without a proper study, is bound to affect not only the financial health of the Railway sector but also the other vital sectors of the economy, for backward and forward linkages between Railways and other sectors are inherent in a system like ours. The Committee strongly feel that head-wise allocation of Plan outlay should be decided in consultation with the Planning Commission so that the Commission can render suitable advice to the Railways."

24. The Ministry have in their action taken reply simply noted the above recommendation.

25. The Committee are not satisfied with the terse reply given by the Ministry. They had specifically recommended that head-wise allocation of Plan outlay should be decided in consultation with the Planning Commission so that the Commission could render suitable advice to the Railways. The Ministry in their reply have simply stated 'Noted'. They would like to be apprised of the specific action taken by Railways in this regard. The Committee also desire that in future the Ministry should spell out the details of the action taken by them in respect of each recommendation instead of simply noting the recommendation.

Study on Gauge Conversion

Recommendation (Para No. 2.97)

26. The Committee had in para No. 2.97 observed that the sudden shift in the policy towards Gauge Conversion has resulted in channelisation of comparatively more funds towards this single head of investment at the cost of various other important network development programmes and desired that a study be undertaken to find out the impact of Gauge Conversion on freight as well as passenger traffic.

27. The Ministry of Railways have stated in their reply:

"The position regarding this recommendation has already been explained by the Minister for Railways while giving his reply to the

Budget Discussions in both Houses of Parliament. Relevant extract of his speech is given below:

"I am glad to find that the Standing Committee have favoured achieving the objective of having an unigauge system for the Country as a whole but have preferred this opinion with a proviso that this objective should be achieved without creating infrastructure imbalances as at present. The Committee have also mentioned about the sudden shift in the policy of Gauge conversion during the 8th Plan period. I would like once again to take into confidence the Members of this House regarding the context under which the Railways made unigauge project as an important thrust area beginning from 1992-93 onwards.

When the meter gauge lines were planned in this Country commencing from second half of 19th century they had a certain relevance and objectives to be achieved. But over a period of time their relevance got diluted. Though on 1.4.92 the meter gauge constituted 38% of the total kilometerage of the Indian Railways system, it carried only 9% of freight traffic and 16% of passenger traffic. The system was a liability for the Indian Railways as the operating ratio for the meter gauge system was 171 as against 81 for the broad gauge. This meant that loss on meter gauge system had to be subsidised by profit on broad gauge and thereby making the user pay more. This also made rail haulage comparatively uncompetitive *vis-a-vis* the road sector. Lack of investments in the meter gauge system had made it further sick, which can be gauged from the fact that 5000 kilometers of track and 30% of coaches and 20% of wagon on the MG system had become over-due replacement. While the meter gauge was a liability for the Railways, the areas served by it remained backward and no major industry or investor was ready or willing to invest in such areas because of higher cost of haulage delays and damages in transshipment which made such investment unviable.

The declining budgetary support during the 7th and 8th Plan meant that very little money was available for system expansion and had we continued with the same policy, the lack of transport capacity of Indian Railways would have definitely come in way of increased industrial activity in the country which is taking place as a result of the process of economic liberalization policies of our Government. While on one hand, system expansion would have suffered on the other hand the available resources would have gone into sustaining the sick meter gauge system. Thus a very innovative way of coming out of this bad situation was found basically by diverting funds meant for meter gauge system for doing conversion of certain MG routes

which would add to the capacity of the system. Thus the twin objective of increasing the capacity of the system and improving its efficiency at the same time is being achieved by the project unigauge. Some of the new North South and East West routes besides those the NE Region which have become available or would become available. For example: Kandla-Bhatinda, Delhi-Ahmedabad, Bombay Miraj-Hubli, Madras-Tuticorin, Secunderabad-Purna-Khandwa-Ajmer, Guntakal-Guntur, Hospet-Vasco Da Gama, Muzaffarpur-Raxaul etc.

The need for providing adequate funds for this project during the last 3 years would be appreciated by the Hon. Members on the logic that there is an over-riding need to complete the Gauge conversion of a route once it is broken up so that the inconvenience to our users is minimized and the Railways start getting the benefit of sections on its investment at the earliest. The response which this programme has generated among our users and the Nation as a whole has been overwhelming and far out weigh the marginal inconveniences it may have caused in the process of being achieved. The whole hearted support the programme has received from all concerned as well as from the Hon. Members of this House is an indicator of its usefulness and I am sure the Members of this House will join me in conveying our appreciation for the excellent work done by the Railway Administration and all concerned in this regard and in achieving a Gauge Conversion of nearly 4800 kilometers during the last 3 years."

28. The Committee had desired the Ministry of Railways to undertake a study so as to find out the impact of Gauge Conversion on freight and passenger traffic. The reply of the Ministry is silent about any such study having been made. The Committee, therefore, reiterate their earlier recommendation for undertaking the desired study and the results thereof intimated to them with in six months of the presentation of the Report.

Reappropriation of Funds

Recommendation (Para No. 2.110)

29. Recommending to issue suitable guidelines for reappropriation of funds, the Committee in para 2.110 had observed:

"A distinct feature of the Railways financing of their projects costing Rs. 5 crores and above has been that reappropriation of funds in a large scale has been made at the level of Railway Board and Zonal Railways especially in respect of the on-going projects under the Plan-heads-new lines, Gauge Conversion, Doubling, electrification and MTPs. In the opinion of the Committee, reappropriation should

be resorted to in a restricted way, far too much flexibility for reappropriation causes diversion of funds from one project to another which resultantly disturbs the whole scheme of prioritization of projects. The Committee desire that suitable guidelines should be framed for reappropriation of funds at different levels. They would also like to be apprised of the action taken by the Ministry of Railways in this regard."

30. The Ministry of Railways, in their action taken reply have stated as under:

"The guidelines for regulating reappropriation of funds already exist. According to these guidelines, no reappropriation is permissible between Voted and Charged allotments. Reappropriation between Capital (Budgetary Support), Railway Funds and Revenue is also not allowed. Reappropriation to and from certain plan-heads like new lines (Construction), Gauge Conversion, electrification Projects, Track Renewals, Staff quarters, Amenities for Staff and Passenger and Other Railway Users' Amenities require the prior approval of Railway Board. Diversion of funds from major projects involving an outlay of over Rs. one crore is also restricted. Only upto 10% of such diversion is within the zonal Railways' powers. Powers for diversion of more than 10% of funds in the case of major projects rest with Railway Board. Reappropriation of funds within the on-going projects is done keeping in view the progress priority of the works.

31. The Committee had desired the Ministry of Railways to frame suitable guidelines for reappropriation of funds at different levels of investment. Instead of taking action in this regard, the Ministry have furnished to them a vague reply in which powers of zonal Railway/ Railway Board for reappropriation to and from certain plan heads have been given. However, the guidelines followed in reappropriation of funds by Zonal Railways or Railway Board have not been given. The Committee would like to have an upto date copy of the guidelines followed by the Railway Board in reappropriation of funds to and from Plan Heads such as new lines, gauge conversion. Electrification Projects, Track renewals, Staff quarters, Amenities for Staff and Passengers and Other Railway users' etc.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Para No. 1.58)

The Committee are informed that the freight traffic targets are fixed as per the recommendation of Planning Commission. The user Ministries indicate to Railways the level of freight they would be offering which they consolidate and submit their plan to Planning Commission. The Planning Commission thereafter have a meeting with Railways where these plan are finalised. The Committee suggest that to have a more realistic freight traffic projection the Railways before finalising the plan should have a tripartite meeting with Planning Commission and the user Ministries. The Railways should also make their own assessments on the requirement of various users Ministries and discuss the same in the tripartite meeting.

Reply of the Government

The present planning process involves an interaction with the user Ministries and the Planning Commission. The Railways being a carrier cannot assess the demand of other sectors. It is a role which is not enjoined on them. However, as desired by the Committee, tripartite meetings will be held with the user Ministries and the Planning Commission to achieve as much realism as possible. The Planning Commission is being approached accordingly.

[M/o Rly. D.O. No. 94/SCR/x/18 (DFG) dt. 25.7.95]

Further Reply of the Government

A preliminary meeting to assess the freight traffic requirement upto the end of IX Plan i.e. 2001-2002 was convened by this Ministry on 20.10.1995 which was attended by the representatives of the various core sector Ministries/Departments as also the Planning Commission. On the basis of this interaction, a tentative traffic projections for the major commodities have been made, which will form the basis for the detailed IX Plan exercise which is to commence shortly.

[M/o Rlys D.O. No. 94/SCR/X/18 (DFG) dt. 8.2.96]

Recommendation (Para No. 1.60)

The Committee also observe that the Railways have embarked upon a plan to introduce domestic containers services in a big way with a view to provide multi model service to their customers. The Committee hope that the Railways would make further advancement in the scheme and are able to retrieve the traffic they have lost to road transport. They also desire the Ministry of Railways to achieve the ratio as recommended by National Transport Policy Committee 1980.

Reply of the Government

The Committee's concern for diversion of traffic from rail to road is noted. It would be the endeavour of Railways to fulfill the Committee's expectations with regard to winning back traffic lost to road transport through the multi-model service provided by the Container Corporation of India in the domestic sector.

Railways would work towards the objective of improving their share of transport in the total freight transportation in relation to traffic carried by road.

[M/o. Rly. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 1.62)

The Committee find that there is a proposal to supply Bed Rolls to all the passengers travelling in AC Two Tier coaches without collecting Bed Roll charges on the train from date to be notified later, making suitable adjustment in the fares. The Committee desire the Ministry of Railways to ensure that bed rolls are provided for all the passengers travelling in AC Two Tier Coaches before the date is notified and suitable adjustments in the fares are made. Necessary instructions may also be issued to ensure that the AC in all the coaches is functioning properly before the departure of train.

Reply of the Government

Instructions have already been issued to supply bed rolls to all passengers travelling in AC 2 Tier coaches without the levy of any extra charge. Committee's recommendation in this regard has been noted for implementation.

[M/o. Rly. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 1.63)

The Committee are distressed to note that substantial revenue is being lost due to ticketless travel and fake tickets. Touting is also on the increase as the passengers are not getting reservation in some trains even when booking is being done a month before the date of travel. Though, during the evidencce, the Ministry enumerated some measures to check this yet the Committee feel that more stringent steps need to be taken to meet this menace which is too widespread. Any complicity of Railway Staff detected should be dealt with severely.

