

ESTIMATES COMMITTEE
(1978-79)

(SIXTH LOK SABHA)

TWENTY-FIRST REPORT

MINISTRY OF RAILWAYS

**Demands for Grants (Railways)—Restructuring of
Form and Contents**

Presented in Lok Sabha on.



LOK SABHA SECRETARIAT
NEW DELHI

August, 1978/Sravana, 1900 (Saka)

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(1978-79)

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Shri K. S. Bhalla—*Chief Financial Committee Officer.*

Shri A. N. Bhatla—*Senior Financial Committee Officer.*

INTRODUCTION

I, the Chairman, Estimates Committee having been authorised by the Committee to submit the Report on their behalf present this Twenty-First Report on the Ministry of Railways—Demands for Grants (Railways)—Restructuring of Form and Contents.

2. The Estimates Committee took evidence of the representatives of the Ministry of Railways on 19 July, 1978. The Committee wish to express their thanks to the officers of the Ministry of Railways for placing before them the material and information they wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 12 August, 1978.

4. For facility of reference, the recommendations/observations of the Committee have been printed in thick type in the body of the Report. A summary of the recommendations/observations is appended to the Report (Appendix II).

NEW DELHI;
August 19, 1978.
Sravana 28, 1900 (S).

SATYENDRA NARAYAN SINHA,
Chairman,
Estimates Committee.

A—Restructuring of Demands for Grants Railways

The Railway Convention Committee, 1971, in paragraphs 7.9 to 7.12 of their First Report, recommended that the Government should undertake a comprehensive review of the form and contents of the railway Budget and the number of Demands for Grants as well as the various documents accompanying it, with a view to rationalising and simplifying their contents in the interest of proper accountability to Parliament and the public. In view of the complexity of the task, the Committee suggested that the review might be entrusted to a small task force, consisting of financial experts drawn from the Ministry of Finance, the Railways and the Comptroller and Auditor General of India. The Task Force might also co-opt eminent experts in the field from the Institutes of Management, Institute of Chartered Accountants and Cost Accountants. The Committee also recommended that the terms of reference of the proposed Task Force might also include the question of preparation of a performance budget by the Railways as an integrated part of the Demands for Grants.

2. In pursuance of the above mentioned recommendations of the Railway Convention Committee, a task force was constituted by the Government in July, 1973 to examine certain aspects of budgetary, accounting and management practices on the Railways. The Task Force consisted of 8 members, 6 drawn from the Ministry of Railways and Finance and two Chartered Accountants. The terms of reference of the Task Force were as given below:—

- (a) How far the structure of the Demands for Grants in the Railway Budget and the documents accompanying it can be rationalised and their contents simplified.
- (b) The manner in which the Railway Budget should be prepared so as to present in a simple and lucid way meaningful data for correlating costs to results.
- (c) For the purpose mentioned in (b), the manner in which the performance budget can be introduced as an integrated part of the Demands for Grants and the feasibility of its introduction according to a time bound programme.
- (d) The need to evolve a fully developed system of responsibility accounting, as emphasized by the World Bank Team in January, 1970 and with this end in view, to re-orient accounting classification so as to bring in eventual break-down of costs after eliminating all superfluous classifications, which are now out of date or irrelevant.

- (e) How best to set up an effective system of management accountability with a view to defining clearly management objectives and strategies and plans to achieve these objectives, and to evolving norms to monitor performance against objectives so set; as a tool of management control, the system should be so devised as to provide concurrent and purposeful data at all strategic levels to help reach appropriate decisions.
- (f) The present system of internal audit obtaining on each Railway under the Financial Adviser and Chief Accounts Officer and to suggest avenues of improvements therein.

3. The Task Force submitted its First Report in November, 1974 covering items (a) & (b) of the terms of reference mentioned in preceding paragraph. Items (c), (d) and (e) were covered in its Second Report which was submitted in November, 1975.

4. One of the functions of the Estimates Committee is to suggest the form in which the estimates shall be presented to Parliament. The acceptance of the recommendations of the Task Force would require a major restructuring of the Railway Budget (Demands and Sub-heads of Demands). The Ministry of Railways, therefore, submitted in December, 1975 copies of the First Report of the Task Force along with the Government's decision on the recommendations contained in the Report for the consideration of the Estimates Committee.

5. The Ministry also forwarded in September, 1977 the Second Report of the Task Force and a note detailing Government's decision on the recommendations contained therein. They also mentioned that it had been decided to introduce the new accounting classification suggested by the Task Force in phases. To begin with a simplified version with reduced detailed heads would be introduced so that until the computers of appropriate capacity were available, the work could be handled manually with the existing accounts and executive staff concerned. Further, refinements such as introduction of more detailed heads etc. might be considered in due course after gaining sufficient experience with the first phase and the computerisation of accounting. It was also mentioned that introduction of the new accounting classification in a simplified form entailed certain changes in the formats of the Demands for Grants (Railways) dealt with in the first Report of the Task Force.

6. At the instance of the Committee, the Ministry also obtained the comments of the Comptroller & Auditor General on the proposed restructuring of the Demands for Grants. The Ministry of Railways informed the Committee in July, 1978 that all the changes/modifications suggested

by the Comptroller and Auditor General had been accepted and incorporated in the revised formats of the Demands for Grants. The restructured Demands for Grants had also been seen by the Comptroller and Auditor General and as stated by the Financial Commissioner of Railway during evidence they had not made any comments. The formats of restructured Demands for Grants are given in Appendix I.

7. The Committee were informed that the Task Force had recommended a revised structure of Demands for Grants based on function oriented analysis of working expenses and plan headwise analysis of works expenditure. In drawing up these restructured demands the following basic considerations and practical constraints were kept in view.

Basic Considerations.

- (i) The Demands for Grants should present meaningful data in a simple and lucid manner.
- (ii) Each Demand should represent a homogeneous activity and, as far as possible, correspond to the jurisdiction of the departmental authority required to control the whole or bulk of the expenditure covered by the Demand.
- (iii) The Demand should correlate costs to results in all important aspects of working.
- (iv) The Demand should distinguish between variable, semi-variable and fixed items of costs and should enable performance budget being integrated with it.
- (v) The Demand should be such as to be compiled directly from the financial accounts.
- (vi) The Demand should be equally balanced *inter-se* from the point of view of total expenditure.

Practical Constraints.

- (a) Railways are a Government undertaking and a budgetary structure with an entirely commercial bias is difficult to build over a departmental system.
- (b) Budget formulation is a race against time and any additional information on physical data should not introduce difficulties and delays in compilation.
- (c) The system should be one which should be understood by staff in lower formations who have primarily to implement it.

(d) A realisation that sophistication in a system takes a few years to permeate the organisation and, therefore, refinements could be introduced only by stages.

8. (The scheme of revised demands for grants makes each grant distinguishable by the main activity to which it relates and the related objectives of expenditure under that grant. This is intended to facilitate concurrent cost and budgetary control.)

9. The Revised Demands for Grants are 16 in number against 22 existing at present, taking 11 and 11-A as one. The restructured Demands for Grants as finalised in consultation with Comptroller and Auditor General are as under:—

**Summary of the Revised Demand Structure Demands for Grants for
Expenditure on Railways**

Group	Demand
<i>No.</i>	<i>Name of Demand</i>
I. Policy Formulation & Services Common to Railways.	1. Railway Board. 2. Miscellaneous Expenditure (General).
II. General Superintendence & Services on Railways.	3. General Superintendence and Services.
III. Repairs & Maintenance.	4. Repairs & Maintenance of permanent way & works.
	5. Repairs & Maintenance of Motive Power
	6. Repairs & Maintenance of Carriages and wagons.
	7. Repairs & Maintenance of Plant and equipment.
IV. Operation.	8. Operating Expenses—Rolling Stock and Equipment.
	9. Operating Expenses—Traffic.
	10. Operating Expenses—Fuel.
V. Staff Welfare, Retirement Benefits and Miscellaneous.	11. Staff Welfare & Amenities.
	12. Miscellaneous Working Expenses.
	13. Provident Fund, Pension & other Retirement Benefits.
VI. Railway Funds, and Payments to General Revenues.	14. Appropriation to Funds.
	15. Dividend to General Revenues, Re-payment of loans taken from General Revenues, and Amortisation of over-capitalisation.
VII. Works Expenditure	16. Assets Acquisition, Construction and Replacement.

10. Explaining the basic philosophy of changing the formats of the Demands for Grants, the Financial Commissioner, Railways stated during evidence that under the revised formats a major area of activities of the Railways now forms a Demand for Grant. The very nature of restructuring was such that immediately from the Demands and sub-heads of Demands it would be possible to know on what and why an expenditure had been incurred. The aim and objective of this exercise was that they should be able to introduce performance budgeting which in ordinary language would mean that "the money is given for a stated target and then at the end of the year we should be able to see how much we have achieved with that money". Secondly, they should be able to introduce what is known in common parlance as 'Management Information System.' The idea was that concurrently the top and middle management levels should be able to get information from the accounts directly relating to the items of work which were being done by them. Thirdly the Demands for Grants had been made functional and responsibility centres had been fixed. A particular Department or officer "knows that this is his area of duties, this is the amount given to him and this is the task he has to perform during the year". Fourthly, in the restructured system, the Demands for Grants and the revised accounting classification were in complete alignment. Right from the grass root levels up to the final abstracts, the account heads were in complete alignment with the heads under which Parliament gives the money.

Salient features of restructured Demands.

11. The salient features of the proposed restructured Demands for Grants and other recommendations of the Task Force are given below:—

- (i) Expenses are broadly grouped by activities as an aid to developing budgets and analysing actual expenses against budgeted expenses.
- (ii) The proposed demands 1, 2 & 3 are in the nature of 'general-on-cost' Demands 1 & 2 covering all Railways and Demand 3 individual Railway Administrations. The present Demand 5, 'Repairs and Maintenance' has been split into constituent functional Demands separately to record expenditure on maintenance of 'Track', 'Motive Power and Plant and Equipment'. Similarly the present Demands 6, 7, 8 & 9 covering expenditure on 'Operating Staff', 'Fuel', 'Operation other than Staff and Fuel' and 'Miscellaneous Expenses', respectively, have been re-grouped and amalgamated into the revised relevant demands according to the activity classification of expenditure. The Works Demands, presently numbering 4, have been amalgamated into a single Demand for all works expenditure, irrespective of the source of financing. The Works expenditure under this

Demand as recommended by the Task Force, seeks to group together certain items of individual plan heads.

- (iii) Each Demand has two-way classification by activity and by primary units of expenditure. The activity classification identifies 'why an expense item is incurred. The behaviour of costs in relation to changes in traffic volumes at each activity location thus provides a data base for revising the budget in response to changing volumes of output. The primary unit (object) of expenditure on the other hand, identifies 'what' the expense item denotes, i.e. by way of labour, materials, etc. Such a breakdown facilitates concurrent cost and budgetary control for it pinpoints the types of expenses on which the organisational unit should concentrate to improve its performance. The primary units also indicate the categories of expenses that would be used by any organisational unit to prepare its budget and monitor the variances from the norms set up by it.
- (iv) The Budget classifications have been completely aligned with the Accounting classifications, thereby avoiding the necessity existing at present of reallocation of expenses to produce functional or responsibility accounts, a point specially emphasised by the World Bank Team. The proposed system is simple in structure and is intended to exploit fully the capabilities of the Electronic Data Processing equipment to analyse revenue expenses by activities for management/parliamentary reporting, and by primary units of expenditure for control at the responsibility cost centres where the expenditure is incurred. For Works Expenditure, the classification provides a direct link-up with the Plan heads, so that regrouping of expenditure plan head-wise for the purpose of management reporting, which becomes necessary under the present system, is avoided. The proposed scheme also provides for flexibility in the accounting structure for local requirements and further developments. Further, it is based on adoption of terminology commonly understood in the field to make the accounting classification unambiguous and easily intelligible.