Reply of the Government

The Ministry of Railways is fully alive to the problem of ticketless travel/fake tickets and is taking vigorous measures against this evil. Ticket checking activities have been intensified and are being carried out on sustained basis. Special and surprise checks are regularly conducted on Zonal Railways by mobilising large number of ticket checking staff and officers in association with Special Railway Magistrates, Government Railway Police and Railway Protection Force. Performance of ticket checking organisation has shown considerable improvement during the last two years. The number of persons detected travelling without ticket or with improper ticket increased from 48.5 lakhs in 1993-94 to 58.2 lakhs in 1994-95 representing an increase of 20.2%. The amount of penalty and railway dues realised from such persons increased from Rs. 42.2 crores in 1993-94 to Rs. 53.4 crores in 1994-95 i.e. 26.5%. Such drives are being conducted during 1995-96 also. During the last three years, a number of fake ticket cases were also detected. 59 Outsiders and 13 railway employees were arrested. Cases are being investigated by CBI/Police. In most of the cases of sale of fake tickets and tout activities, there is involvement of outsiders. Since action against them is beyond the purview of Railways, assistance of police and CBI is often sought. Instructions have been issued to the Railways to hold regular meetings with senior officials of Police and CBI to develop strategies for preventive action and follow up of the cases registered.

With a view to detecting the cases of use of fake tickets, an Action Plan has been drawn up and Railways have been advised to organise a minimum of 10 checks every month at Zonal Railway's level by Anti-Fraud Squad of Commercial Department. Instructions have again been issued to all Railways to ensure that the drive against ticketless travel and fake tickets is intensified so that loss of revenue is plugged and stringent action is taken against persons found guilty including Railway staff if found indulging in malpractices.

Some other steps taken to check the menace of ticketless travel/fake tickets are :

- (i) Action Plan for conducting vigorous drives against ticketless travelling and unbooked luggage is circulated quarterly to all railways which consists of various types of checks like Cross Country checks, Replacement checks, Fortress checks, Ambush checks, Inter-divisional checks and 96 hrs. drive.
- (ii) Opening of additional Booking windows.
- (iii) Extension of working hours of Booking windows.
- (iv) Provision of Self Printing Ticket Machines at important stations.
- (v) Revision of ticket checking points.
- (vi) Incentive Schemes for TTEs.

In order to put a check on the activities of the touts, instructions have been issued to the Railways for taking following steps :

- (a) Surprise checks should be conducted by the Commercial and Vigilance Departments at more frequent intervals at reservation offices.
- (b) Strict watch should be kept on the working and activities of reservation staff and any staff found indulging in malpractices or conniving with anti-social elements should be severely taken up under the extant rules.
- (c) Result-oriented raids/surprise checks on an extensive and massive scale should be organised against unauthorised agent.
- (d) Working of authorised agents should be closely monitored.
- (e) Random scrutiny of reservation requisition slips should be undertaken by verifying particulars of passengers.
- (f) Concerted efforts should be made to find out the cases of transferred tickets by the ticket checking staff.
- (g) Wide publicity should be given for reservation of berths/seats for creating awareness among the travelling public through posters, display of boards and other means.
- (h) Availability of reservation should be published in the newspapers on daily basis in the national and local newspapers for the information of public.

- (i) Monitoring of road side/intermediate stations quota so that unutilised accommodation could be utilised by general passengers on waiting list.

[M/o. Rly D.O. No. 94/SCR/X/18 (DFG) dt. 22.11.95]

Recommendation (Para No. 1.64)

The Committee find that the Ministry have made increased provision for publicity in thier budget outlay for 1995-96. While during 1993-94 'Nil' amount was spent on publicity, in 1994-95 (RE) an amount of over Rs. 1.65 crores has been provided. In 1995-96, it has been increased more than two fold and Rs. 3.45 crores have been allotted. The Committee feel that in view of resource crunch, the Railways should see that the amount spent judiciously.

Reply of the Government

In the Budget provision for publicity, an amount of Rs. 78.75 lakhs was provided during the year 1993-94. In 1994-95 the provision was increased to Rs. 1.64 crores considering the need to undertake a Multi-Media Campaign to create awareness among the public on cooperation of the travelling public to ensure a comfortable and safe rail travel as well as disseminating information on major rail user oriented initiatives taken by the Railways.

Indian Railways are the singular organisation with the largest public interface in India. Many facets of this interface call for cooperation in terms of good citizenship and empathy from public. Publicity through different media, with a view to create this awareness is one of the effective means to achieve this objective. For an organisation like Railways, it is necessary to create the awareness towards items like "Safety at manned and unmanned Railway Level Crossings", "Hazards of carrying inflammable articles on trains", "Dangers of travelling on roof tops and foot-boards of trains" etc. Public cooperation in keeping stations and trains clean and appeal against agitation like Rail Roko etc., are also areas requiring the assistance of publicity.

Apart from these, the need for publicity has also grown for disseminating the detailed information on the new initiatives related to rail travellers like Liberalization of refund rules, Computerisation, Self-printing ticket machine, Not Received Cell, Faxing of Invoices etc. for their better utilisation by the public.

Proper appreciation and the attitude towards a service organisation with large public interface depend on the public image of the organisation.

With the growing dependence of the people of media based information, there is also the growing need to keep the people informed about efforts taken by the Railway to provide a service that is keeping pace with the changing items.

Keeping in view the increasing role of publicity for a service organisation like Railways in the Budget provision for the year 1995-96, an amount of Rs. 3.54 crores has been provided for publicity out of which Rs. 3 crores only is meant for general publicity and Rs. 0.54 crores meant for salary and establishment etc. The publicity undertaken in 1994-95 is proposed to be continued at a larger scale through various media like Newspapers, Televisions, Cinema Slides, Radio, Brochures, Posters etc. on all India basis.

The Ministry of Railways will, however, make every effort to see that the fund provided for 1995-96 for publicity is spent judiciously as observed by the Standing Committee in Para 1.64 of the 14th Report.

[M/o. Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 1.67)

The Committee are unhappy to note that there are a large number of vacancies in the medical cadre affecting the medical service provided to staff of the Ministry of Railways. As the general health of the staff and their family members is an important part of staff welfare measure, the Committee recommend that immediate action should be taken to fill up the vacancies in the medical cadre.

Reply of the Government

The Railway Medical service which is an off-line service consist of 2551 doctors including 28 posts of Dental Surgeons. Out of the above, a shortage of 291 doctors was reported by different zonal railways. Against the above shortage, as an act of abundant caution Railways took action to process recruitment of 700 candidates and out of them 528 candidates who were medically fit were issued appointment letters. However, due to low turn-up of doctors who failed to join even after receipt of appointment offers, some of the vacancies could not be filled up. Another indent was, therefore, placed on the UPSC for 400 more candidates and the list will be received shortly in this Ministry and appointment letters would be issued without delay.

To man the posts which could not be filled up through regular appointments, this Ministry also resort to re-employment of retired doctors as well as engagement of doctors on contract basis, as interim measures.

It may kindly be noted that all possible efforts are being made to fill up all the vacancies in the cadre of Railway doctors. However, over 90% of the cadre posts are already manned and the level of vacancies is considered normal.

[M/o. Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 1.69)

The Committee feel that there is sufficient scope for improvement in catering services provided to passengers. They find that some of the Railways have shown losses or less profit while some Railways have shown good performance. The Committee desire the Ministry to look into this aspect and take appropriate steps in this regard. The Committee are of the view that there is ample scope for revenue generation in this field also. There have been complaints from the passengers about the quality of catering service. Necessary steps to improve the quality and the service should be taken.

Reply of the Government

Steps taken by the Railways to improve the standard of catering services include close monitoring of the performance of all Departmental Catering Units, regular and frequent checks to ensure quality, crash training programmes for catering staff and recruitment of trained cooks in departmental units. While catering facilities are essentially public amenity services, it has nevertheless been possible, as a result of these measures, to improve the profitability of Departmental Catering Units during 1994-95.

Complaints are closely investigated and remedial action taken to overcome shortcomings.

Zonal Railways have been advised to strictly comply with the observations of the Committee and to take effective steps to bring about further improvement in the standard of services being provided by catering units.

[M/o. Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.83)

Railways occupy a predominant place in the country's public transport system. In our diversified economy, the Railways are considered to be a vehicle of growth contributing to accelerated industrial and infrastructural development.

Reply of the Government

Noted.

[M/o. Rly. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.84)

The Committee note that over the last four decades though the railway network in the country has expanded considerably, yet this sector could not keep pace with the requirements of the economy due to inadequate investment, as the outlay on railway sector as a percentage of total plan outlay has relatively declined in the recent years. This has adversely affected the railways network development programmes. As the rail transport capacity has to be created well ahead of the demand, efforts to augment it cannot be slowed down. The closing years of the 20th Century are indeed crucial for the Railways to generate adequate capacity with a view to gearing them up to meet the challenges of 21st Century which is likely to witness an increased level of freight and passenger traffic under the changed economic scenario.

Reply of the Government

Railways agree with the observation for which implementation has to be done by the Planning Commission.

[M/o. Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.90)

The Committee observe that the scrap disposal is an important area having a lot of potential to generate funds for financing the projects suffering from fund constraints. The scrap is scattered over different parts of the Railway system. Only in the year 1993-94, funds of the order of Rs. 850 crores were generated through scrap disposal.

Reply of the Government

With the reduction of Government's support to the Railways plan head expenditures and other financial constraints faced by the Railways, Scrap Disposal has been identified as one of the high priority areas in the recent years for generating internal resources for supplementing the Railways finances.

- Generation and disposal of scrap on the Railways and Production Units is a continuous process. Various scrap materials like melting scrap, released track material including rails and condemned rolling stock,

released materials from redundant sidings etc., generated from all possible sources all over the Railways are collected at convenient as well as financially viable locations and are disposed of through auctions/tender sales. This activity is closely monitored to ensure that the scrap is not allowed to accumulate at any time and the disposal is also prompt.

As a result of continuous concerted efforts made by all Zonal Railways and Production Units, Indian Railways has recorded its highest ever sale of scrap of Rs. 1017 crores in 1994-95 as compared to Rs. 850 crores in 1993-94. The sales were up by 20 percent over last year's sales. Sale of scrap which crossed Rs. 1000 crores mark during 1994-95 from Rs. 410 crores in 1990-91.

4. The sale of scrap during the last five years *vis-a-vis* targets fixed by Board has been as under :

(Rs. in crores)		
Year	Target	Actual Sales
1990-91	380	410
1991-92	468	540
1992-93	671	679
1993-94	750	850
1994-95	965	1017

Efforts are continued to generate maximum possible funds from scrap disposal in coming years also.

[M/o Rlys D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.93)

The Committee regret to note that during 1994-95, estimates in respect of many plan-heads were revised downward. Important among them had been—Computerisation, railway research, rolling stock, signalling and telecommunication works, machinery and plant and workshops including production units. The reasons given by the Ministry of Railways for reduction in the provision for each of these plan-heads indicate that while formulating the budget estimates, the Ministry did not take all the possible factors into consideration. The Committee, therefore, suggest that the pre-budget exercise in the Ministry of Railways should be scientifically carried out so that estimates could be formulated on realistic basis.