The functional orientation of both the Budgetary Demands for Grants and the accounting classification ensures a complete concordance between the sub-heads of the Demands for Grants and main heads of accounting classification on the one hand and the detailed activity classification of the Demands for Grants with the Sub-Heads of Accounting Classification on the other.

(v) The Demands for Grants are to be presented in two Parts:

Part I—All Railways

Part II—Individual Railways

Each Part will have 3 sub-divisions—

- (i) Sub-Heads of the Demands representing major functions/activities.
- (ii) Detailed Heads representing a further break-up of the activity of classification i.e., identifying 'why' of the expenditure in greater detail.
- (iii) Primary Units (Object of expenditure) identifying 'what' the expenditure denotes i.e.

Salary

Wages

Allowances

Materials, etc.

Part II of the Demand book will also include all the statements and Annexures which are at present being included in the "Demands for Grants".

- (vi) The activity classification combined with the accounting by primary units of expenditure provides a built-in mechanism for isolating fixed costs like general administration and permanent sanctioned labour from variable and semi-variable costs like cost of materials, cost of temporary labour, travel expenses, incentive, running allowances etc. The scheme, is however, by no means such as to correlate expenditure directly with units of performance.
- (vii) It has been suggested that a new booklet titled 'key to budget' on the lines issued by the Ministry of Finance with the General Budget should be introduced.

12. The Committee have been informed that the recommendations of the Task Force contained in its First Report were examined in detail and the Govt. have decided to accept its recommendations dealing with restructured demands for Grants and other budgetary documents subject to the following:

- (i) Recommending a change in the concept of "gross budgeting," the Task Force suggested that budgeting for 'stores Suspense' and 'workshop Manufacture Suspense' and to a minor extent under 'Revenue Expenditure' should be on a 'net' basis because

it is the net expenditure which finally gets booked in accounts and is reflected in the financial results of the Railways. It has been stated by the Ministry that the Constitutional provision as now interpreted by Comptroller and Auditor General, requires a vote of Parliament for 'gross' expenditure from the Consolidated Fund of India. Unless the interpretation of the Constitution is revised by Ministry of Finance, in consultation with Comptroller and Auditor General, the concept of 'net' budgeting cannot be adopted on Railways. Revised Demands For Grants will be submitted to vote of Parliament for the gross amount until the basis of 'net' budgeting is adopted by the Government as a whole.

- (ii) Under the proposed Demand 11—Staff welfare and Amenities—additional sub-heads showing 'Grants-in-aid to non-railway schools' and 'Educational Assistance to Railway employees' will be provided to record expenditure on these distinct activities.
- (iii) In the proposed 'Works Demands' the sub-heads shall directly correspond to the standard 'Plan-Heads' and the grouping of certain items suggested by the Task Force has not been accepted. The standard 'Plan-Heads' have come to stay and are in common usage in the office of the Finance Ministry, Planning Commission etc. who provide funds for financing works under these heads.
- (iv) The Task Force recommended complete discontinuance of the booklet 'Works, Machinery and Rolling Stock Programme Part I (Summary). This has not been accepted as according to the Ministry it contains valuable summarised details.
- (v) The Task Force suggested elimination of the details of works expenditure, Railway-wise ratio of net revenue to capital at charge etc. presently included in the Explanatory Memorandum, of Railway Budget. At the same time it recommended addition of certain charts and statistical data. The deletion of portions from the Explanatory Memorandum has not been accepted as this is a useful reference book providing meaningful and consolidated information at one place.

Breakup of dividend paid to General Revenues

13. The Task Force suggested the following explanatory note below the restructured Demand 15—Dividend to General Revenues, repayment of loans taken from General Revenues, and amortisation of over-Capitalisation:

"In accordance with the accounting classification prescribed by the Comptroller and Auditor General of India under Article 150

of the Constitution, the 'dividend' payable by the Railways comprises the element of 'interest' and 'contribution' as shown below:

	Rs.	Crores
Interest—	.	
Contribution—		.
	_____	_____
Total	_____	_____

14. This recommendation was not accepted by Government and it was stated by the Ministry of Railways that this information would continue to be furnished separately to the Ministry of Finance for departmental use through cash requirement statements without being shown in the Demand Book.

15. Asked about the reasons for not accepting the recommendation of the Task Force, the Ministry of Railways stated in a written reply that "it has not been accepted, primarily because, the Ministry of Railways are already requesting the Railway Convention Committee to provide the Railway Ministry additional reliefs/grants in aid to mitigate the effect of the load of social burden carried by Railways. In such circumstances, as payment of any contribution over and above the interest liability can hardly be foreseen in the near future, the Ministry of Railways consider that giving a break up of the dividend separately under 'interest' and 'contribution' would serve no particular purpose."

16. During evidence of the representatives of the Ministry of Railways, the Committee enquired whether there was any harm in giving the explanatory note as suggested by the Task Force even if the amount to be shown under the head 'Contribution' was 'nil' for the present. The Financial Commissioner (Railways) stated:

"I agree with your point . . . even at present this information is given to Parliament. It is included in the Central Budget as 'interest and contribution'. We could include this separately."

Hospitality and entertainment expenses

17. Demand No. 9 under the existing formats of Demands contains a detailed head 'hospitality and entertainment expenses.' It was seen that in the re-structured Demands, the expenditure on 'hospitality' and entertainment was not proposed to be shown under a separate head but was proposed to be merged in "other expenses" under restructured Demand No. 12(f).

18. The Committee enquired about the reasons for not showing 'hospitality and entertainment expenses' even as a sub-head under the head 'other expenses'. The Financial Commissioner (Railways) stated during evidence:

"I admit that it has not been done for the simple reason that the basic philosophy of the Demands being that the major activities may be shown there. As it happens, the hospitality and entertainment grants of the Railways are very small. We thought it was a contingent expenditure which, as such, does not qualify to become a sub-head of the Demand. But because it is a sensitive subject, if you wish to include it, it can be done without any difficulty, because in any case we will be keeping an account."

Passenger and other Railway Users Amenities

19. In their 10th Report on Passenger Amenities, the Estimates Committee (1977-78) suggested that there should be separate allotment of funds for amenities to "passengers" and 'other Railway Users'. The expenditure incurred on these items should also be recorded separately with a view to presenting a clear picture in regard to allotment of funds and incurring of expenditure on "passenger" amenities as distinct from that on 'other Railway Users.'

20. The Committee enquired about the reasons for not providing separate sub-heads for recording expenditure on 'passenger amenities' and 'amenities for other Railway Users.' The Financial Commissioner Railways explained during evidence that the 'Passenger and other Railway Users amenities' was "a plan head created with the concurrence of the Government of India and the Planning Commission." The recommendation of the Estimates Committee in this regard was being considered in consultation with the Planning Commission and the Ministry of Finance. He added that "once it is accepted and the Planning Commission and the Government agree to have one more head separately, we would introduce it even subsequently."

Parliamentary Control

21. It has been stated by the Ministry "that the proposals of the Ministry of Railways for restructuring the Demands for Grants . . . will not envisage any dilution in the extent of control at present being exercised by Parliament. . . At present, no reappropriation is permissible between voted and charged allotment or between the allotments made under one grant to another. This position will continue to be maintained. In addition, under the restructured grant No. 16 no reappropriation of funds will be made between the capital, railway funds and revenue even though reappropriation will be permissible between the various sub-heads of this demand viz., the

various plan heads, what is obtaining even at present, so long as this does not cut across the source of financing."

22. The Committee were also informed during evidence that the number of detailed heads would go up from 114 to 405. Further, at present, there was one big Demand No. 5 under the head 'repairs and maintenance'. Out of total budget of about Rs. 2000 crores under the working expenses Rs. 704 crores was under this one Demand, covering repairs and maintenance of track, locomotives wagons, workshops, etc. In the revised structure this has been broken up according to the activities like Civil Engineering, Mechanical Engineering, etc. and the Demand has been broken into four. The amount of Rs. 704 crores as such would now be distributed within these four Grants. These grants would become more balanced and the Ministry would not be able to reappropriate from one Demand to the other and so "the Parliamentary Control has been strengthened." Further all the statements and all the information which at present are being given to Parliament in the Demands for Grants will be given to Parliament even in the revised form.

23. The Committee note that in pursuance of the recommendation of the Railway Convention Committee, the Ministry of Railways propose to restructure the Demands for Grants (Railways) on the basis of the reports of the Task Force appointed by them. The restructured Demands For Grants are based on function-oriented analysis of the working expenses and plan head-wise analysis of works expenditure. The scheme of revised Demands For Grants makes each Grant distinguishable by the main activity to which it relates and the related objectives of expenditure under the Grant. The Committee have also been informed that the proposed restructuring of the Demands does not envisage any dilution in the extent of control at present being exercised by Parliament, in fact it has, it is stated, strengthened the Parliamentary Control. The Committee have further been assured that the Demands for Grants will include all the statements and annexures which are at present being included in the Demands. The Committee have no objection to the proposed re-structuring of the Demands For Grants (Railways) and to their presentation in the restructured form as given in Appendix I to this Report subject to the following:

(i) As recommended by the Task Force, Demand No. 15 should contain an explanatory note showing separately the elements of 'Interest' and 'Contribution' in the dividend paid by the Railways to General Revenues.

(ii) The expenditure incurred on 'hospitality and entertainment expenses' by the Railway Board and the Zonal Railways should be shown separately under the respective Demands.

- (ii) As suggested by the Estimates Committee (1977-78) in their 10th Report on Passenger Amenities the expenditure incurred on 'passenger amenities' should be shown separately from that incurred on providing amenities to 'other railway users' under the relevant Demand.

B. Performance Budgeting

24. The Railway Convention Committee had also recommended that the terms of reference of the proposed Task Force might also include the question of preparation of a performance budget by the Railways as an integrated part of the Demands for Grants. In its Second Report, the Task Force which was also asked to go into this matter, while recommending the introduction of Performance Budgeting, stated that the system of performance budgeting should be so devised, that "a unit of output or a number of units of output for each sub-head of Demand is established so that performance budgeting is integrated to the overall Demands structure." Performance budgeting should be considered separately for revenue working expenses and earnings and expenditure on acquisition, construction and replacement of assets. The Task Force, however, recognised that direct correlation of expenditure with performance might not be possible for all the Demands as the norms of output/performance and the unit costs could be developed only after experience had been gained over a period of years. Pending the evaluation of such norms, the Task Force, recommended that specific volume of output budgeted for under each sub-head of Demand should be made available as part of the budget documents to provide a reasonable insight into the financial allocations corresponding to the work load from year to year as exhibited in the budget.