Reply of the Government

As already explained, the requirement of wagons (in terms of 4-wheelers) was reduced from 18000, originally envisaged, to 12000 in 1994-95 on the basis of a detailed review and need-based requirement, resulting in the saving of Rs. 280 cr. After making marginal adjustments, the plan size during 1994-95 was reduced from Rs. 6515 cr. to Rs. 6255 cr.

Although utmost care is taken in the pre-budget exercises so that the estimates are precise and scientific, the Committee's observations are, however, noted for guidance.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.96)

The Committee are not satisfied with the progress of work on many new line projects. They are particularly concerned to learn that Godhra-Indore new line project has been frozen after making substantial investment of Rs. 14.45 crs. It was stated by the Ministry of Railways that this project was included in the Budget for 1989-90 with a tentative rate of return of 10.77% but the final location survey report received in 1993-94 has revealed that the rate of return from this line has become negative. It is quite clear from the reasons given by the Ministry for freezing the work on this line that during the intervening period from 1989 to 1994 the investment running into crores of rupees was made without a proper study. It is most unlikely that this line could be defrozen in the near future for the obvious reasons. The Committee are constrained to observe that due to lack of proper project planning, scarce capital resources have been blocked.

Reply of the Government

As desired by the Committee, the frozen new line projects have been reviewed and in addition to Eklakhi-Balurghat and Kapadvanj-Modasa which were defrozen last year, the work on Godhra-Indore-Dewas-Maksi and Howrah-Amta projects has been defrozen. This has already been announced on the Floor of the House by the MR during his reply to the Budget discussions.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.99)

The Committee feel that doubling of Railway lines is extremely

essential to augment Railways transport capacity. But not much headway has been made in this direction. The Committee note that though the outlay for 1995-96 under the Plan-head doubling has been increased by Rs. 108.46 crores over and above the revised outlay of Rs. 160.54 crores during 1994-95, the target for doubling work for 1995-96 has been fixed at the same level of 1994-95 i.e. 250 kms. The Committee may be informed the reasons thereof.

Reply of the Government

The Committee has rightly felt that the doubling is essential to augment Railways transport capacity. Keeping in view the recommendations of the Committee in this regard, the budget outlay for 1995-96 for doubling works has been kept substantially higher at Rs. 269 crs. against Rs. 160.54 crs. in 1994-95.

The Committee has desired to know as to why inspite of the increased outlay the target has been fixed at the same level of 250 kms. In this connection, it is submitted that doubling works normally take 3-4 years for completion. The target for completion depends on the physical status of the works. In most cases, in the first year final location survey, land acquisition and detailed design engineering is completed, in the second year earth-work and bridges are progressed alongwith the collection of ballast and in the 3rd year track work is done. In cases where there are major bridges, the work goes into the 4th year.

The target of 250 kms has been fixed based on the physical status of all the ongoing doubling works. The additional funds provided have enabled taking up of new doubling projects all over the country. Which would be completed over the coming 3-4 years.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.100)

The Committee are unhappy to find that the practice of freezing the ongoing projects has been extended to doubling works also. Two doubling projects have been frozen after investing Rs. 1.02 crores during 1992-93. Besides, one doubling project has been deleted from the Railways work programme after spending Rs. 0.19 crs. during 1993-94. This is not a desirable state of affairs. The Railways should avoid such occurrences in future. The Committee expect that Railways would make consistent efforts to augment their capacity by doubling the existing lines whenever they reach near saturation point.

Reply of the Government

The Committee has correctly pointed that the work on two doubling projects on Western Railway has been temporarily frozen. The expenditure upto the end of 1994-95 on these two works is only Rs. 2.14 lakhs, and not Rs. 1.02 crs. The detailed position in this regard can be seen at page 9.2.01 item nos. 13 and 14 of the Pink Book Pt. II supplied to the Members as a part of Railway Budget Document 1995-96. In this connection, it has to be stated that the Railways have to function in a dynamic situation necessitating a periodical review of ongoing projects as some of the planned traffic may not materialise in a given time frame necessitating reprioritisation. In both these cases, the work had to be temporarily frozen on this account and would be resumed once the traffic develops to a level warranting doubling of these sections. One doubling project *viz* Karpurigram-Siho on NE Railway has been deleted from the Works Programme since a review in consultation with the Planning Commission indicated that more capacity would be created by taking up the alternatives of Gauge Conversion of Hazipur-Bachwara, which would also provide a shorter route to the North Eastern Region.

This Ministry would like to assure the Committee that doubling is being taken up to augment capacity, almost as soon as traffic requirements warrant.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.102)

The Committee note that at present direct financial return is the sole criterion for electrification of railways lines. They feel that other factors like-increase in line capacity, better throughput, environmental friendly traction etc. which cannot precisely be quantified should be appropriately amalgamated with the present quantifiable criteria of rate of return.

Reply of the Government

The observations/recommendations are noted.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.104)

The Committee are happy to note that the physical and financial progress under the Plan head 'track renewal' has been satisfactory in the recent years. The Committee hope that in tune with the Eighth Plan objective of completing the process of renewal of over-aged assets, the

Railways would leave no stone unturned in removing the backlog for renewal of the entire over-aged track.

Reply of the Government

Committee's views are noted.

All out efforts are being made by the Railways to achieve the objective of removing the backlog for renewal of the entire over-aged track (A, B & C routes in 8th Plan and D & E routes in IXth Plan) for which adequate funds would be made available.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.105)

Issues like unrealistic classification of passenger amenities, slackness in proper upkeep and maintenance of the existing facilities, inadequate allocation and under-utilisation of funds, lack of effective coordination between the Railway Board and Zonal Railways for continuous monitoring of passenger amenity programmes, etc. have been engaging the attention of the Committee for quite some time. All these issues have been dealt at length by the Committee in their very first report. The Committee are happy to note that in pursuance of their recommendation, the Ministry of Railways have increased the outlay for passenger amenities by 33.82% during 1995-96 over and above the outlay of Rs. 67.25 crores during 1994-95. It is hoped that there will be no let up on the part of the Railways in the utilisation of funds as well as effective implementation of the passenger amenities schemes.

Reply of the Government

As a result of the tightening up of mechanism at various levels for monitoring the passenger amenity works, there has been no surrender of funds since 1993-94. This effort will continue to ensure that funds are fully utilised. Zonal Railways are also being directed to prepare 'Perspective Plans' and start their implementation from the current year onwards.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-28.7.95]

Recommendation (Para No. 2.112)

The Committee are not very happy with the role played by the Planning Commission in according approval to and monitoring of Railways plan projects. The mechanism available with the Planning

Commission for post-approval monitoring of the railway projects is quite week. With the result, many approved projects have not only been deleted/frozen by the Railways in the past but also many on-going projects have been suffering from time/cost over-runs. It underscores the need to further streamline the existing mechanism of coordination between the Ministry of Railways and the Planning Commission. The Committee recommend that the Planning Commission should strengthen its machinery for effective monitoring of the high cost on-going projects of the Railways with a view to ensuring that they do not suffer from fund constraints and are completed on schedule.

Reply of the Government

The issue has been examined by the Planning Commission who have advised that they take up the proposal of any project for examination to ensure whether certain principles of public investment are followed properly. Such examination generally takes on an average six weeks. However delay occur when some more details of the proposals are required, which are to be clarified/supplied by the concerned Ministries and at times discussions/correspondence becomes necessary.

Further, Planning Commission has appreciated the recommendation of the Committee for strengthening their monitoring mechanism and they have assured to give due consideration to this matter. Ministry of Railways would also do likewise.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-28.7.95]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation (Para No. 1.57)

The Committee find that there has been a continuous shortfall in freight earnings by Railways from the anticipated levels during the last three years. The targets for freight traffic have to be consistently scaled down as the expected traffic in freight has not been materialising. For 1994-95 the target for freight traffic has been scaled down in the Revised Estimates from the Budgeted Target of 380 MT to 373 MT due to less traffic offering from the core sector. The Committee are surprised that the Railways have now fixed for 1995-96 the freight target of 398 MT which the Minister himself has termed as ambitious in his budget speech.

Reply of the Government

The performance for the last three years is indicated in the following table :

Revenue Earning Freight Traffic (In Million Tonnes)

Year	Original Target	Revised Target	Actual
1992-93	354	350	350.04
1993-94	370	362	358.73
1994-95	382	373	—

It is true that the freight traffic targets have had to be scaled down. It may, however, be clarified that when the plans are being formulated, the freight targets are decided in consultation with the concerned Ministries and the Planning Commission.

The main reason for the shortfall has been the less offering from the core sectors. In 1994-95 there was a substantial shortfall in the offering till November/December, 1994. It may, however, be indicated that Railways have a capacity for moving 424 mt. corresponding to a transport output of 284.6 BTKM for the year if the traffic offering would have been uniform.

The freight target of 398 MT. for 1995-96 has again been fixed in consultation with the Planning Commission and the user Ministries. The target is related to the buoyancy of the economy. It may be indicated that even at this level, the power sector are asking for greater movement of coal. But the same has not been included in the target of 398 MT because of inability of coal sector to provide it.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-28.7.95]

Recommendation (Para No. 1.61)

The Committee note that there is a proposal to charge the quarterly season tickets at 2.7 times the monthly season ticket fares instead of 2.5 times at present in suburban railways. It is pertinent to note that no increase has been proposed in second class fare for passenger, mail and express trains and in the first class fare of ordinary trains. As most of the commuters in suburban trains are industrial workers or middle class employees, the Committee recommend that there should be no increase in monthly/quarterly season tickets.

The Committee also desire that the present suburban railways system be further improved.

Reply of the Government

The season ticket fares are already very low. The Railways are incurring heavy losses in the suburban services. Expert Committee, including Railway Fare and Freight Committee, 1993 have recommended adjustment in the season ticket tariff to reduce the losses. Quarterly season ticket fares are being fixed at 2.7 times of MST fares as per the recommendation of high powered Railway Fare and Freight Committee.

Railways fully appreciate the Concern of the Committee regarding further improvements in Suburban Railway System. Railway are taking various measures in this direction, details of which are given in MR's Budget Speech.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-28.7.95]

Recommendation (Para No. 1.68)

It has also been brought to the notice of the Committee that there are a number of vacancies in the schools managed by the Railways. The Committee recommend that all these vacancies should be filled up without further loss of time.

As a mark of appreciation of services rendered by the licenced porters, Railway Minister in his Budget speech proposed outdoor medical facilities

to cover the wives and dependent children of licenced porters. It is also proposed to extend free education facilities to their wards in the schools run by the Railways or run by the organisation of Railwaymen and Mahila Samities.