25. The Committee enquired whether the volume of output budgeted for under each sub-head of the Demand would also be indicated in the revised format of the Demands for Grants. The Ministry of Railways stated in a written reply that it was tentatively proposed to compile the Revised Estimates for 1978-79 and the Budget Estimates for 1979-80 in the revised budget formats. To facilitate this, instructions had already been issued to the Railways to maintain accounts in the new system of accounting classification side by side with the existing system with effect from 1.4.78. After approval of the Estimates Committee to the adoption of the revised budget formats, instructions were proposed to be issued to the Railways that while submitting the Revised Estimates for 1978-79 and Budget Estimates for 1979-80 in the new formats a correlation should be made on a broad basis of the data given in financial terms in the restructured sub-heads of Demand with the statistical units of performance, as detailed in Annexure XI of the Second Report of the Task Force. The Ministry added that it might, however, be appreciated that until proper

and valid norms of output/performance and corresponding unit costs were developed over a period of years after sufficient experience had been gained with the proposed system of performance budgeting, the correlation proposed above, "can at best be more in the nature of general indicators of the manner in which physical outputs are keeping pace with the financial inputs."

26. Asked to state specifically, whether the volume of output budgeted for under each sub-head of the Demands would be made available to Parliament along with the budget estimates for 1979-80, the Financial Commissioner (Railways) stated during evidence:

"The format is already there. But, so far, as the detailed performance and the unit of costing and all that are concerned, it will take at least 3-4 years. In the meantime, statistically all the information which we are giving to Parliament would still continue to be given in which we correlate it with the Demands."

27. The Committee note that the Railway Convention Committee 1971 in their First Report had recommended the introduction of Performance Budgeting in Railways in the interest of proper accountability to Parliament and the public. While stressing the introduction of Performance Budgeting, the Task Force, observed that the system should be so devised that "a unit of output or a number of units of output for each sub-head of Demand is established so that Performance Budgeting is integrated to the overall Demands structure." As recognised by the Task Force, the Committee agree that direct correlation of expenditure with performance might not be possible for all the Demands at present as the norms of output/performance and the unit costs can be developed only after experience has been gained over a period of years. But, as suggested by the Task Force, pending the evolution of such norms, the specific volume of output budgeted for under each sub-head of Demands should be made available to Parliament as part of the budget documents to provide a reasonable insight into the financial allocation corresponding to the work load from year to year. The Committee hope that as proposed by the Ministry, no further time will be lost in starting the practice of showing a correlation on a broad basis between the financial inputs and physical outputs under the restructured sub-heads of Demands for Grants and this information made available to Parliament along with budget estimates starting from the financial year 1979-80.

28. The Committee note that the evolution of norms of output/performance and unit costs and the detailed performance budgeting system is expected to take 3-4 years more. They feel that the completion of this process should not take so long. They stress that the detailed performance

budgeting system providing meaningful data correlating costs to results should be introduced at the earliest and the detailed performance budget placed before Parliament along with the budget document every year.

C. Management Reporting System

29. In its Second Report, the Task Force observed that a major deficiency of Railway Management consisted in its not setting operating targets for the various responsibility centres for which Railway Managers could be held accountable. The Task Force recommended the performance units in respect of various sub-heads of the Demands for Grants and suggested that the targeted volume of output sub-divided into the various performance units should flow from the overall operating/commercial target set by the top Railway Management for the movement of freight and passenger traffic. The Task Force was also of the opinion that in the context of the programme and performance budgeting system envisaged in its first report and of the responsibility accounting and management accounting system suggested in its Second Report, the management information system should undergo a conceptual change in translating the statistical information reports into financial terms.

30. The Task Force recommended in Para 5.33 that the multi-farious and multi-channel reporting system in vogue at present should yield place to a unified reporting system and there should be one principal financial/commercial report (form appended at Annexure 19 to its Second Report)—a profit and loss account vis-a-vis budget from the Divisional Supdt. to the General Manager and from the latter to the Railway Board, supported by Division-wise (and important station-wise) performance as shown in Part-B and Part-C of Annexure 19 *ibid*. This report was also to be supplemented by exception reports and reports on performance and cost control in the areas specified in the report.

31. In Para 5.34 of its report, the Task Force also recommended that each Railway Administration should send to the Railway Board every quarter a Performance Workload Summary showing against each sub-head of Demand the quantitative and financial performance in the sample form given in Annexure 23 of its report *ibid*.

32. The Task Force also suggested in Para 5.36 that the proposed management reporting system may be implemented straightway to the extent it was not dependent on the revised accounting classification.

33. As regards the action taken in this regard, the Ministry of Railways informed that necessary action had already been initiated by the Ministry of Railways to provide intensive training to various formations of staff. This scheme of training was in progress. Bearing in mind the large size of the Railway Undertaking consisting of innumerable executive and

accounting units and considering that the staff in the lower formations were bound to take time to understand and adapt themselves to the proposed arrangement, it was considered that introduction of major changes in the reporting system should be proceeded with more caution, as otherwise large scale misclassifications could take place. Keeping these factors in view, the Railway Ministry was of the considered view that while every effort should be made to implement the changes as early as possible, it was of utmost importance that the changes should be brought about only after the staff and officers were properly trained. It was in this background that a tentative decision had been taken to compile the Revised Estimates for 1978-79 and the Budget Estimates for 1978-80 in the Revised budget formats. It was, therefore, proposed to consider implementation of the introduction of the management reporting system recommended in paras 5.33 and 5.34 of the Second Report of the Task Force, with effect from the financial year 1979-80 when the budget estimates would be fully in the new formats.

34. The Committee are surprised to find that in the Railways no operating targets are set for the various responsibility centres for which Railway Managers could be held accountable. The need for fixing financial and physical targets for each responsibility centre and to have a proper management reporting system to monitor and evaluate the performance against the set targets cannot be over emphasised. It is, therefore, essential that the management reporting system as suggested by the Task Force in Paras 5.33 and 5.34 of its Second Report is introduced expeditiously. The Committee have been informed that the Ministry of Railways consider it of utmost importance that the changes should be brought about only after the staff and officers who are at present under training are properly trained, and they, therefore, propose to consider introduction of the management reporting system as recommended by the Task Force with effect from the financial year 1979-80 when the budget estimates will be fully in the new formats. The Committee would like the Ministry of Railways to ensure that the training of staff is completed well in time and the new reporting system is actually introduced from the year 1979-80.

SATYENDRA NARAIN SINHA,

*Chairman,
Estimates Committee.*

NEW DELHI;
August 19, 1978

Sravana 28, 1900 (S).

APPENDICES

APPENDIX I
(Reference Para 6 of the Report)
FORMATS OF
RESTRUCTURED DEMANDS FOR GRANTS—
RAILWAYS

PART I

SCHEDULE OF DEMANDS

RAILWAYS

(In thousands of Rupees)

Pages	Number of Demand	Name of the Demand	Amount	
			Voted	Charged
1—2	1	Railway Board		
3—5	2	Miscellaneous Expenditure (General)		
6—12	3	General Superintendence and Services		
13—18	4	Repairs & Maintenance of Permanent Way & Works		
19—25	5	Repairs & Maintenance of Motive Power		
26—32	6	Repairs & Maintenance of Carriages & Wagons		
33—40	7	Repairs & Maintenance of Plant & Equipment		
41—47	8	Operating Expenses—Rolling Stock & Equipment		
48—54	9	Operating Expenses—Traffic		
55—59	10	Operating Expenses—Fuel		
60—65	11	Staff Welfare & Amenities		
66—71	12	Miscellaneous Working Expenses		
72—76	13	Provident Fund, Pension & other Retirement Benefits.		
77—80	14	Appropriation to Funds		
81—84	15	Dividend to General Revenues, Repayment of loan taken from General Revenues & Amortization of Overcapitalization.		
85—92	16	Assets—Acquisition, Construction & Replacement		

DEMAND No. I—RAILWAYS

REVENUE

RAILWAY BOARD

Voted

Charged

(In thousands of rupees)

Actuals 1977-78	Budget Estimate 1978-79	Details	Revised Estimate 1978-79	Budget Estimate 1979-80
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I—Pay of Officers

II.—Pay of Establishment

III—Other Charges

TOTAL Voted

Charged

The above estimates do not include the recoveries mentioned below, which are taken outside the gross budget and adjusted in the accounts as reduction of expenditure.

Credits

or

Recoveries.

NET

EXPLANATORY NOTE

This demand is for expenditure on Railway Board.

Exhibit 1-A sums up the objects of expenditure for the demand.

The credits under this demand represent recoveries from the Ministry of Works and Housing (C.P.W.D.) for expenditure on the maintenance of "Rail Bhavan" which is arranged by the Railway Ministry in agreement with the Ministry of Works and Housing.

EXHIBIT—IA**DEMAND No. 1—RAILWAYS****REVENUE****RAILWAY BOARD****PRIMARY UNITS (OBJECTS) OF EXPENDITURE**

(In thousands of rupees)*

Actuals 1977-78	Budget Estimate 1978-79	Primary units of expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & Wages		
		(ii) Dearness Allowance		
		(iii) Overtime allowance		
		(iv) Other allowances		
		(v) Travel expenses including Air travel		
		(vi) Contingent expenses		
		(vii) Cost of Materials		
		(viii) Contractual Payments		
		(ix) Other expenses		
		TOTAL		

DEMAND No. 2—RAILWAYS

REVENUE

MISCELLANEOUS EXPENDITURE (GENERAL)

PART—I

Voted

Charged

(In thousands of rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub-head of the demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Surveys	Voted	
			Charged	
		(b) Research, Design & Standards Organisation	Voted	
			Charged	
		(c) Expenditure on Miscellaneous establishments	Voted	
			Charged	
		(d) Cost of Statutory Audit	Voted	
			Charged	
		(e) Payments to worked lines & subsidized companies	Voted	
			Charged	
		(f) Miscellaneous charges.	Voted	
			Charged	
		TOTAL	Voted	
			Charged	

The above estimates do not include the recoveries mentioned below, which are taken outside the gross budget but adjusted in accounts as reduction of expenditure.

Credit or Recoveries

NET

EXPLANATORY NOTE

Item (a) includes the cost of surveys or preliminary investigations to examine the feasibility & prospects of new line constructions & other Projects (on the completion of the construction of the project the expenditure on Surveys is transferred to Capital or other appropriate heads by credit to Revenue).

Item (b) is for expenditure on the Research, Design and Standards Organisation, which is attached to but not part of Railway Ministry. The credit under this head represents recovery of electrical charges etc.

Item (c) is for expenditure on miscellaneous special establishments dealing with problems affecting the working of the Railways as a whole but not part of the Ministry like the Railway Inspectorate, Central Bureau of Investigation, Railway Liasion Office etc. Credits under this head refer to the recoveries from Central Bureau of Investigation, for the Railway staff seconded to the C.B.I.

Item (d) is for expenditure on Statutory Audit. The charged amount represents the cost of the Railway Wing of the Office of the Comptroller and Auditor General of India.

Item (e) is for expenditure regulated by contracts on:—

- (i) The share of net earnings payable to owners of branch lines worked by, and as part of, the Indian Government Railway System;
- (ii) Subsidy and rebate to such branch lines to make up their total earnings to a specified minimum; and
- (iii) Subsidy payable to lines owned and worked by certain private companies when their net earnings do not give the return guaranteed to them on their capital.

Item (f) is for expenditure on Miscellaneous charges like the Railway's contribution to the experimental research station at Khadakvasala, subscriptions to the International Railway Congress Association, enrolment of the Indian Railways as an Associate Member of the International Union of Railways (UIC) publicity, hospitality & entertainment expenses in connection with the visits of foreign dignitaries, etc.

Exhibit 2-A sums up the objects of expenditure for the Demand as a whole.

The Railway wise details of the surveys and the details of expenditure of Research, Design & Standards Organisation, expenditure on miscellaneous establishments, cost of Statutory Audit, Payments to worked lines and subsidized companies and other miscellaneous charges are given in Part II of the Demand Book.

EXHIBIT—2A.**DEMAND NO. 2—RAILWAYS****REVENUE****MISCELLANEOUS EXPENDITURE (GENERAL)****PRIMARY UNITS (OBJECTS) OF EXPENDITURE (ALL RAILWAYS)**

(In thousands of rupees)

Actuals 1977-78	Budget Estimate 1978-79	Primary units of expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & Wages.		
		(ii) Dearness allowance.		
		(iii) Kilometerage allowance.		
		(iv) Overtime allowance.		
		(v) Other allowances		
		(vi) Travel expenses including Air travel.		
		(vii) Contingent expenses.		
		(viii) Cost of Materials.		
		(ix) Contractual payments.		
		(x) Other expenses		
		Total		

DEMAND NO. 3—RAILWAYS

REVENUE

GENERAL SUPERINTENDENCE AND SERVICES
(ALL RAILWAYS)

PART—I

Voted
Charged

(In thousands of rupees)

Actuals 1977-78	Budget Estimate, 1978-79	Sub-heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) General Management incl. Genl. Management Services.	Voted Charged.	
		(b) Financial Management	Voted. Charged	
		(c) Personnel Management	Voted Charged	
		(d) Materials Management	Voted Charged	
		(e) Way and Works Management	Voted Charged	
		(f) Rolling Stock Mana- gement	Voted Charged	
		(g) Electrical Management	Voted Charged	
		(h) Signal & Telecommuni- cation Management	Voted Charged	
		(i) Traffic Management	Voted Charged	
		Total	Voted Charged	

The above estimates do not include the recoveries mentioned below which are adjusted in the accounts as reduction of expenditure.

Credits or Recoveries

Net:

EXPLANATORY NOTE

This Demand is for expenditure on the Zonal Head-quarters Office and Divisional Offices of Railway Administrations. For the Accounts, Personnel and Stores Departments, this Demand includes the expenses at the Divisional, Workshop and Depot level also.

The charged expenditure under this Demand represents payments arising from court decrees and awards by Arbitrators where made into rule of the Court.

The credits or recoveries under this Demand relate to commission charges recovered from the Defence Department for audit of warrants and credit notes connected with military traffic and the cost of staff recovered from non-Railway Departments for work done on their behalf or services rendered to them.

Exhibit 3-A shows the detailed activity-wise classification of expenditure.

Exhibit 3-B sums up the objects of expenditure for the Demand as a whole.

The Railway-wise details are given in Part-II of the Demand Book.

EXHIBIT 3-A**DEMAND NO. 3—RAILWAYS****REVENUE****GENERAL SUPERINTENDENCE AND SERVICES (ALL RAILWAYS)****DETAILED ACTIVITY CLASSIFICATION**

(In thousands of rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed Heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) General Management incl. Genl. Management Services.		
		(i) Establishment of the General Manager.		
		(ii) Establishment of the Divisional Super- intendent.		
		(iii) General Manage- ment Services (Pla- nning, Efficiency & Workstudy etc.).		
		(iv) Commercial Advertise- ment and Publicity.		
		(v) Vigilance.		
		(vi) Legal Cell.		
		(vii) Miscellaneous Expenses		
		Total	Voted Charged	
		Credit or Recoveries.		
		(b) Financial Management		
		(i) Accounts		
		(ii) Cash & Pay		
		(iii) Statistical		
		(iv) Electronic Data Processing		
		(v) Miscellaneous expenses.		
		Total	Voted Charged	
		Credits or Recoveries.		

Actuals 1977-78	Budget Estimate 1978-79	Detailed Heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(c) Personnel Management:		
		(i) Establishment (other than staff welfare and Unions etc.)		
		(ii) Staff welfare & Unions affairs		
		(iii) Sports & Cultural activities and others.		
		(iv) Miscellaneous expenses.		
		Total	Voted	
			Charged	
		Credits or Recoveries		
		(d) Material Management:		
		(i) Stores Branch		
		(ii) Stores Depots		
		(iii) Miscellaneous Expenses.		
		Total	Voted	
			Charged	
		Credits or Recoveries:		
		(e) Way & Works Management:		
		(i) Establishment exclusively for P. Way		
		(ii) Establishment exclusively for Works		
		(iii) Joint Establishment		
		(iv) Miscellaneous expenses		
		Total	Voted	
			Charged	
		Credits or Recoveries.		
		(f) Rolling Stock Management:		
		(i) Workshop Branch including Drawing office, Planning & Production.		
		(ii) Loco & Carriage & Wagon Br.		
		(iii) Mechanical Operating		
		(iv) Others		
		(v) Miscellaneous expenses		
		Total	Voted	
			Charged	
		Credits or Recoveries.		
		(g) Electrical Management:		
		(i) Administration		
		(ii) Electrical Traction		
		(iii) Electrical General Services		
		(iv) Electrical Workshop-Drawing & Estimating		
		(v) Miscellaneous expenses		
		Total	Voted	
			Charged	
		Credits or Recoveries.		

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(h) Signal & Telecommunication Management:		
		(i) Administration		
		(ii) Signalling		
		(iii) Telecommunication		
		(iv) Workshop Drawing & Estimating		
		(v) Miscellaneous expenses		
		Total	Voted	
			Charged	
		Credits or Recoveries		
		(i) Traffic Management :		
		(i) Traffic Operating		
		(ii) Traffic commercial (excluding claims organisation)		
		(iii) Safety		
		(iv) Planning		
		(v) Others (Road services etc.)		
		(vi) Miscellaneous expenses		
		Total	Voted	
			Charged	
		Credits or Recoveries		
		Total (a) to (i)	Voted	
			Charged	

EXHIBIT 3-B
DEMAND NO. 3—RAILWAYS
REVENUE

GENERAL SUPERINTENDENCE AND SERVICES (ALL RAILWAYS)
PRIMARY UNITS (OBJECTS) OF EXPENDITURE

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Primary Units of expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & wages		
		(ii) Dearness allowance		
		(iii) Kilometerage allowance		
		(iv) Overtime allowance		
		(v) Other allowances		
		(vi) Travel expenses including Air Travel		
		(vii) Contingent expenses		
		(viii) Cost of Materials		
		(ix) Contractual payments		
		(x) Other expenses		
		Total		

DEMAND No. 4—RAILWAYS

REVENUE

REPAIRS & MAINTENANCE OF PERMANENT WAY & WORKS
(ALL RAILWAYS)

PART-I

Voted
Charged

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub-heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Establishment in offices	Voted Charged	
		(b) Maintenance of Permanent Way.	Voted Charged	
		(c) Maintenance of Bridge work and Tunnels including Road over/under bridges	Voted Charged	
		(d) Maintenance of Service buildings (other than staff quarters and welfare buildings)	Voted Charged	
		(e) Water supply, sanitation and Roads (other than colonies, staff quarters and welfare buildings)	Voted Charged	
		(f) Other repairs and maintenance	Voted Charged	
		(g) Special repairs pertaining to breaches, accidents etc. including special Revenue Works.	Voted Charged	
		TOTAL	Voted Charged	

The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

Credit or Recoveries

NET

EXPLANATORY NOTE

This Demand is for expenditure on repairs and maintenance of the Permanent Way assets like track, other buildings and structures. The charged expenditure under this Demand represents payments in satisfaction of Court decrees and arbitration awards where made into rule of the court. Repairs and Maintenance of Railway colonies, staff quarters and welfare buildings are given under Demand No. 11—Staff Welfare and Amenities.

The credits under this Demand are for materials released from works charged to Revenue and share of credits for freight charges on Railway material including coal.

Exhibit 4-A shows the detailed activity-wise classification of expenditure.

Exhibit 4-B sums up the objects of expenditure for the Demand as a whole.

The Railwaywise details are given in Part II of the Demand Book.

EXHIBIT 4-A**DEMAND No. 4—RAILWAYS****REVENUE****REPAIRS AND MAINTENANCE OF PERMANENT WAY AND WORKS
(ALL RAILWAYS)***Detailed Activity Classification*

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Establishment in Offices :		
		(i) Officers and Office Establishment .		
		(ii) Supervisory Staff and their Office Staff		
		(iii) Contingent Expenses		
		TOTAL	Voted	Charged
		(b) Maintenance of Permanent Way		
		(i) Group A (BG)		
		(ii) Group B (BG)		
		(iii) Group C (BG)		
		(iv) Group D (BG)		
		(v) Group E (BG)		
		(vi) Trunk routes & Main Lines (MG) .		
		(vii) Branch Lines (MG) .		
		(viii) Yards and Sidings (MG) .		
		(ix) Narrow Gauge		
		TOTAL	Voted	Charged

NOTE :— Group A refers to routes which have a sanctioned speed of 160 Kmph, Group B 130 Kmph, Group C refers to suburban sections of Bombay and Calcutta, Group D routes have a sanctioned speed of 100 Kmph, and Group E refers to other sections and branch lines including yards and sidings.

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Dem and	Revised Estimate 1978-79	Budget Estimate 1979-80
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(c) Maintenance of Bridge work and Tunnels
including Road over/under bridges :

(i) Girder Bridges

(ii) Other Bridges

(iii) Tunnels

(iv) Road over/under bridges including
foot over bridges

TOTAL Voted
Charged .

(d) Maintenance of Service Buildings
(other than Staff Quarters and Welfare
Buildings) :

(i) Office Buildings

(ii) Stations, Goods sheds

(iii) Workshop and Stores

(iv) All other structures

TOTAL Voted
Charged .

(e) Water supply, sanitation and roads
other than colonies, staff quarters and
welfare buildings) :

(i) Water Supply

(ii) Sanitation

(iii) Service roads and others (Misc.)

TOTAL Voted
Charged .

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(f) Other repairs and maintenance :		
		(i) Shore connections at ferries.		
		(ii) Station machinery other than water supply arrangements.		
		(iii) Conservancy of Rivers.		
		(iv) Trees, Plantations Nurseries etc.		
		(v) Miscellaneous, Expenses.		
		Total	Voted Charged	
		(g) Special repairs pertaining to Breaches, Accidents etc. including Special Revenue Works:		
		(i) Breaches.		
		(ii) Accidents.		
		(iii) Others.		
		Total	Voted Charged	
		Total (a) to (g)	Voted Charged	
		Credit or Recoveries		
		(i) Credits for materials released from works.		
		(ii) Share of credits for freight charges on Railway material including coal.		
		(iii) Write back of the cost of Military Sidings initially charged to Capital.		
		Total Credit or Recoveries		

EXHIBIT 4B**DEMAND NO. 4—RAILWAYS****REVENUE****REPAIRS & MAINTENANCE OF PERMANENT WAY & WORKS (ALL RAILWAYS)**

Primary Units (Objects) of expenditure.