As outdoor medical facilities and railways schools are not available at every station, the Committee desire that licenced porters be paid *ex-gratia* payment at such stations where these facilities are not available.

Reply of the Government

Filling up vacancies of teachers in Railway Schools

Recruitment of teachers for Railway schools is done through the Railway Recruitment Boards. Wherever vacancies are anticipated, necessary indents are placed by the Administration on the RRBs, who arrange for selection of the teachers as per procedure laid down. This is an ongoing process.

Adequate panels have to be maintained to fill regular vacancies of teachers and adequate waiting list for appointing substitute teachers therefrom in emergent situations like long absence of teachers etc. Even where such waitlisted persons are not available the post may be temporarily manned by recruiting substitutes by calling for applications locally.

***Ex-gratia* payments to licenced porters at stations where there are no railway schools for their wards.**

Provision of educational facilities is primarily the responsibility of the State Govts./Union Ministry of Human Resource Development. Railway employees are expected to avail of the educational facilities provided to the general public. As a matter of policy and due to constraint of resources Railways do not open their own schools unless it is inescapable at places where there is large population of Railway employees and the facilities provided by other agencies are not available or grossly inadequate. The Railways have thus provided 629 Railway Educational Institutions comprising of 1 degree college, 43 intermediate colleges/higher secondary schools, 49 high schools, 29 middle schools and 126 primary schools. There are also 381 single/double teacher Austerity type schools where children of various age groups are taught by the one or two teachers available from classes I to V. These ATP schools are as a matter of policy being closed down or being handed over to local bodies. In addition, there are schools run by private organisations/Mahila Samities which are being given grants-in-aid by the railways. However, a large

number of railway stations out of over 7000, in the country will be without a railway school.

The announcement made by the Hon'ble Minister of Railways in the Budget Speech was as a gesture of goodwill and a mark of appreciation of service rendered by the licenced porters. The intention was to provide admission to their wards in the Railway Schools wherever they existed.

In places where there is no educational facilities provided by railways, the employees are expected to avail of the facilities provided by State Govts. and other agencies. Where the railwaymen are incurring expenditure by way of fees for their wards education in railway schools or other schools, the Educational Assistance Scheme provides for re-imbusement of tuition fees upto Rs. 20 per month per child for class I to X and Rs. 25 for class XI and XII. For physically and mentally handicapped children reimbursement is upto Rs. 50 per month.

The Standing Committee's recommendation is to grant an *ex-gratia* amount to the licenced porters at stations where railway schools are not available. If it is decided to grant the *ex-gratia*, this could be at the rate of reimbursement of tuition fees under the Educational Assistance Scheme. However, the following factors need to be considered in this regard :

(a) A majority of the estimated 50-60000 licenced porters will be working at big railway stations. At these stations railway schools, even if available, may be at a distance from the stations. The porters may not like to send their children to such schools. In the metropolitan cities railway schools are not generally available. In Delhi, for example there are no railway schools except for two ATP schools. Railway schools are also charging tuition fees from students wherever this is provided for under the State Education Rules. Such fees are also reimbursed to railway servants under the Educational Assistance Scheme. Therefore majority of the porters may have to be paid the *ex-gratia*.

The financial implications may, therefore, be in the range of Rs. 15 to 20 lakhs per annum.

(b) The Educational Assistance Scheme of the Railways which is based on the Central Scheme is applicable to only regular railway employees paid from Railway Revenues. Casual Labour persons employed on contract and *ad hoc* and part-time employees are excluded from the Scheme. Licenced porters are not railway employees. If *ex-gratia* in lieu of school facilities is made available to licenced porters, there is bound to be demand from these non-eligible railway employees for similar payments. This may

also lead to demand from other similarly placed categories from other wings of the Government.

Ex-gratia payment to licenced porters at stations where outdoor medical facilities are not available.

Medical facilities are being provided to the Railway employees and their family members including the retired employees through a network of 122 hospitals and 670 health units. In addition to this, the line doctors are making regular trips in their jurisdiction on programmed basis for attending patients on the way side stations. These Doctors are also called at these smaller stations for providing medical care whenever require by the Railway employees and their family members. There is no provision of admissibility of any allowance to even the serving Railway employees posted at stations where the Railway Health Units/Hospitals are not located.

Licensed porters and their family members have been made eligible for free OPD treatment in railway hospitals and health units with effect from 21.06.95.

Any medical allowance if given to these porters posted on stations where the railways Health Units/Hospitals are not located will have adverse effect and would generate similar demand from the serving and retired employees with huge financial implications. These porters and their family can however avail of the treatment facilities whenever the Railway Doctors are visiting their stations on routine or emergency visits.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-8.1.96]

Recommendation (Para No. 1.70)

The Committee are concerned to note that appropriation to DRF fund has been declined in 1994-95 and lesser allocation has been made in 1995-96. The Ministry have stated that the major portion of the requirement of Rolling Stock is obtained through leasing and thus reducing the need for provision of depreciation. Since the response of customer to the leasing arrangement is not yet clear, the Committee hope does not lead to reduction in various development plan.

Reply of the Government

The annual plan for the Railways is decided by the Planning Commission duly taking into account the level of activity as well as the resource position to finance the annual plan which consists of the

budgetary support, the internal resources including appropriation to DRF and the extra budgetary resources *viz.* IRFC Bonds.

Lesser appropriation to DRF during 1994-95 and 1995-96 is mainly due to the reason that major portion of requirement of Rolling Stock is met through investment by Indian Railway Finance Corporation. The system of leasing of stock through IRFC investments is not in vogue for a long time. The Committees' apprehension regarding leasing finance is perhaps about the private investments which is not relevant in this case. As IRFC is complying with their commitments, there is no reason to be apprehensive about the reduction in Development Plan of Railways.

[M/o. Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-28.7.95]

Recommendation (Para No. 2.89)

The Committee find that estimate relating to investment by Plan-heads have been indicated in the explanatory Memorandum on Railway Budget. A scrutiny of the Railways Annual Plan 1995-96 and Explanatory Memorandum 1995-96 together reveals that though the proposed size of annual plan 1995-96 fixed at Rs. 7500 crores remains unchanged, budgeted outlays *vis-a-vis* proposed allocations in respect of many plan-heads have either been increased or decreased. In this context, the Ministry of Railways informed the Committee that the figures of budget estimates do not take into account the credits that would be received. Besides, Rs. 2250 crores indicated under bonds have not been taken into account for its plan-head wise distribution. The Committee feel that this procedure of reflecting the amount of investment under different plan-heads suffers from an in-build defect, for it does not speak of how the money to be raised through bonds etc. would be distributed plan-head wise. The Committee feel that the share of each of the plan-heads should have been decided at the time of finalising the budget estimates keeping in view their priority in the entire investment planning. It will not only help Parliament to know whether the Railways have established a balance in allocating funds for different plan-heads but also avoid the possibility or arbitrary allocation of money to be raised through bonds in the course of time.

Reply of the Government

The Plan Outlay for 1995-96 of Rs. 7500 cr. (plan-head wise distribution is given at Annexure-A) consists of Budgetary Support Rs. 1150 cr., Internal Resources Rs. 4100 cr. and Extra-Budgetary Resources Rs. 2250 cr. The amount to be raised through market borrowings by Bonds, although forms part of the Plan outlay, it is not included in the total Demand for Grants as it does not entail outgo from the Consolidated Fund. Vote of

the Parliament is taken for the amount which is taken out of the Consolidated Fund of India. The amount is indicated in the Budget books as a footnote only hence it is not exhibited plan-head wise.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-28.7.95]

Annexure-A

PLAN OUTLAY FOR 1995-96

		(Rs./thousands)
Plan heads		Outlay
1		2
New Lines (Construction)		202,00,00
Purchase of New Lines	:	...
Restoration	:	1,00,00
Gauge Conversion		735,00,00*
Doubling		265,00,00*
Traffic Facilities	:	152,00,00
Computerisation	:	100,00,00
Railway Research		20,00,00
Rolling Stock		1040,00,00*
Track Renewals		1050,00,00
Bridge Works		160,00,00
S & T Works		275,00,00*
P & T line wires	:	...
Electrification Projects	:	350,00,00*
Other Electrical Works	:	90,00,00
Machinery & Plant	:	95,00,00
Workshops-including P. Us.	:	200,00,00
Staff quarters	:	31,13,15
Amenities for Staff	:	35,00,00
Passenger amenities	:	90,00,00
Rly. users' amenities	:	...

1	2
Investment in PUs.	10,00,00
Other specified works	23,86,85
M.T.P. (Misc. Adv.)	240,00,00
Inventories	85,00,00
TOTAL	5250,00,00
BONDS	2250,00,00*
GRAND TOTAL	7500,00,00
* Bonds include :	
Gauge conversion	265,00,00
Doubling	35,00,00
Rolling Stock	1900,00,00
S & T Works	10,00,00
Electrification Projects.	40,00,00
	2250,00,00

Recommendation (Para No. 2.103)

The Committee are extremely worried to note that the target for procurement of wagons has been drastically reduced. The Committee feel that there has been planned reduction in rolling stock procurement during the last three years reaching levels far below what had been planned initially and even lower than the capacities available for their manufacture. This has resulted in under-utilisation of capacity in wagon manufacturing units. Almost all the wagon manufacturing units in the country have presently been starving for want of wagon orders from the Railways and many of them are on the verge of closure. The Committee are afraid that if the Railways continue to reduce the targets for acquisition of wagons and other rolling stock, a situation may arise in a very near future when supply may not be matching the requirement thereby adversely affecting the transport output of the whole system. The Committee desire that the Ministry of Railways should urgently review the whole position with a view to chalking out a realistic rolling stock procurement programme, as no satisfactory explanation could be given by the Railways for the huge reduction in the procurement orders for wagons.

The Committee further note that both in the Corporate Plan and the Annual Plan, the Railways had decided to increase the capacity of Chittaranjan Locomotive Works from 130 locomotives to 150 locomotives. But they had reduced the production in this unit. This does not commensurate with traffic projection for the year 1995-96. The Committee is of the firm opinion that the production targets fixed earlier for the manufacturing of electric locomotives should not be reduced.

Reply of the Government

It is submitted for consideration of the Committee, as has been submitted in reply to para 1.59 also, that the planning for the acquisition of wagons is a need based exercise which takes into account the transport output required to be produced and the efficiency of the utilisation. It is further submitted that the present acquisition is fully need based. The Ministry would also like to submit that the procurement cannot be related to the capacities available in manufacture.

The Ministry share the concern for development of the transport capacity commensurate with the needs and would like to assure that the same is included in the need based requirement which is being arranged.

It may, however, be indicated that Railways have a capacity, at the present holding, of lifting 424 m.t. corresponding to a transport output of 284.6 BTKM for the entire year if the traffic is uniformly spread. Against this, the demand on the Railways, in the terminal year is likely to be of the order of only 288.7 BTKM. It is submitted that this buttresses the Railway's argument that wagons are being procured according to the needs.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-28.7.95]

Recommendation (Para No. 2.106)

The Committee appreciate that the whole gamut of the passenger amenities has been reviewed by the Ministry of Railways and the classification of the amenities as 'basic' and 'additional' has been abandoned. It is also appreciative that such facilities as fulfill the infrastructure needs of the Railways at different stations have been identified pursuant to the Committee's recommendation contained in their Seventh Report. The Committee feel that a separate Plan-head should be created under Demand No. 16 to deal with the infrastructural facilities at the stations so that they are not mixed up with the Passenger Amenities and Railway's efforts in this direction are duly reflected in the Budget documents and Annual Reports. The Committee desire that this aspect

should be examined urgently and they may be apprised of the action taken by the Ministry of Railways (Railway Board) in this regard.

Reply of the Government

Works for provision/augmentation of "Infrastructural Facilities" will be taken up in Demand 16 under Plan Head "Traffic Facilities Yard Remodelling and Others", and works pertaining to Passenger Amenities will be taken up, separately, under the Plan Head "Passenger and Other Railway Users" Amenities. Therefore, the Ministry of Railways are of the view that it may not be necessary to create a separate Plan Head for Infrastructural Works.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-28.7.95]

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Para No. 1.59)

The Committee find that there is a distinct peaking pattern of freight traffic demands on Railways. The traffic rises in January, February and reaches a peak during March. The Minister in his budget speech while referring to this peaking pattern has admitted that excess offer of traffic during these months lead to unsatisfied demands. During evidence the Committee were informed that during the peak season the Railways do have a mismatch as far as availability of wagons is concerned. As the traffic is a perishable commodity, the traffic is lost when not lifted. The Committee therefore, recommend that Railways should acquire sufficient number of wagons so that they do not lose any traffic due to non-availability of wagons.

Reply of the Government

The Planning for acquisition of wagons is a need based exercise which takes into account the transport output required to be produced and the efficiency of utilisation. The system is visualised to function more or less on a uniform loading with marginal surges. In case the peaking is very distinct in the range of 15% or so, the system cannot take it. If 15% peaking were to be provided for on 1993-94 performance, it would require an extra expenditure of Rs. 340 crores for additional wagons and Rs. 110 crores for correspondingly extra locos. In addition, this will require commensurate facilities for maintenance including staff which means additional investment in workshops and sheds, etc. This also will require substantial investment in line capacity and terminal capacity. This capacity would remain utilised for 8 to 9 months.

However, the Railways would plan procurement of wagons in such a manner as the additional wagons acquired every year become available during the peak season. In this respect the 'Own Your Wagon' scheme under which more than 4000 wagons have been ordered and another 6000 to 7000 wagons are likely to be ordered, would also augment the fleet of wagons to lift the peak-time traffic.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-28.7.95]

Comments of the Committee

(Please See Para 7 of the Report)

Recommendation (Para No. 1.65)

The Committee are distressed to find that a huge amount of Rs. 80.33 crores has been provided for Repair and Maintenance of Steam Locomotives even though steam traction is proposed to be phased out by 1996-97. The Ministry have informed that about 85% of the total amount is provided for staff costs as the steam loco staff, rendered surplus, have not been gainfully redeployed and their wage bill still continuous to be charged to this head.

The Committee recommend that an action plan may be chalked out immediately to retrain the staff rendered surplus so that they could be gainfully employed as early as possible. Simultaneously, the retrenched employed from steam loco sheds etc. should also be retrained and gainfully re-employed.

Reply of the Government

Expenditure on the Indian Railways towards maintenance of steam locus is allocated to Demand 5-C. The trend of booking under this head during last few years is as follows :

	Rs. Crores			
	1992-93	93-94	94-95	95-96
Demand 5-C	157.2	118.2	86.32	80.31

As on date, there are only 311 steam locos on line. It may, therefore, *prima facie*, appear that on an expenditure of Rs. 80.33 crore for maintaining a mere 300 locos is, rather unrealistic. It is, however, submitted that demand 5-C though notionally denotes only steam loco repairs and maintenance, encompasses many other activities. It covers, *inter alia*, the following :

- (a) Cost of steam loco spares.
- (b) Wages of steam maintenance staff.
- (c) Wages of staff rendered surplus from steam sheds but awaiting redeployment.
- (d) Maintenance of Break-Down cranes (wages and materials) which are situated in a large number of stations for attending to accidents and emergencies.

- (e) Maintenance of running rooms (wages & materials) meant for boarding & lodging of loco and traffic crew at out stations.
- (f) Wages of Box Boys, Call Boys and such other staff meant for calling crews for duty, conveyance of their kit etc.
- (g) Wages of staff posted in diesel fuelling installations.

It may be seen that except for (a) & (b) above, rest of the items have no relevance to steam loco maintenance. They are borne under demand 5-C due to historic reasons. This was because the fuelling staff, Call Boys, Box Porters, Crane Drivers etc., were traditionally placed under the control of erstwhile Steam loco Foremen. Item (d) to (g) above are universal in nature and have no particular relevance to steam traction. These staff exist in fully electrified territories also.

Review of Budget Estimate

In the light of Standing Committee's observations, Zonal Railways had been asked to once again conduct review of their projections under Demand No. 5-C. They have scaled down their requirement to a substantial extent by 32% from Rs. 80.33 crores to Rs. 54.75 crores as per details shown below :

DEMAND NO. 5C

Railway	(Rs. Lakhs)	
	Budget Estimate	Revised Estimate
Eastern	1651	1542
Northern	1135	459
North Eastern	1545	1491
N.F. Railway	1044	680
Southern	239	185
South Central	274	143
South Eastern	455	207
Western	1688	768
Total	8031	5475

Steam Surplus Staff

As and when steam sheds are closed, the staff who are rendered surplus are asked to opt for jobs in other departments subject to availability of posts. These staff are retrained in the new discipline, before posting. But often they have to wait for absorption for reasons such as want of vacancies/posts, issue of seniority caused by such lateral induction of steam staff and other connected litigations. Redeployment of steam surplus staff is, therefore, a protracted affair and sometimes takes many months together at a stretch. It is, therefore, submitted that demand 5-C continues to be burdened with expenditure towards a large number of steam surplus staff who are in the process of redeployment.

Action Plan for Redeployment

Railways have reviewed the steam surplus staff on their system with a view to quickly redeploying them in productive assignments. The plan for redeployment during 95-96 is as follows :

Railway	Steam Staff Surplus as on 1.4.1995	Projected Redeployment during financial year 1995-96
Central	126	126
Eastern	1203	973
Northern	1962	600
North Eastern	1748	400
N.F. Railway	1181	200
Southern	239	239
South Central	466	466
South Eastern	396	175
Western	59	59
Total	7330	3238

It may thus be seen that surplus staff is expected to be wiped out more or less in four out of nine zonal railways and on the whole as much as 44% of these men would possibly be redeployed before end of the year.

Phasing out of Steam Traction

Not many of the present holding of 311 steam locos are likely to be rendered surplus during this year. There will be, thus, no fresh arising, in steam surplus staff, whose numbers will start declining fast.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt-22.11.95]

Comments of the Committee

(Please see para 10 of the Report)

Recommendation (Para No. 1.66)

The Committee are not satisfied with the measures taken by the Ministry to improve the maintenance of wagons and carriages including passenger coaches and desire that these measures be further intensified.

Reply of the Government

Railways attach utmost importance to proper upkeep and maintenance of the existing fleet of rolling stock and efforts are being intensified further. Wherever necessary, replacement are made on age-cum-condition basis. Maintenance practices are reviewed periodically to take into account the recent developments in material technology in India. Some of the steps taken to improve the maintenance of wagons and coaching stock are :

- Mid-life rehabilitation of coaches at Bhopal and of wagons at Jamalpur and Dohad workshops to uplift the condition of the rolling stock.
- Augmentation of Periodic Overhaul (POH) Capacity of coaches by conversion of MG Workshops at Gorakhpur, Jodhpur, Ajmer, Hubli & Dibrugarh to enable timely maintenance attention to coaches.
- Upgradation and augmentation of infrastructure for Routine Overhaul (ROH) of Wagons.
- Accelerated phasing out of overaged rolling stock, standardisation of maintenance facilities for coaches.
- Standardisation of rakes (train composition).
- Segregation and standardisation of passenger operation into distinct spheres to cater to specific traffic demands.
- Introduction of Diesel Multiple Units and Rail buses for suburban services.
- Replacement of 24V train lighting system in BG coaches by 110 V system with V-belt driven transom mounted alternators.
- Use of sealed maintenance free battery to replace the existing battery which requires intensive and regular maintenance.

- Introduction of high capacity power car with greater reliability and low maintenance.
- Replacement of the incandescent lamps in electrical multiple units in Bombay Area with fluorescent tube light fittings for better illumination and reduced energy consumption.

Railways are also seized of the problem of meeting the emerging challenges of the 21st Century for handling increased levels of traffic with the ushering in of economic liberalisation policies. With the objective of providing enhance customer satisfaction through reliability and quality of service particularly in passenger services. Railways have decided to induct modern light weight coaches with Transfer of Technology now available in the international market. These coaches have the distinct advantages of improved riding comfort, higher reliability and easy maintainability with aerodynamic energy efficient profiles.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Comments of the Committee

(Please *see* para 13 of the Report)

Recommendation (Para No. 2.85)

The Eighth Plan outlay for the Railways is Rs. 27,202 crores which as per the original provision consists of internal resources of Rs. 18,827 crores (69.2% of the Plan size), budgetary support of Rs. 5375 crores (19.8% of the Plan size) and extra budgetary support of Rs. 3000 crores (11% of the Plan size). Thus various developmental activities of the Railways are funded by internal resources, budgetary support from the General Revenue and market borrowing. So far as financing pattern of the Railways' Annual Plans during the first three years of the Eighth Plan is concerned, the Committee observe that the Railways have slowed down their efforts to generate resources internally which has resulted in effecting cuts in total plan size from time to time. Especially during 1993-94 and 1994-95 the Railways could not achieve the targets fixed for mobilising resources internally. As a result, the Plan-size was reduced by Rs. 300 crores in 1993-94 and by Rs. 260 crores in 1994-95 which adversely affected the overall resources availability to finance the various on-going investment projects.