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Primary units of expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & Wages.		
		(ii) Dearness allowance.		
		(iii) Kilometrage allowance.		
		(iv) Overtime allowance.		
		(v) Other allowances.		
		(vi) Travel expenses including Air travel.		
		(vii) Contingent expenses.		
		(viii) Cost of materials from stock.		
		(ix) Cost of materials directly purchased.		
		(x) Contractual payments.		
		(xi) Other expenses.		
		Total		

DEMAND NO. 5—RAILWAYS

REVENUE

REPAIRS AND MAINTENANCE OF MOTIVE POWER (ALL RAILWAYS)

PART I

Voted

Charged

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub-heads of the Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Establishment in offices.	Voted Charged	
		(b) Steam Locomotives.	Voted Charged	
		(c) Diesel Locomotives.	Voted Charged	
		(d) Electric Locomotives.	Voted Charged	
		(e) Rail cars, ferry steamers & other maintenance expenses.	Voted Charged	
		Total	Voted Charged	
		The above estimates do not include the recoveries mentioned below which are adjusted in accounts as reduction of expenditure.		
		Credits or Recoveries.		
		NET		

EXPLANATORY NOTE

This Demand is for expenditure on repairs and maintenance of motive power. The charged expenditure under this Demand represents payment in satisfaction of Court decrees and arbitration awards where made into rule of the Court.

Exhibit 5-A shows detailed activity-wise classification of expenditure.

Exhibit 5-B sums up the objects of expenditure for the Demand as a whole.

Railway-wise details are given in Part II of the Demand Book.

The credit under this Demand are mainly for materials released from works charged to revenue and share of credits for freight charges on Railway materials including coal.

EXHIBIT 3A**DEMAND No. 5—RAILWAYS****REVENUE****REPAIRS AND MAINTENANCE OF MOTIVE POWER (ALL RAILWAYS)****DETAILED ACTIVITY CLASSIFICATION**

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of the Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Establishment in offices :		
		(i) Officers and Office Establishment (Mechanical)		
		(ii) Supervisory staff and their office staff (Mechanical)		
		(iii) Contingent, Laboratory Expenses (Mechanical).		
		(iv) Officers and office establishment (Electrical)		
		(v) Supervisory staff and their office staff (Electrical).		
		(vi) Contingent Expenses (Electrical)		
		TOTAL	Voted	
			<i>Charged</i>	
		(b) Steam Locomotives :		
		(i) Running Repairs in sheds		
		(ii) Running Repairs in Workshops for sheds		
		(iii) Periodical overhauls		
		(iv) Intermediate overhauls		
		(v) Special repairs		
		(vi) Other repairs		
		(vii) Misc. charges including adjustments		
		TOTAL	Voted	
			<i>Charged</i>	

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of the Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
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(c) Diesel Locomotives :

- (i) Running Repairs in sheds
- (ii) Running Repairs in workshops for sheds
- (iii) Periodical overhauls]
- (iv) Intermediate Overhauls
- (v) Special repairs
- (vi) Other repairs
- (vii) Misc. charges including adjustments

TOTAL	Voted
	Charged

(d) Electric Locomotives :

- (i) Running Repairs
- (ii) Periodical Overhauls
- (iii) Special Repairs & Intermediate overhauls
- (iv) Other Repairs—Traction Motors
- (v) Other Repairs—Power Equipment
- (vi) Other Repairs—Auxiliary Equipment including batteries, cabling, lights, and fans
- (vii) Other Repairs—Brake Equipment
- (viii) Other Repairs—Body, bogies, gears and wheel sets
- (ix) Miscellaneous charges including adjustments

TOTAL	Voted
	Charged

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of the Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
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(e) Rail cars, ferry steamers and other main-
tenance expenses :

- (i) Rail cars
- (ii) Ferry Steamers barges and minor
crafts
- (iii) Harbours
- (iv) Other Miscellaneous Expenses (Mech-
anical Department including ferry
service)
- (v) Other Misc. Expenses (Electrical
Department)

TOTAL	Voted .
	Charged .

TOTAL (a) to (e)	Voted .
	Charged .

Credits or Recoveries

- (i) Credits for material released from
Revenue Works (Mechanical Depart-
ment)
- (ii) Credits for material released from
Revenue Works (Electrical Depart-
ment)
- (iii) Share of credits for freight charges on
Railway material including coal

TOTAL—Credits or Recoveries .

EXHIBIT—3B**DEMAND No. 5—RAILWAYS****REVENUE****REPAIRS & MAINTENANCE OF MOTIVE POWER (ALL RAILWAYS)***Primary Units (Objects) of Expenditure*

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Primary units of expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & wages		
		(ii) Dearness allowance		
		(iii) Kilometrage allowance		
		(iv) Overtime allowance		
		(v) Night duty allowance		
		(vi) Other allowances		
		(vii) Travel expenses including Air travel		
		(viii) Contingent expenses		
		(ix) Cost of Materials		
		(x) Contractual payments		
		(xi) Other expenses		
		TOTAL		

DEMAND No. 6—RAILWAYS

REVENUE

REPAIRS & MAINTENANCE OF CARRIAGES & WAGONS (ALL RAILWAYS)

PART I

Voted
Charged

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Establishment in Offices	Voted Charged	
		(b) Carriages	Voted Charged	
		(c) Wagons	Voted Charged	
		(d) Electric Multiple Unit Coaches.	Voted Charged	
		(e) Electrical General Services- Train Lighting fans and air- conditioning	Voted Charged	
		(f) Misc. Repairs and Main- tenance Expenses	Voted Charged	
		TOTAL	Voted Charged	

The above figures do not include the recoveries mentioned below which are
adjusted in accounts in reduction of expenditure.

Credits or Recoveries

NET . . .

EXPLANATORY NOTE

This Demand is for expenditure on repairs and maintenance of carriages & Wagons including electric multiple unit coaches. The charged expenditure under this Demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the court.

The credits under this Demand are mainly for materials released from works charged to revenue and share of credits for freight charges on Railway materials including coal.

Exhibit 6-A shows detailed activity-wise classification of expenditure under this Demand.

Exhibit 6-B sums up the objects of expenditure for the demand as a whole.

Railway-wise details are given in Part II of the Demand Book.

EXHIBIT--6A**DEMAND No. 6—RAILWAYS****REVENUE****REPAIRS MAINTENANCE OF CARRIAGES AND WAGONS (ALL RAILWAYS)****DETAILED ACTIVITY CLASSIFICATION.**

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Establishment in offices :		
		(i) Officers and Office Establishment (Mechanical)		
		(ii) Supervisory staff and their office staff Mechanical)		
		(iii) Contingent Expenses (Mechanical)		
		(iv) Officers and office Establishment (Electrical)		
		(iv) Supervisory staff and other office staff (Electrical)		
		(vi) Contingent Expenses (Electrical)		
		Total	voted charged	

(b) Carriages :

- (i) Running repairs in Sicklines.
- (ii) Running repairs in workshop for
sick lines.
- (iii) Periodical Overhauls.
- (iv) Special repairs.
- (v) Other Repairs.
- (vi) Misc. expenses including adjustments.

Total Voted
 Charged

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
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(c) Wagons :

- (i) Running repairs in sick lines.
- (ii) Running repairs in workshop for sick lines.
- (iii) Periodical Overhauls.
- (iv) Special repairs.
- (v) Other repairs.
- (vi) Misc. expenses including adjustments.

Total	Voted Charged
-------	------------------

(d) Electric Multiple Unit Coaches :

- (i) Running repairs.
- (ii) Periodical Overhauls.
- (iii) Special repairs.
- (iv) Other repairs Traction Motors.
- (v) Other repairs—Power Equipment.
- (vi) Other repairs—Auxiliary Equipment including batteries, cabling, lights and fans.
- (vii) Other repairs—Brake Equipment.
- (viii) Other repairs—body, bogies, gears and wheel sets.
- (ix) Misc. charges including adjustments.

Total	Voted Charged
-------	------------------

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(c) Electrical General Services—Train lighting, fans and air-conditioning.		
		(i) Running Repairs and Maintenance Conventional Coaches.		
		(ii) Running Repairs and Maintenance— Air Condition Coaches.		
		(iii) Running Repairs and Maintenance— Power Cars.		
		(iv) Running Repairs and Maintenance— Steam Loco head light equipment.		
		(v) Workshop Repairs—Conventional Coaches.		
		(vi) Workshop Repairs—Air Condition Coaches.		
		(vii) Workshop Repairs—Power Cars.		
		(viii) Workshop Repairs—Steam Loco Head Light Equipment.		
		(ix) Misc. Expenses.		
		Total	Voted Charged	
		(f) Misc. Repairs and Maintenance Ex- penses :		
		(i) Misc. expenses (Mechanical Deptt.).		
		(ii) Misc. expenses (Electrical Deptt.).		
		Total	Voted Charged	
		Total (a) to (f)	Voted Charged	
		Credits or Recoveries.		
		(i) Credits for Material released from Revenue Works (Mechanical Depart- ment).		
		(ii) Credits for material released from Revenue Works (Electrical De- partment).		
		(iii) Share of credits for freight charges on Railway Material including coal.		
		Total		
		Credits or Recoveries.		

EXHIBIT 6B**DEMAND NO. 6—RAILWAYS****REVENUE****REPAIRS AND MAINTENANCE OF CARRIAGES AND WAGONS
(ALL RAILWAYS)***Primary Units (Objects) of expenditure**(In thousands of Rupees)*

Actuals 1977-78	Budget Estimate 1978-79	Primary units of expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & wages.		
		(ii) Dearness allowance.		
		(iii) Kilometrage allowance.		
		(iv) Overtime allowance.		
		(v) Night duty allowance.		
		(vi) Other allowances.		
		■ (vii) Travel expenses including Air travel.		
		■ (viii) Contingent expenses.		
		(ix) Cost of Materials.		
		(x) Contractual payments.		
		(xi) Other expenses.		
		Total :		

DEMAND NO. 7—RAILWAYS

REVENUE

REPAIRS AND MAINTENANCE OF PLANT AND EQUIPMENT
(ALL RAILWAYS)

PART I

Voted

Charged

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub-heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Establishment in offices.	Voted Charged	
		(b) Plant and Equipment— Way & Works.	Voted Charged	
		(c) Plant and Equipment— Mechanical.	Voted ¹ Charged	
		(d) Plant and Equipment— Electrical.	Voted ¹ Charged	
		(e) Plant and Equipment— Signalling	Voted Charged	
		(f) Plant and Equipment— Telecommunications	Voted Charged	
		(g) Rental to P&T for S&T Circuits	Voted Charged	
		(h) Other Plant & Equipment— General and Traffic De- partments	Voted Charged	
		Total	Voted Charged	

The above estimates do not include the recoveries mentioned below
which are adjusted in accounts in reduction of expenditure.

Credit or Recoveries²

EXPLANATORY NOTE

This Demand is for expenditure on repairs & maintenance of all Plant & Equipment by the Civil, Mechanical, Electrical and the signals and telecommunication Engineering Departments. The charged expenditure under this Demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the court.

The credits under this Demand are mainly for materials released from works charged to revenue and share of credits for freight charges on railway materials including coal.

Exhibit 7-A shows detailed activity classification of expenditure under this Demand.

Exhibit 7-B sums up the objects of expenditure for the Demand as a whole.

Railway-wise details are given in Part II of the Demand Book.