Reply of the Government

The finances for plan are targets based on internal generation of resources and therefore, plan outlay needs to be regulated to be in tune

with the earnings and also the network development needs. The plan finance during the Eighth Plan period is as follows :

	Budget Estimate			Actual (RE for 94-95)		
	Internal generation	Bonds	Budgetary support	Internal generation	Bonds	Budgetary support
1992-93	2575	1200	1925	2548	1026	2589
1993-94	4640	900	960	4030	356	974
1994-95	4315	1050	1150	4055	1050	1150

Internal generation depends on the gross revenue receipts; there has been shortfall over the target. Efforts are continuously made to achieve the targets by adopting various marketing strategies.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Comments of the Committee

(Please see Para 16 of the Report)

Recommendation (Para No. 2.57)

An important feature of the financing pattern of the Railways annual plans in the recent years has been that due to failure in generating adequate resources internally and low level of budgetary support from the General Revenue the Railways have started to resort to more market borrowing. In the year 1995-96, Railways have estimated an amount of Rs. 2250 cr. through market borrowing which is 114.28% of the B.E./R.E. for the previous year 1994-95. Increasing dependence on market borrowing for funding the network development programme does not speak of sound economics of Railways Plan financing pattern particularly because network development projects have a long justification period and funding such projects increasingly by market borrowing would mean incurring more cost in terms of repayment charges. The Committee are constrained to note that only during 1991-94 the Railways had to pay Rs. 2441 cr. as lease hire charges towards market borrowings. Hence the Committee are of the view that for the infrastructure sector like Railways which also have to carry social burden, market borrowing is an expensive proposition. Apart from, higher budgetary support from the General Revenues and market borrowing having its own limitation due to the cost element involved, it is incumbent upon the Railways to intensify their efforts to generate more internal resources to meet the investment requirements.

Reply of the Government

The financing pattern of Railways' Annual Plan during the last five years is given in the Annexure.

While the budgetary support from General Exchequer is declining, internal resources and extra-budgetary resources have been going up. Though Railways have been exercising effective control on expenditure, there are factors like DA increase and general inflation which contributes escalation in working expenses. These factors are beyond the control of Railways. Internal resources contribute to about 55% of the total Plan outlay. Committee may please appreciate that there is a limit to the capacity of the system to generate internal resources.

To meet the pending demands for network development of Railways, higher budgetary support from General Exchequer is desirable. Recommendations of Parliamentary Committees for enhancing the budgetary support to Railways are under examination of the Government. Till the budgetary support is enhanced, there is no alternative except to go to bond market to generate extra-budgetary resources.

During 1995-96, it is proposed to raise Rs. 2,250 or through IRFC. However, Railways are also taking measures to raise private investments to finance certain projects and procurement of wagons. To the extent private investment materialises, amount of IRFC bonds would be reduced.

ANNEXURE

PLAN OUTLAY

(Rs. in Crore)

	1991-92		1992-93		1993-94		1994-95 (RE)		1995-96 (BE)	
		% age to plan		% age to plan		% age to plan		% age to plan		age to plan
Total Plan outlay	5293.27		6162.26		5860.77		6255.00		7500.00	
Budgetary support	1756.16	32.56	2589.11	42.02	974.47	16.63	1150.00	18.39	1150.00	15.33
Internal generation	2133.80	39.56	2547.56	41.34	4029.96	68.76	4055.00	64.83	4100.00	54.67
Bonds	1503.31	27.87	1025.58	16.64	856.34	14.61	1050.00	16.79	2250.00	30.00

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Comments of the Committee

(Please see para 19 of the Report)

Recommendation (Para No. 2.88)

The Committee find that the size of Annual Plan 1994-95 was reduced from Rs. 6515 crores to Rs. 6255 crores effecting a cut of Rs. 260 crores mainly because the Railways failed to generate adequate resources internally but at the same time less procurement of wagons (procurement reduced from 18000 to 12000 wagons) resulted in a saving of Rs. 280

crores as informed by the Ministry of Railways in a written note submitted to the Committee. The Committee fail to understand as to how the saving of Rs. 280 crores could not be utilised to offset the resource gap of Rs. 260 crores for financing the Plan. The Committee would like to be apprised of how the saving of Rs. 280 crores was utilised and what had been its impact on the overall Plan size.

Reply of the Government

On the basis of need-based requirement and improved asset utilisation, there was a reduction in the procurement of wagons (in terms of 4-wheelers) from 18000 (originally envisaged for 1994-95) to 12000, resulting in a saving of Rs. 280 crores. More allotment was made to some Planheads such as Restoration, Gauge Conversion, Doubling, Traffic Facilities, Track Renewals, Electrification Projects, Amenities for Staff, Passenger Amenities, Investment in PSUs and MTPs. Some reduction was also made in other Planheads such as New Lines, Computerisation, Railway Research, Signalling & Tele, Machinery & Plant, Workshops, Staff Quarters, Other Specified Works and Inventories. Thus the Plan size was revised from Rs. 6515 crores to Rs. 6255 crores.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Comments of the Committee

(Please see para 22 of the Report)

Recommendation (Para No. 2.92)

The Committee note that much exercise is not done at the level of Planning Commission in deciding the allocations for different Plan-heads of investment. The Ministry of Railways have informed that while making Plan-head wise allocations of outlay for the year 1995-96 excepting a few cases of rolling stock, railway electrification and MTP, the flexibility was left to the Railways. This is indicative of the fact that the Planning Commission gives a superficial treatment to the Railway projects while examining them and as an expert body their role is very limited in the finalisation of Railways Plans. In the opinion of the Committee, the Railways have a macro-impact on the national economy and any unsound decision taken by the Railways in haste, without a proper study, is bound to affect not only the railway sector but also the other vital sectors of the economy for backward and forward linkages between railways and other sectors are inherent in a system like ours. The Committee strongly feel that head-wise allocation of Plan outlay should be decided in consultation with the Planning Commission so that the Commission can render suitable advice to the Railways.

Reply of the Government

Noted :

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Comments of the Committee

(Please *see* para 25 of the Report)

Recommendation (Para No. 2.97)

The Committee, find that Gauge conversion has become one of the top priority items in the network development programme of the Railways. As against the achievement of 327 route kms. of gauge conversion during the Seventh Plan period, about 4500 route kms. of MG/NG have been converted into BG only in the first three years of the Eighth Plan. This sudden shift in the policy towards Gauge conversion has resulted in channelisation of comparatively more funds towards this single head of investment at the cost of various other important network development programmes. The Committee note that during 1993-94 and 1994-95 there had been sharp increase in the allocation of funds for Gauge conversion adversely affecting the resource availability for other areas of equal importance *viz.* new lines, doubling, track renewal, rolling stock etc. The outlay for the year 1995-96 has, however, been budgeted at a comparatively lower level, probably taking note of the Committee's observations contained in their Third and Eleventh reports dealing with 'Gauge conversion'. The Committee are not averse to the Gauge conversion programme and in fact are in favour of a unigauge system but strongly feel that the Railway investments on network development should be made on a proper perspective planning, without creating infrastructural imbalance as at present. The Committee hope that all the recommendations/observations made in their earliest reports on 'Gauge Conversion' will be taken in right earnest. They also desire that study be undertaken to find out the impact of Gauge conversion on freight as well as passenger traffic.

Reply of the Government

The position regarding this recommendation has already been explained by the Minister for Railways while giving his reply to the Budget Discussions in both Houses of Parliament. Relevant extract of his speech is given below :

I am glad to find that the Standing Committee have favoured achieving the objective of having an unigauge system for the country as

a whole but have preferred this opinion with a proviso that this objective should be achieved without creating infrastructure imbalances as at present. The Committee have also mentioned about the sudden shift in the policy of Gauge conversion during the 8th plan period. I would like once again to take into confidence the Members of this House regarding the context under which the railways made uniguage project as an important thrust area beginning from 92-93 onwards.

When the metre gauge lines were planned in this country commencing from second half of 19th century they had a certain relevance and objectives to be achieved. But over a period of time their relevance got diluted. Though on 1.4.92 the metre gauge constituted 38% of the total kilometrage of the Indian Railways system, it carried only 9% of freight traffic and 16% of passenger traffic. The system was a liability for the Indian Railways as the operating ratio for the metre gauge system was 171 as against 81 for the broad gauge. This meant that loss on metre gauge system had to be subsidised by profit on broad gauge and thereby making the user pay more. This also made rail haulage comparatively uncompetitive *vis-a-vis* the road sector. Lack of investments in the metre gauge system had made it further sick, which can be gauged from the fact that 5000 kilometres of track and 30% of coaches and 20% of wagon on the MG system had become over-due replacement. While the metre gauge was a liability for the railways, the areas served by it remained backward and no major industry or investor was ready or willing to invest in such areas because of higher cost of haulage delays and damages in transshipment which made such investment unviable.

The declining budgetary support during the 7th and 8th plan meant that very little money was available for system expansion and had we continued with the same policy, the lack of transport capacity of Indian Railways would have definitely come in way of increased industrial activity in the country which is taking place as a result of the process of economic liberalisation policies of our Govt. While on one hand, system expansion would have suffered, on the other hand the available resources would have gone into sustaining the sick metre gauge system. Thus a very innovative way of coming out of this bad situation was found basically by diverting funds meant for metre gauge system for doing conversion of certain MG routes which would add to the capacity of the system. Thus the twin objective of increasing the capacity of the system and improving its efficiency at the same time is being achieved by the project uniguage. Some of the new North South and East West routes besides those in the NE Region which have become available or would become available. For example Kandla-Bhatinda, Delhi-Ahmedabad,

Bombay-Miraj-Hubli, Madras-Tuticorin, Secunderabad-Purna-Khandwa-Ajmer, Guntakal-Guntur, Hospet-Vasco Da Gama, Muzaffarpur-Raxaul, etc.

The need for providing adequate funds for this project during the last 3 years would be appreciated by the Hon. Members on the logic that there is an over-riding need to complete the Gauge conversion of a route once it is broken up so that the inconvenience to our users is minimised and the Railways start getting the benefit of sections on its investment at the earliest. The response which this programme has generated among our users and the Nation as a whole has been overwhelming and far out weigh the marginal inconveniences it may have caused in the process of being achieved. The wholehearted support the programme as received from all concerned as well as from the Hon. Members of this House is an indicator of its usefulness and I am sure the Members of this House will join me in conveying our appreciation for the excellent work done by the Railway Administration and all concerned in this regard and in achieving a Gauge Conversion of nearly 4800 kilometers during the last 3 years.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Comments of the Committee

(Please *see* Para 28 of the Report)

Recommendation (Para No. 2.110)

A distinct feature of the Railways financing of their projects costing Rs. 5 crores and above has been that re-appropriation of funds in a large scale has been made at the level of Railway Board and zonal Railways especially in respect of the on-going projects under the Plan-heads-New Lines, Gauge Conversion, Doubling, Electrification and MTPs. In the opinion of the Committee, re-appropriation should be resorted to in a restricted way, far too much flexibility for re-appropriation causes diversion of funds from one project to another which resultantly disturbs the whole scheme of prioritisation of projects. The Committee desire that suitable guidelines should be framed for re-appropriation of funds at different levels. They would also like to be apprised of the action taken by the Ministry of Railways in this regard.