EXHIBIT—7A

DEMAND NO. 7—RAILWAYS

REVENUE

REPAIRS & MAINTENANCE—PLANT & EQUIPMENT (ALL RAILWAYS)

Detailed Activity Classification

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Establishment in offices :		
		(i) Officers & Office Establishment (S&T).		
		(ii) Supervisory staff and their office staff (S&T).		
		(iii) Contingent Expenses (S&T).		
		(iv) Officers and Office Establishment (Electrical).		
		(v) Supervisory and their office staff (Electrical).		
		(vi) Contingent Expenses (Electrical)		
		TOTAL	Voted Charged	
		(b) Plant & Equipment—Way & Works:		
		(i) Furniture & Office Equipment.		
		(ii) Plant & Equipment.		
		(iii) Other Repairs Expenses.		
		TOTAL	Voted Charged	
		(c) Plant & Equipment—Mechanical:		
		(i) Loco shed Plant & Equipment [(Re- pairs in Sheds).		
		(ii) Loco shed Plant & Equipment (Re- pairs in Workshops).		
		(iii) Sick line Plant & Equipment (Re- pairs in Sick lines).		
		(iv) Sick line Plant & Equipment (Re- pairs in Workshops).		
		(v) Workshop Machinery and Tools.		
		(vi) Other Repairs Expenses.		
		TOTAL	Voted Charged	

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(d) Plant & Equipment—Electrical:		
		(i) Overhead Equipment for Electric Traction.		
		(ii) Other equipments connected with Electric Traction.		
		(iii) Generating Stations and Sub-stations.		
		(iv) Transmission & distribution equipment.		
		(v) Electrical Plant & Equipment in Workshops & sheds.		
		(vi) Electrical Plant & Equipment in service buildings and offices.		
		(vii) Other Plant & Equipment Electric Traction		
		(vii) Other Plant & Equipment Electric Traction		
		(viii) Other Plant & Equipment—Electrical General Services.		
		(ix) Miscellaneous Expenses		
		TOTAL	Voted	
			Charged	
		(e) Plant & Equipment— Signalling:		
		(i) Mechanical Signalling.		
		(ii) Electrical Block Signalling.		
		(iii) Electrical Power Signalling.		
		(iv) Other Repairs and Maintenance.		
		(v) Miscellaneous Expenses.		
		TOTAL	Voted	
			Charged	
		(f) Plant & Equipment— Telecommunication :		
		(i) Microwave multi-channel Radio Relay System and Wireless System.		
		(ii) Railway Telephone Exchange.		
		(iii) Line Communication System.		
		(iv) Other expenses.		
		TOTAL	Voted	
			Charged	

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(g) Rental to P&T for S&T Circuits:		
		(i) Circuits of Signalling System.		
		(ii) Line Wire.		
		(iii) Administrative Telephone Channel.		
		(iv) VET Channel.		
		TOTAL	Voted	
			Charged	
		(h) Other Plant & Equipment— General and Traffic:		
		(i) Equipment.		
		(ii) Road Vehicles and ancillary equip- ment.		
		(iii) Other repairs & Miscellaneous ex- penses.		
		(iv) Staff Cars.		
		(v) Other equipment & Miscellaneous expenses.		
		TOTAL	Voted	
			Charged	
		TOTAL (a) to (h)	Voted	
			Charged	
		Credits or Recoveries.		
		(i) Credits for material released from Revenue Works (Civil Engineering Department).		
		(ii) Credits for materials released from Revenue Works (Mechanical De- partment).		
		(iii) Credits for materials released from Revenue works (Electrical Depart- ment).		
		(iv) Credits for materials released from Revenue Works (S&T) Department.		
		(v) Credits for materials released from Revenue Works (Traffic Depart- ment).		
		(vi) Credits for materials released from Revenue Works (General Department).		
		(vii) Share of credits for freight charges on Railway material including Railway coal.		
		TOTAL		
		Credits or Recoveries.		

EXHIBIT—7B**DEMAND NO. 7—RAILWAYS****REVENUE****REPAIRS & MAINTENANCE —PLANT & EQUIPMENT (ALL RAILWAYS)****PRIMARY UNITS (OBJECTS) OF EXPENDITURE**

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Primary units of expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & Wages.		
		(ii) Dearness allowance.		
		(iii) Kilometrage allowance.		
		(iv) Overtime allowance.		
		(v) Night Duty allowance.		
		(vi) Other allowances.		
		(vii) Travel expenses including Air travel.		
		(viii) Contingent expenses.		
		(ix) Cost of Materials.		
		(x) Contractual payments.		
		(xi) Other expenses.		
		TOTAL		

DEMAND NO. 8—RAILWAYS

REVENUE

OPERATING EXPENSES—ROLLING STOCK & EQUIPMENT
(ALL RAILWAYS)

PART I

Voted

Charged

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub-Heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Steam Locomotives	Voted Charged	
		(b) Diesel Locomotives	Voted Charged	
		(c) Electrical Locomotives	Voted Charged	
		(d) Electric Multiple Unit Coaches (EMUs)	Voted Charged	
		(e) Carriages & wagons	Voted Charged	
		(f) Traction (Other than Rol- ling Stock) & General Electrical Services	Voted Charged	
		(g) Signalling and Telecom- munication	Voted Charged	
		(h) Ferry Services and Rail- Cars.	Voted Charged	
		TOTAL	Voted Charged	

The above figures do not include the recoveries mentioned below,
which are adjusted in accounts in reduction of expenditure.

Credits or Recoveries.

Net:

EXPLANATORY NOTE

This demand is for expenditure on the operating expenses of mechanical, electrical, signalling and telecommunication equipment including rolling stock. The charged expenditure under this Demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the court.

The credits under this Demand are for share of credit for freight charges on Railway materials including coal.

Exhibit 8-A shows detailed activity classification of expenditure under the Demand.

Exhibit 8-B sums up the objects of expenditure for the Demand as a whole.

Railwaywise details are given in Part-II of the Demand Book.

EXHIBIT 8-A

DEMAND NO. 8—RAILWAYS

REVENUE

OPERATING EXPENSES—ROLLING STOCK AND EQUIPMENT
(ALL RAILWAYS)

DETAILED ACTIVITY CLASSIFICATION

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Steam Locomotives:		
		(i) Running staff.		
		(ii) Shed and yard staff excluding shed staff engaged on fuelling of engines.		
		(iii) Other operating expenses including water, lubricants and consumable stores.		
		(iv) Miscellaneous Expenses.		
		TOTAL	Voted	
			Charged	
		(b) Diesel Locomotives :		
		(i) Running staff.		
		(ii) Shed and yard staff excluding shed staff engaged on fuelling of engines.		
		(iii) Other operating expenses including lubricants and consumable stores.		
		(iv) Miscellaneous Expenses.		
		TOTAL	Voted *	
			Charged	
		(c) Electric Locomotives :		
		(i) Running Staff.		
		(ii) Shed and yard staff		
		(iii) Other Operating expenses including lubricants and consumable stores.		
		(iv) Miscellaneous Expenses.		
		TOTAL	Voted	
			Charged	
		(d) Electric Multiple Unit Coaches (EMUs) :		
		(i) Running staff.		
		(ii) Shed & yard staff.		
		(iii) Other operating expenses including lubricants and consumable stores.		
		(iv) Miscellaneous expenses.		
		TOTAL	Voted *	
			Charged	

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(c) Carriages & Wagons :		
		(i) Subordinate supervisory staff and their office staff (Running)		
		(ii) Inspection staff for running vehicles.		
		(iii) Other operating expenses.		
		(iv) Other Miscellaneous Expenses.		
		TOTAL	Voted Charged	
		(f) Traction (Other than Rolling stock) & General Electrical Services:		
		(i) Traction (Other than rolling stock & electrical energy).		
		(ii) Generating stations and sub-stations for general electrical services.		
		(iii) Distribution arrangements for general services.		
		(iv) Supply of Power to workshops.		
		(v) Supply of power to Service buildings.		
		(vi) Train lighting, fans & air-condition- ing services in trains.		
		(vii) Other Operating-Labour & Stores		
		TOTAL	Voted Charged	
		(g) Signalling and Telecommunication :		
		(i) Signalling.		
		(ii) Telecommunication :		
		(iii) Other operating expenses.		
		TOTAL	Voted Charged	
		(h) Ferry Services and Rail Cars :		
		(i) Running staff—Ferry Services		
		(ii) Other Expenses—Ferry Servi- ces.		
		(iii) Miscellaneous expenses—Ferry Ser- vices		
		(iv) Running staff—Rail Cars.		
		(v) Other Expenses—Rail Cars.		
		(vi) Miscellaneous Expenses— Rail Cars		
		TOTAL	Voted Charged	

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
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Voted

Total (a) to (h) Charged
Credits or Recoveries

- (i) Receipt from Non-Government Railways and other bodies for hire of Rolling Stock.
- (ii) Credits for Electrical Energy supplied.
- (iii) Share of credits for freight charges on Railway material including coal.

Total
Credits or Recoveries

EXHIBIT 2-B**DEMAND NO. 8—RAILWAYS
REVENUE****OPERATING EXPENSES—ROLLING STOCK & EQUIPMENT (ALL RAILWAYS)****PRIMARY UNITS (OBJECTS OF EXPENDITURE)**

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Primary Units of Expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & wages		
		(ii) Dearness Allowance		
		(iii) Kilometerage allowance		
		(iv) Overtime Allowance		
		(v) Night Duty allowance		
		(vi) Other allowances		
		(vii) Travel expenses including Air Travel.		
		(viii) Contingent expenses		
		(ix) Cost of Materials		
		(x) Contractual payments		
		(xi) Other expenses		
		Total		
			Voted Charged	

DEMAND NO. 9—RAILWAYS

REVENUE

OPERATING EXPENSES—TRAFFIC (ALL RAILWAYS)

PART I

Voted

Charged

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Subheads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
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- | | |
|----------------------------------------------|------------------|
| (a) Establishment in
offices | Voted
Charged |
| (b) Station Operations | Voted
Charged |
| (c) Yard Operations | Voted
Charged |
| (d) Transhipment and
Repacking Operations | Voted
Charged |
| (e) Trains Operations | Voted
Charged |
| (f) Safety | Voted
Charged |
| (g) Other miscellaneous
expenses | Voted
Charged |

Total	Voted Charged
-------	------------------

The above figures do not include the recoveries mentioned below which are adjusted in accounts as reduction of expenditure.
Credits or Recoveries

Net

EXPLANATORY NOTE

This Demand is for expenditure on the Traffic Operating and Traffic Commercial Departments (excluding Claims Organisation). The charged expenditure under this Demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the Court.

The credits under this Demand are for share of...freight charges on Railway materials including coal. Credits for unconnected coal wagons which used to be accounted for as earnings prior to 1972-73 are also included under this demand.

Exhibit 9-A shows detailed activity-wise classification of expenditure under this Demand.

Exhibit 9-B sums up the objects of expenditure for the Demand as a whole.

Railway-wise details are given in Part II of the Demand Book.

EXHIBIT—9A**DEMAND No. 9—RAILWAY****REVENUE****OPERATING EXPENSES—TRAFFIC (ALL RAILWAYS)****DETAILED ACTIVITY CLASSIFICATION***

(In Thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Establishment in offices :		
		(i) Operating		
		(ii) Commercial		
		(iii) Others including joint Establishment.		
		Total	Voted	
			Charged	
		(b) Station Operations :		
		(i) Traffic and Movement Ins- pectors etc.		
		(ii) Passenger station staff		
		(iii) Goods station staff		
		(iv) Luggage and Parcels station staff.		
		(v) Train control and passing staff.		
		(vi) Other staff including joint staff.		
		(vii) Tickets.		
		(viii) Handling, Collection & Delivery of Goods.		
		(ix) Other expenses including station sanitations.		
		Total	Voted	
			Charged	
		(c) Yard operations :		
		(i) Coaching yards.		
		(ii) Goods yards.		
		(iii) Common yards.		
		(iv) Coal yards.		
		(v) Transhipment yards.		
		(vi) Repacking yards.		
		(vii) Goods Terminal yards.		
		Total	Voted	
			Charged	
		(d) Transhipment and repacking operations :		
		(i) Transhipment Goods.		
		(ii) Transhipment Parcels and Luggage.		
		(iii) Joint Transhipment Expen- ses.		
		(iv) Repacking-Goods.		
		(v) Repacking Parcels.		
		(vi) Joint Repacking Expenses.		
		Total	Voted	
			Charged	

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(e) Train Operations :		
		(i) Guards & Brakemen.		
		(ii) Other operating staff accompanying the trains.		
		(iii) Travelling Ticket checking staff other than special squads.		
		(iv) Special Ticket checking squads.		
		(v) Conductor Guards and TTEs for Reserved Compartments.		
		(vi) Other staff and Miscellaneous Expenses.		
		Total	Voted	
			Charged	
		(f) Safety :		
		(i) Cost of Publicity Materials and Publicity.		
		(ii) Safety camps and Training courses.		
		(iii) Other Expenses.		
		Total	Voted	
			Charged	
		(g) Other Miscellaneous Expenses :		
		(i) Road services.		
		(ii) Payment to Outagencies and other Organisers of Pilgrims and Excursion specials etc.		
		(iii) Payment to other Railways—Payment to Non-Budget Lines and other bodies such as Port Trusts.		
		(iv) Conference hire and penalty charges on interchanged stock (Charges and receipts).		
		(v) Inter Railway financial adjustment relating to Rolling Stock.		
		(vi) Miscellaneous Charges.		
		Total	Voted	
			Charged	
		Total (a to g)	Voted	
			Charged	
		Credits or Recoveries.		
		(i) Receipts from Non-Government Railways and other bodies such as Port Trusts etc.		
		(ii) Share of credits of freight charges on Railway materials including coal.		
		Total		
		Credits or Recoveries.		

EXHIBIT 9-B.**DEMAND NO. 9—RAILWAYS****REVENUE****OPERATING EXPENSES—TRAFFIC (ALL RAILWAYS)****PRIMARY UNITS (OBJECTS) OF EXPENDITURE.**

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Primary units of expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & Wages.		
		(ii) Dearness allowance.†		
		(iii) Kilometrage allowance.		
		(iv) Overtime allowance.		
		(v) Night Duty allowance.		
		(vi) Other allowances.		
		(vii) Travel expenses including Air travel.		
		(viii) Contingent expenses.		
		(ix) Cost of Materials		
		(x) Contractual payments.		
		(xi) Other expenses.		
		Total		

DEMAND No. 10—RAILWAYS

REVENUE

OPERATING EXPENSES—FUEL (ALL RAILWAYS)

PART I

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub-heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Steam Traction	Voted Charged	
		(b) Diesel Traction:	Voted Charged	
		(c) Electric Traction	Voted Charged	
		Total	Voted Charged	

The above figures do not include the recoveries mentioned below which are adjusted in accounts as reduction of expenditure.

	Credits or Recoveries	
	Net	

EXPLANATORY NOTE

This Demand is for expenditure on coal and other fuel for loco purposes, freight and handling charges including fuelling of engines, sales tax, excise duty and cess on coal and electric current for traction purposes. The charged expenditure under this Demand relates to payments arising from Court decrees and arbitration awards where made into rule of the court.

The credits under this Demand are for the value of cinders and coal ash sold, credit for electric energy supplied to outsiders and a share of credits for freight charges on railway materials, including coal. The credit for freight charges on coal in this and other Demands offsets the increase in Gross Budget in this Demand on account of freight.

Exhibit 10-A shows detailed activity-wise classification of expenditure under the Demand.

Exhibit 10-B sums up the objects of expenditure for the Demand as a whole.

Railway-wise details are given in Part II of the Demand Book.

EXHIBIT-10-A

DEMAND NO. 10-RAILWAYS

REVENUE

OPERATING EXPENSES—FUEL (ALL RAILWAYS)

• DETAILED ACTIVITY CLASSIFICATION

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Steam Traction :		
		(i) Cost of coal at Pit's mouth or station of supply		
		(ii) Freight & handling charges including fuelling of engines.		
		(iii) Sales Tax, Excise duty & Cess on coal.		
		(iv) Fuel Organisation including inspection.		
		(v) Other fuel for loco purposes.		
		Total	Voted	
			Charged	
		(b) Diesel Traction:		
		(i) Cost of Diesel oil, HSD & LSD		
		(ii) Freight & handling charges		
		(iii) Sales Tax, Customs/Excise Duty & other taxes and levies.		
		(iv) Fuel Organisation including ins- pection.		
		Total	Voted	
			Charged	
		(c) Electric Traction:		
		(i) Cost of current generated in Railways' Power Stations		
		(ii) Cost of energy purchased from outside sources		
		(iii) Cost of energy used for traction Services		
		Total	Voted	
			Charged	
		Total (a) to (c)	Voted	
			Charged	

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		Credits or Recoveries		
		(i) Share of credits of freight charges on Railway Stores including coal.		
		(ii) Credits on account of sale of cinder and coal ashes.		
		(iii) Credits for Electrical energy supplied to other Railways for purposes other than traction		
		(iv) Credits on account of inspection char- ges on coal (Receipt)		
		Total		
		Credits or Recoveries		

EXHIBIT-10-B**DEMAND NO. 10-B-RAILWAYS****REVENUE****OPERATING EXPENSES—FUEL (ALL RAILWAYS)***Primary Units (Objects) of expenditure (All Railways)**(In thousands of Rupees)*

Actuals 1977-78	Budget Estimate 1978-79	Primary units of Expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & Wages		
		(ii) Dearness Allowance		
		(iii) Kilometrage allowance		
		(iv) Overtime allowance		
		(v) Other allowances		
		(vi) Travel expenses including air travel		
		(vii) Contingent expenses		
		(viii) Cost of Materials		
		(ix) Contractual payments		
		(x) Other expenses		
		Total		

DEMAND NO. 11 — RAILWAYS

REVENUE

STAFF WELFARE AND AMENITIES (ALL RAILWAYS)

PART I

Voted Charged		(In thousands of Rupees)		
Actuals 1977-78	Budget Estimate 1978-79	Sub-heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Educational facilities	Voted Charged	
		(b) Medical Services	Voted Charged	
		(c) Health & Welfare Services	Voted Charged	
		(d) Canteens & other staff amenities	Voted Charged	
		(e) Residential & Welfare Buildings	Voted Charged	
		(f) Misc. Expenses	Voted Charged	
		TOTAL	Voted Charged	

The above figures do not include the recoveries mentioned below which are adjusted in accounts as reduction of expenditure.

Credits or Recoveries

Net }

EXPLANATORY NOTE

This Demand is for expenditure on educational and medical facilities, health and welfare services, canteens and other staff amenities, repairs, maintenance and improvement of Railway colonies, staff quarters, residential and welfare buildings. The charged expenditure relates to payments in satisfaction of court decrees and arbitration awards where made into rule of the Court.

The credits under this demand relate to school fees collected, grants-in-aid to Railway Schools received from State Governments and sale proceeds of Railway Canteens.

Exhibit 11-A shows detailed activity classification of expenditure under this Demand.

Exhibit 11-B sums up the objects of expenditure for the Demand as a whole.

Railway-wise details are given in Part II of the Demand Book.

EXHIBIT II-A**DEMAND NO. II-A—RAILWAYS****REVENUE****STAFF WELFARE AND AMENITIES (ALL RAILWAYS)****DETAILED ACTIVITYWISE CLASSIFICATION**

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Educational facilities:		
		(i) Railway's own schools and colleges		
		(ii) Reimbursement of tuition fees and subsidy		
		(iii) Educational assistance to Railway employees		
		(iv) Grants-in-aid to Non-Railway Schools		
		(v) Subsidised hostels		
		Total	Voted Charged	
		(b) Medical Services:		
		(i) Control & Superintendence at Head-Quarters & Divisions		
		(ii) Hospitals and dispensaries excluding cost of Medicines		
		(iii) Cost of Medicines		
		(iv) Reimbursement of Medical expenses & Miscellaneous		
		(v) Public Health		
		(vi) Maintenance of Equipment-Medical Department		
		Total	Voted Charged	
		(c) Health & Welfare Services, :		
		(i) Sanitation in Railway Colonies		
		(ii) Sports & Institutes		
		(iii) Holiday Homes		

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(iv) Contribution to Staff Benefit Fund		
		(v) Other welfare services		
		Total	Voted	
			Charged	
		(d) Canteen and other staff amenities:		
		(i) Canteen subsidy		
		(ii) Other amenities		
		Total	Voted	
			Charged	
		(e) Residential and Welfare Buildings— Repairs & Maintenance :		
		(i) Residential Buildings—All types		
		(ii) Welfare Buildings		
		(iii) Water Supply & Sanitation		
		(iv) Improvements in Railway Colonies		
		(v) Supply of energy for Power & Lighting		
		Total	Voted	
			Charged	
		(f) Miscellaneous expenses :		
		Total (a) to (f)	Voted	
			Charged	

The above figures do not include the recoveries mentioned below which are adjusted in accounts as reduction in expenditure.

Credits or Recoveries.

- (i) Credits for material released from Works charged to ordinary revenue.
- (ii) Credits/Grants in aid to Railway Schools received from State Governments and fees collected.

Total

Credits or Recoveries

EXHIBIT II-B**DEMAND NO. 11—RAILWAYS****REVENUE****STAFF WELFARE & AMENITIES (ALL RAILWAYS)***Primary Units (Objects) of expenditure*

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Primary units of expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & Wages		
		(ii) Dearness allowance		
		(iii) Kilometerage allowance		
		(iv) Overtime allowance		
		(v) Other allowances		
		(vi) Travel expenses including Air travel		
		(vii) Contingent expenses		
		(viii) Cost of Materials		
		(ix) Contractual payments		
		(x) Other expenses		
		Total		

DEMAND NO. 12—RAILWAYS

REVENUE

MISCELLANEOUS WORKING EXPENSES (ALL RAILWAYS)

PART I

Voted

Charged

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Security	Voted Charged	
		(b) Compensation Claims	Voted Charged	
		(c) Workmen's & other compensation claims	Voted Charged	
		(d) Catering	Voted Charged	
		(e) Cost of training of staff	Voted Charged	
		(f) Other expenses	Voted Charged	
		Total	Voted Charged	
		Suspense	Voted Charged	
		GRAND TOTAL	Voted Charged	

The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

Credits or recoveries

Amount recouped from ACS & PAF

Net

EXPLANATORY NOTE

This Demand is for miscellaneous working expenses like Security, Compensation Claims for goods lost or damaged as also under workmen's Compensation Act, Catering, and the suspense heads which do not form part of other functional demands. The charged expenditure under this Demand relates to payments arising from Court decrees and arbitration awards where made into rule of the Court.

Item (a) is for expenditure on the Railway Security Organisation and the cost of order police, etc.

Item (b) is for compensation claims for goods lost or damaged, as well as compensation for injuries sustained as a result of railway accidents.

Item (c) is for compensation paid under Workmen's Compensation Act.