Reply of the Government

The guidelines for regulating re-appropriation of funds already exist. According to these guidelines, no re-appropriation is permissible between Voted and Charged allotments. Re-appropriation between Capital (Budgetary Support), Railway Funds and Revenue is also not allowed. Re-appropriation to and from certain plan-heads like New Lines

(Construction), Gauge Conversion, Electrification Projects, Track Renewals, Staff Quarters, Amenities for Staff and Passenger & Other Railway Users' Amenities require the prior approval of Railway Board. Diversion of funds from major projects involving an outlay of over Rs. one crore is also restricted. Only upto 10% of such diversion is within the zonal Railways' powers. Powers for diversion of more than 10% of funds in the case of major projects rest with Railway Board. Re-appropriation of funds within the on-going projects is done keeping in view the progress/priority of the works.

[M/o Rlys. D.O. No. 94/SCR/X/181 (DFG) dt. 22.11.95]

Comments of the Committee

(Please see Para 31 of the Report)

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation (Para No. 2.86)

The Committee are distressed to note that the proportion of budgetary support in the Railways' Annual Plans which was as high as 75% in the Fifth Plan and 42% in the Seventh Plan has come down to as low as 15% in the year 1995-96. This substantial reduction in budgetary support has not only resulted in more market borrowing at an extra cost in terms of repayment charges but also caused drastic cut in the allocations under different Plan Heads mainly new line projects, railway electrification, metropolitan transport projects etc. The Committee feel that due attention is not being paid by the Planning Commission and the Ministry of Finance to the railway sector and therefore strongly recommend that the issue of budgetary support to Railways should be thoroughly examined at the earliest possible by a specially constituted body comprising economic/financial experts from the Ministries of Railways, Finance, Programme Implementation and the Planning Commission with due association of the Members of Parliament having knowledge or experience in the working of rail transport system in the country. An initiative in this direction should immediately be taken by the Ministry of Railways (Railway Board) in consultation with the Planning Commission and the Ministry of Finance.

Reply of the Government

The reduction in budgetary support has affected the progress for new line projects, Railway Electrification projects and Metropolitan Transport Projects because these are funded totally from the budgetary support. In addition, the gauge conversion schemes sanctioned prior to 1991-92 are also to be funded by budgetary support. The Railways agree with the observation and the Planning Commission and the Ministry of Finance would be approached for appropriate action.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Further Reply of the Government

The para has been referred to both, Ministry of Finance and Planning Commission, whose response is awaited.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 8.1.96]

Recommendation (Para No. 2.91)

The Committee in their earlier report on the Ministry of Railways Demands for Grants 1994-95 had specifically recommended that a sub-head in the Railways Account Books should be created for suitable reflection of the money realised on account of sale proceeds of the old released material. But no action was taken by the Ministry of Railways to examine this recommendation of the Committee. The Committee do not agree with the reasons given by the Railway Board that— “if the proceeds from the sale of capital assets are also taken as another source of receipt, they may dilute this accountability as in the year when the earnings from goods, passengers etc. are below the expected levels, the Railways may be tempted to sell their assets and augment their receipt and make up for the loss in earnings therefrom.” The Committee are unable to understand as to how the scrap can be equated with capital assets. The Committee feel that there should be a systematic approach to scrap disposal under the Railway Planning for inventory management and control. In order to get maximum price for the scrap, the present system of scrap disposal should be reviewed by the Railway Board and guidelines evolved for quick disposal of scrap at different levels of system. The Committee recommend that the money realised on account of sale proceeds of scrap by different Zonal Railways should be pooled. The money so pooled can be utilised for funding projects like new lines, electrification etc. on which there has been tardy performance mainly due to inadequate budgetary support. The Committee reiterate their earlier recommendation that a separate sub-head should be created in the Railways Account Books for suitable reflection of the money realised from scrap disposal. If necessary, suitable guidance may be obtained from the expert agencies like C&AG, Planning Commission etc. in the matter.

Reply of the Government

The matter for opening of a separate sub-head in the Railway Accounts Book for account of sale of scrap etc. is under examination in consultation with C&AG and CGA. Accordingly, the action will be taken on receipt of comments from C&AG and CGA.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.94)

The Committee are deeply concerned to note that construction of new Railway lines is turning to become a low priority item in the Railways investment planning due to the somewhat ad-hoc attitude of the Ministry of Railways on the one hand and low budgetary support from the

Planning Commission on the other. The performance of Railways with regard to opening of new lines during the first three years of Eighth Plan presents a dismal picture. Surprisingly, the annual targets for construction of new lines have been drastically reduced from 155 route kms in 1994-95 to as low as 17 route kms. in 1995-96 against the Eighth Plan projection of 165 route kms. whereas the outlay proposed under this head for 1995-96 is more than the revised outlay for 1994-95. The Committee find that two new lines, namely Angul-Maneswar of Talcher-Sambalpur (139 kms) and Nischintpur-Kakdweep of Laxmikantapur-Namkhana (9 kms) which were originally targeted for completion during 1995-96 have been dropped from the work programme of 1995-96 on the ground of low budgetary support from the Planning Commission. During 1994-95 too, the achievements have been rather unsatisfactory, for as against 211 route kms. completed during 1993-94 only 42 route kms. of new line sections could be completed during 1994-95. Keeping in view the completion of 211 route kms. with an outlay of Rs. 239.28 crores (actuals) during 1993-94, the target of only 17 route kms. with an estimated outlay of Rs. 203.00 crores cannot be justified.

Reply of the Government

The position regarding this recommendation has already been explained by the Minister for Railways while giving his reply to the Budget Discussions in both Houses of Parliament. Relevant extract of his speech is given below :

The Committee is commented that construction of new lines to be a low priority item in the Railways' Investment Plan and have stated that the target for 95-96 is as low as 17 kms. I am afraid that this target of 17 kms. for 95-96 has been quoted totally out of context whereas the actual length of new lines to be opened during 95-96 is as high as 697 kms. which was conveyed to them and which I would like to elaborate for the convenience of the members of the House. The target for 94-95 as fixed was 155 kms. and for 95-96 it was projected as 165 kms. Funds were provided accordingly, however, in 94-95 Railways could open 80 kms of new line for reasons beyond their control. While work has largely been completed on all the remaining lines targeted for 94-95, due to unexpected problems in tunnel No. 23 on Koraput-Rayagada line, the national highway diversion on Beas-Goindwal line (to be done by Punjab Govt.) and the portion under agitation on Laxmikantapur-Namkhana line, the commissioning of these lines has shifted to the first quarter of 95-96.

During 95-96, the original target was 165 kms.

The lines targeted for completion were :

a. Angul-Maneswar of Talcher-Sambalpur line	139 kms.
b. Jogighopa-Goalpara of Jogighopa-Guwahati line	17 kms.
c. Nischintpur-Kakdweep of Laxmikantapur-Namkhana	9 kms
Total 165 kms.	

Due to reduced outlay, the funds required for completing item (a) & (c) could not be provided in 95-96, as such the target had to be reduced to 17 kms. comprising item (b) above. However, we will be completing 697 kms, including the slippage of 94-95. The following new Railway lines will be completed in 95-96.

	Kms
a. Jogighopa-Goalpara	17
b. Laxmipur-Rayagada of Koraput-Rayagada line	102
c. Karanjali-Nischantpur of Lakshmikantapur-Namkhana line	8
d. Beas-goindwal	27
e. Veer-Udipi section of Konkan Railway	543
Total 697	

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.95)

The Committee note that for the construction of new lines the Railways are wholly dependent on the budgetary support made available by the Planning Commission. High cost ongoing new line projects are generally reprioritised and in some cases frozen due to inadequate budgetary support. In the opinion of the Committee, such an important area of Railways capacity generation can no longer be ignored. The prevailing situation warrants that financing of new line projects should not be restricted to the funds available in the form of budgetary support only. The Railways should conduct a review jointly with the Planning Commission to explore the possibility of funding the new line projects from other sources also in addition to the budgetary support. The Committee hope that immediate action will be taken by the Ministry of Railways to take up the matter with the Planning Commission.

Reply of the Government

As desired by the Standing Committee the matter is suitably being taken up with the Planning Commission.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.98)

The Committee while supporting the cause of Railways for better Budgetary Support to Railways investment plans would also like to emphasise upon the responsibility of the Railways for taking a fair share of nation's traffic demand. They find high differential in energy input between rail and road transport and its impact on nation's oil import involving huge foreign exchange. In the opinion of the Committee major investment on gauge conversion and electrification of railway lines would be infructuous if the investment made does not result in additional traffic output in terms of freight tonne kilometre and passenger tonne kilometre. The Committee, therefore, desire the Ministry of Railways and the Planning Commission to have an economic evaluation for not achieving the targets originally fixed for freight traffic and passenger traffic and its impact on foreign exchange outflow due to not achieving the targets so fixed.

Reply of the Government

A dialogue will be initiated with the Planning Commission for the suggested economic evaluation.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Further Reply of the Government

The para has been referred to Planning Commission whose response is awaited.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 8.1.96]

Recommendation (Para No. 2.101)

Electrification of 2700 RKM of dense corridors is one of the major objectives of the Railways' Eighth Plan for which an outlay of Rs. 1350 crores has been provided. The Committee note that in the year 1992-93 and 1994-95 against the target of electrification of 500 route km. in each year, only 479 route km. and 450 route km. respectively could be electrified. The average physical progress of electrification work during the first three years of the Eighth Plan works out to about 480 route kms. which is below the required average annual progress. The Committee find that

during 1993-94 funds in a large scale were diverted from the various on-going electrification projects adversely affecting their progress. The Committee are further distressed to note that during 1993-94, in respect of a high cost electrification project, namely, Bandel-Katwa (Project cost Rs. 45.00 crores) no physical progress was made despite incurring an expenditure of Rs. 3.12 crores. They are also concerned to know that Kharagpur-Madras main route has also not been electrified so far. They desire that the electrification of this route should be completed by the end of the Eighth Plan on priority basis. The Committee would like to know whether the Railways would be able to achieve the Eighth Plan target of electrification of 2700 RKM with the present pace of work. The Committee desire that the Railways should intensify their efforts to achieve the Plan target.

Reply of the Government

The route kms. of track electrified during the first three years of the VIII Five Year Plan are as under :

Year	Route Kilometers
1992-93	479
1993-94	505
1994-95	473

and average physical target is 485.5 route kilometre.

Rs. 280.00 crores were allocated under Planhead 'Railway Electrification' for 1993-94 and finally Rs. 278.24 crores were spent. Variation is minor. As such there has been no diversion of funds from Planhead 'Railway Electrification' to any other Planhead.

The work of electrification of Bandel Katwa section has since been progressing smoothly. All the tenders etc. were finalised in 1993-94 and 52 RKM were commissioned in 1994-95. Balance section is expected to be commissioned during 1995-96.

As regards Kharagpur-Madras main route, the section from Madras to Vijayawada was electrified by December 1980. The Vijayawada-Vishakhapatnam section is being electrified and is likely to be completed by March 1998. Of the remaining section Vishakhapatnam-Kharagpur, the portion Kharagpur-Bhubaneswar/Khurda Road is proposed to be electrified under the BOLT scheme and the balance Bhubaneswar/Khurda Road-Vishakhapatnam is proposed to be electrified subsequently.

With 145 route kilometre having been electrified during the first three years of the VIII Five Year Plan, balance 1243 RKM would need to be

electrified during the balance two years so as to achieve the target of 2700 route kilometre in the VIII Five Year Plan. It is expected that this target would be achieved with an allocation of Rs. 350.00 crores under the Planhead 'Railway Electrification' for 1995-96 and the required allocation during 1996-97 to electrify the balance left over of the Plan target of 2700 route kilometres.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.17)

The Committee note that with a view to professionalising catering services and upgrading them, a new commercial undertaking, namely, Railway Catering Corporation is being set up under the Ministry of Railways with an initial capital of Rs. 10 crores for the year 1995-96. This is a welcome step on the part of the Ministry of Railways. Since more funds would be required to put the Corporation on a sound footing, the Committee suggest that funds should be raised by floating bonds. By running this Corporation on commercial lines Railways can augment their receipts, but at the same time there should be no compromise with the quality of services rendered by the Corporation.

Reply of the Government

The proposal to set up Railway Catering and Tourism Corporation is being finalised in consultation with other concerned Ministries whereafter approval of the Cabinet will be obtained. It has however been decided by the Expanded Board of Secretaries of concerned Ministries to authorise the Corporation to raise resources from the open market retaining 51 per cent share with the Central Government and to enter into joint ventures with Private Sector organisations for the proposed Railway Hotels and tourist trains. The Corporation is being set up with the objective of bringing about a radical improvement in the quality of catering services rendered to the travelling public.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Further Reply of the Government

The note for Cabinet for setting up of Indian Railway Catering & Tourism Corporation has been finalised in Consultation with other concerned Ministries. The proposal has been submitted to Prime Minister as Minister in charge of Railways for approval. Thereafter it will be submitted to the Cabinet for their consideration.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 8.1.96]

Recommendation (Para No. 2.108)

The progress of work on Konkan Railway Project is much behind its target. The Committee note that there is a time over run of about six

months in the completion of this project. As on 28.2.95 the physical progress of work was 82.5% and the financial progress 93.23%. Since the physical progress has been less than the financial progress, the possibility of further cost over run cannot be avoided. The Committee hope that all out efforts will be made to open the Konkan Railway line for goods as well as passenger traffic without any further time/cost over runs.

Reply of the Government

The progress of work on Konkan Railway has been affected by slower progress than planned in some soft soil tunnels particularly in Goa area where unforeseen geological factors have not permitted the desired rate of progress. The Konkan line is being planned for being opened in a phased manner with the completion target for the entire line of 26.1.96 for passenger traffic. Freight traffic is expected to operate from 15.12.95.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.109)

The Committee are distressed to note that two Metropolitan Transport Projects, namely, MTP (Bombay) Mankhurd-Belapur Extension of Line and MTP (Madras)-Madras Beach-Luz-Rapid Transit system, have been badly suffering from time/cost over-runs. In the case of MTP (Bombay) the original project cost has been revised from Rs. 132.15 crores to Rs. 440.86 crores i.e. an increase of Rs. 308.71 crores which works out to 233% cost escalation. In the extra cost of Rs. 308.71 crores, Railways share is Rs. 102.90 crores. In the case of MTP (Madras) too, the original cost of Rs. 108.21 crores has been revised to Rs. 185.61 crores i.e. an extra cost of Rs. 77.40 crores which works out to 71.52% cost escalation. The extra cost has to be met by the Railways from the budgetary support. This has put an extra burden on the limited budgetary support the Railways get from the General Revenue. The reasons for such substantial cost escalation as explained by the Ministry of Railways are not very convincing. The Committee desire that further cost/time over-runs in respect of these two Metropolitan Projects should be avoided.

The Committee have received a representation from a very large number of commuters for formation of a separate autonomous corporation for the Mumbai Suburban System. They would like to have the views of the Ministry of Railways in this regard.

Reply of the Government

Mankhurd-Belapur Project :

The cost of the project is shared between Railways and CIDCO in the ratio of 1:2. The original estimated cost (1986-87 price level) of the project

was Rs. 132.15 crores. The revised estimated cost (1993-94 price level) of the project is Rs. 440.86 crores. There has been an increase of Rs. 308.71 crores. The main reasons for cost/time over-run of the project are as under :

- (i) Inadequate allotment of funds to the project in the initial years.
- (ii) Change in the scope of work.
- (iii) Non-removal of hutments from the project alignment by the State Government of Maharashtra.

The project could not be completed on the original target date i.e. October 1990, due to the above reasons. However, the entire length of the project i.e. 17.98 Km was completed and commissioned for traffic on 16.6.93. Minor residual works like service buildings, track works in the car shed area, minor electrical and signalling works are under progress. These are targetted to be completed by 1996.

Madras Beach-Luz Project :

The original estimated/sanctioned cost of the project (1986-87 price level) was Rs. 103.21 crores. The revised estimated cost (1993-94 price level) is Rs. 185.61 crores. There has been increase of Rs. 77.40 crores. This extra cost is also due to be met by the Railways from the budgetary support.

The main reasons for the cost escalation are as under :

- (i) Allocation of funds to the project was very meagre.
- (ii) Delay on the part of the State Government in handing over the land for construction of the project. Land between 7.35 Km to 7.55 Km and 8.40 Km. to 8.97 Km. is yet to be handed over by the State Government. The State Government authorities are being pursued vigorously for early handing over of the remaining plots of land.

Due to the reasons mentioned above, the original target date of completion of the project i.e. March, 1994 could not be achieved.

A section from Madras Beach to Park Town (2.55 Km.) was opened on 16.9.1991. The next section between Park Town and Chepauk (2.50 Km) is also nearing completion. With a view to completing the entire length of the project by 1996, budgetary allocation to the project has been stepped up considerably. The original allocation of funds for 1994-95 has been increased to Rs. 26.55 crores and the allocation for 1995-96 to the project is Rs. 42 crores.

**Formation of a separate Autonomous Corporation for the
Mumbai Suburban System :**

In regard to form a separate autonomous corporation for Bombay Suburban Railway System, it may be stated that suburban railway system in Bombay metropolitan region is under the control of two Railways, viz. Central and Western Railways. The suburban rail corridors on each of these two Railways form a part of the rail network in the region. This network is used not only for suburban services but also for running long-distance passenger and freight services. Infrastructural facilities like tracks, signalling/telecom. system etc. as also the operational/maintenance staff are thus common for both the suburban services and the long-distance passenger/freight services. In view of the position, it will not be feasible to put suburban rail services under a separate autonomous Corporation as it would lead to operational problems with two separate organisations controlling the same rail network and operational/maintenance staff.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Recommendation (Para No. 2.111)

The Committee note that at present eight projects of Railways are pending with the Planning Commission for more than three months whereas the normal time taken in approving a project is reportedly four to six weeks. The Committee would like that all the pending projects should be expeditiously cleared by the Planning Commission for execution.

Reply of the Government

Planning Commission will be advised.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 28.7.95]

Further Reply of the Government

Planning Commission has been suitably requested to expedite their clearance, as desired by the Committee. The MOS(R) has also personally discussed the matter with Dy. Chairman, Planning Commission twice.

[M/o Rlys. D.O. No. 94/SCR/X/18 (DFG) dt. 8.1.96]

NEW DELHI;
February, 1996
Phalguna 1917 (Saka)

SOMNATH CHATTERJEE
Chairman,
Standing Committee on Railways.

APPENDIX I

MINUTES OF THE TWENTIETH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (1994-95)

The Committee sat on Tuesday the 27 February, 1996 from 1630 hrs. to 17.00 hrs. in Committee Room No. "62", Parliament House, New Delhi.

PRESENT

Lok Sabha

Shri Somnath Chatterjee — *Chairman*

2. Smt. Santosh Chowdhary
3. Kumari Frida Topno
4. Shri Dileep Singh Bhuria
5. Shri Manku Ram Sodhi
6. Shri Anand Ahirwar
7. Smt. Sheela Gautam
8. Shri Shreesh Chandra Dikshit
9. Smt. Girija Devi
10. Shri Basudeb Acharia
11. Shri Moreshwar Save
12. Shri P.C. Thomas

Rajya Sabha

13. Shri Radhakishan Malaviya
14. Shri Sarada Mohanty
15. Smt. Malti Sharma

SECRETARIAT

1. Smt. Roli Srivastava — *Joint Secretary*
2. Shri T.R. Sharma — *Deputy Secretary*
3. Shri R.C. Gupta — *Under Secretary*

2. The Committee considered the Draft 20th Report on Action Taken by Government on recommendations and observations contained in the 14th Report of Standing Committee on Railways on Ministry of Railways,

Demands for Grants, 1995-96 and adopted the same without any modification.

3. The Committee authorised the Chairman to finalise the Report after making consequential changes, if any, arising out of factual verification by the Ministry of Railways and to present the Report to both the Houses of Parliament.

The Committee then Adjourned.

APPENDIX II

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE FOURTEENTH REPORT OF THE STANDING COMMITTEE ON RAILWAYS (1995-96) (TENTH LOK SABHA)

		% of total
(i)	Total No. of recommendtions	44
(ii)	Recommendations/Observations that have been accepted by Government (vide Rec. Nos. 1.58, 1.60, 1.62, 1.63, 1.64, 1.67, 1.69, 2.83, 2.84, 2.90, 2.93, 2.96, 2.99, 2.100, 2.102, 2.104, 2.105 & 2.112).	18 40.90%
(iii)	Recommendations/Observations which the Committee do not desire to pursue in view of Government replies (vide Rec. Nos. 1.57, 1.61, 1.68, 1.70, 2.89, 2.103 & 2.106).	7 15.91%
(iv)	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee (vide Rec. No. 1.59, 1.65, 1.66, 2.85, 2.87, 2.88, 2.92, 2.97 & 2.110).	9 20.46%
(iv)	Recommendations/Observations in respect of which final replies of the Government are still awaited. (vide Rec. Nos. 2.86, 2.91, 2.94, 2.95, 2.98, 2.101,	10 22.73%