Item (d) is for expenditure on Railway's departmental catering units.

Item (e) is for expenditure towards cost of training of staff in Training Schools, training in Hindi, Medical, Health & Welfare etc.

Item (f) is for other miscellaneous expenses such as contribution and grants, Civil Defence, Rent, rates and taxes etc.

'Suspense is intended for the temporary booking of certain classes of transactions pending adjustment to final heads of account and to record the expenditure in the Accounts of a month to which it relates irrespective of whether the same has actually been liquidated.

Credit or recoveries under this Demand relate mainly to credit adjusted under the suspense heads.

Exhibit 12-A shows detailed activity classification of expenditure under this Demand.

Exhibit 12-B sums up the objects of expenditure for the Demand as a whole.

Railway-wise details are given in Part II of Demand Book.

EXHIBIT 12—A

DEMAND NO. 12—RAILWAYS

REVENUE

MISCELLANEOUS WORKING EXPENSES—(ALL RAILWAYS)

Detailed Activity Classification

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Security		
		(i) Railway Protection Force		
		(ii) Railway Protection Special Force		
		(iii) Order Police		
		(iv) Miscellaneous expenses		
		Total	Voted	
			Charged	
		(b) Compensation Claims		
		(i) Claims settlement/claims prevention organisation		
		(ii) Compensation—parcels & luggage		
		(iii) Compensation—goods		
		(iv) Miscellaneous Expenses		
		(v) Accident Compensation		
		(vi) Deduct amount met from Accident Compensation Safety & Passengers Amenities Fund		
		Total	Voted	
			Charged	

Actuals 1977-78	Budget Estimate 1978-79	Detailed head of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(c) Workmen's compensation & other compensation claims	.	.
		(i) Workmen's compensation		
		(ii) Other compensation	.	
		TOTAL	Voted	
			Charged	
		(d) Catering]		
		(i) Stationery establishments--Departmental		
		(ii) Dining Cars--Departmental		
		(iii) Contract catering		
		TOTAL	Voted	
			Charged	
		(e) Cost of training of staff		
		(i) Other than Hindi, Medical, Health & Welfare		
		(ii) Hindi		
		(iii) Medical, Health & Welfare		
		TOTAL	Voted	
			Charged	
		(f) Other expenses		
		(i) Contributions & Grants		
		(ii) Civil Defence		
		(iii) Rents, Rates & Taxes		
		(iv) Premia Payable		

Actuals 1977-78	Budget Estimate 1978-79	Detailed heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(v) Sundry Losses or Gains		
		(vi) Unpaid wages		
		(vii) Indian charges on stores, excluding fuel, Timber, spare boilers, Wheels & Axles, Permanent Way materials & girders.		
		(viii) Miscellaneous		
		TOTAL	Voted	
			Charged	
		TOTAL (a) to (f)	Voted	
			Charged	
		Suspense		
		(i) Demands Payable		
		(ii) Miscellaneous Advances Revenue		
			Voted	
			Charged	
		TOTAL		
		Suspense	Voted	
			Charged	
		GRAND TOTAL	Voted	
			Charged	
		Credits or recoveries		
		(i) Credits under Final Heads		
		(ii) Credits under Suspense		
		Net		

EXHIBIT 12-B**DEMAND No. 12—RAILWAYS****REVENUE****MISCELLANEOUS WORKING EXPENSES (ALL RAILWAYS)***Primary Units (Objects) of Expenditure*

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Primary units of expenditure	Revised Estimate 1978-79	Budget Estimate 1979-80
		(i) Salaries & Wages		
		(ii) Dearness Allowance		
		(iii) Kilometerage allowance		
		(iv) Overtime allowance		
		(v) Other allowances		
		(vi) Travel Expenses including Air Travel		
		(vii) Contingent expenses		
		(viii) Cost of Materials		
		(ix) Contractual payments		
		(x) Other expenses		
		TOTAL		

DEMAND No. 13—RAILWAYS

REVENUE

PROVIDENT FUND, PENSION AND OTHER RETIREMENT BENEFITS—
(ALL RAILWAYS)

PART-I

Voted
Charged (In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Superannuation & Retiring Pension	Voted Charged	
		(b) Commuted Pension	Voted Charged	
		(c) Ex-gratia Pension	Voted Charged	
		(d) Family Pension	Voted Charged	
		(e) Death-cum-Retirement Gratuity.	Voted Charged	
		(f) Other allowances, other pensions and other expenses	Voted Charged	
		TOTAL (a) to (f)		
		(g) Gratuities and Special Contribution to Provident Fund.	Voted Charged	
		(h) Contribution to Provident Fund.	Voted Charged	
		TOTAL (g) & (h)	Voted Charged	
		GRAND TOTAL	Voted Charged	
		Credits or Recoveries		
		(i) Pension Fund		
		(ii) Others		
		Total Credits or Recoveries		
		Amount met from Pension Fund		
		Net		

EXPLANATORY NOTE

This is a composite Demand for all retirement benefits like Government contribution to Provident Fund, contribution and Grants, and payment of pensionary charges to Railway Staff covered by the pensionary form of retirement benefits. The charged expenditure relates to payments in satisfaction of court decrees.

The various pension and other retirement benefits to pensionable employees, covered under sub-heads (a) to (f) are met out of the Pension Fund; and contributions to Provident Fund and payment of gratuities and Special Contributions in respect of non-pensionable employees are met out of revenue.

Credits and recoveries represent Service Contribution from other Departments/Ministries in respect of staff on deputation.

Exhibit 13-A shows detailed activity classification of expenditure under the Demand.

Railway-wise details are given in Part II of the Demand Book.

EXHIBIT 13—A**DEMAND NO. 13.—RAILWAYS****REVENUE****PROVIDENT FUND, PENSION AND OTHER RETIREMENT BENEFITS—
(ALL RAILWAYS)****DETAILED ACTIVITY CLASSIFICATION**

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Detailed Heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Superannuation Pension and Retiring Pension.		
		(i) Superannuation Pension.		
		(ii) Retiring Pension.		
		Total		
		(b) Commuted Pension		
		(c) Ex-gratia Pension		
		(d) Family Pension		
		(e) Death-cum-Retirement gratuity		
		(f) Other allowances, other pension & other expenses:		
		(i) Service gratuity.		
		(ii) Other (extraordinary) gratuity.		
		(iii) Compassionate allowance.		
		(iv) Invalid Pension.		
		(v) Railways share of sterling Pension.		
		(vi) Contribution to Pension and gratuity.		
		(vii) Cost of remittance of Pension by Money Order.		
		(viii) Deduct Amount met from Pension Fund.		
		Total		

Actuals 1977-78	Budget Estimate, 1978-79	Detailed Heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(g) Gratuities and Special Contribution to Provident Fund :		
		(i) Gratuities/Special Contribution to Provident Fund for good, faithful service on retirement under the age limit.		
		(ii) Gratuities/Special Contribution to Provident Fund for good, faithful service on termination of service for other reasons.		
		(iii) Other gratuities.		
		(iv) Special expenditure—gratuities to retrenched staff of all departments of the Railway.		
		(v) Social Security Payments—Deposit linked Insurance Scheme for sub- scribers to SRPF.		
		(h) Contribution to Provident Fund :		
		(i) Bonus.		
		(ii) Arrear of interest on Government contribution credited to Provident Fund Accounts of employees on confirmation with retrospective effect.		
		(iii) Retirement benefit contribution pay- able on permanent absorption of Pensionable Railway Servant, under a Government Company/Corporation.		
		Total		
		TOTAL (a) to (h)		
		Credits or Recoveries		
		(i) Pension.		
		(ii) Provident Fund.		
		(iii) Others.		
		Total Credits or Recoveries.		
		NET		

DEMAND NO. 14—RAILWAYS

REVENUE

APPROPRIATION TO FUNDS (ALL RAILWAYS)

PART—i

Voted :

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub-heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) Appropriation to Depreciation Reserve Fund.		
		(b) Appropriation to Pension Fund.		
		(c) Appropriation to Development Fund.		
		(d) Appropriation to Revenue Reserve Fund.		
		(e) Appropriation to Accident Compensation, Safety and Passenger Amenities Fund.		
		Total		

EXPLANATORY NOTE

This Demand is for appropriation from Revenue to the various Railway Funds as under:—

- (a) Appropriation to Depreciation Reserve Fund is being made in accordance with the recommendations of the Railway Convention Committee.**
- (b) Appropriation to Pension Fund is being made on the recommendation of Government Actuary and the financial position of the Railways. In assessment of this amount due consideration is given to such factors as the estimated higher withdrawals from the Fund, liberalisation of Pension benefits, etc.**
- (c) and (d) Revenue Reserve Fund and the Development Fund are credited with such appropriations out of the surplus as may be voted by the Parliament.**
- (e) The appropriation to the Accident Compensation, Safety & Passenger Amenities Fund is based on receipts from surcharge levied on passenger traffic with effects from 1-1-1974.**

Exhibit 14-A shows detailed activity classification of Appropriation to Funds.

Railway-wise details of these Funds excepting (c) and (d) are given in Part II of the Demand Book.

EXHIBIT 14—A**DEMAND NO. 14—RAILWAYS****REVENUE****APPROPRIATION TO FUNDS (ALL RAILWAYS)****DETAILED ACTIVITY CLASSIFICATION***(In thousands of Rupees)*

Actuals 1977-78	Budget Estimate, 1978-79	Sub heads of Demand	Revised Estimate, 1978-79	Budget Estimate 1979-80
		(a) Appropriation to Depreciation Reserve Fund:		
		(i) Engineering Department.		
		(ii) Locomotive Department		
		(iii) Carriage and Wagon Department		
		(iv) Ferry steamers & Harbours		
		(v) Electrical Department		
		(vi) Signal & Telecommunication Department.		
		TOTAL		
		(b) Appropriation to Pension Fund :		
		(i) General Department		
		(ii) Way & Works Management		
		(iii) Rolling Stock (including Ferry Service) Department		
		(iv) Electrical Department		
		(v) Signal & Telecommunication Department		
		(vi) Traffic Department		
		TOTAL		
		(c) Appropriation to Development Fund.		
		(d) Appropriation to Revenue Reserve Fund.		
		(e) Appropriation to Accident Compensation Safety and Passenger Amenities Fund.		
		TOTAL		

DEMAND NO. 15—RAILWAYS

REVENUE

DIVIDEND TO GENERAL REVENUES, REPAYMENT OF LOAN TAKEN FROM
GENERAL REVENUES AND AMORTIZATION OF OVER-CAPITALIZATION—
(ALL RAILWAYS)

PART I

VOTED

(In thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub-heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
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(a) Dividend to General Revenues:

- (i) Payment from Revenue
- (ii) Payment by withdrawal from Revenue Reserve Fund.
- (iii) Contribution to General Revenues for Grants to States in lieu of Passenger Fare Tax.
- (iv) Contribution to General Revenues for assisting the States for financing Safety Works.

TOTAL

(b) Repayment of loans for Development Fund taken from General Revenues and Interest thereon:

- (i) Repayment of loans
- (ii) Interest on loans

TOTAL

(c) Repayment of loans for Revenue Reserve Fund taken from General Revenues and Interest thereon:

- (i) Repayment of loans
- (ii) Interest on loans

TOTAL

(In Thousands of Rupees)

Actuals 1977-78	Budget Estimate 1978-79	Sub-heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(d) Payment towards amortization of over-capitalization		
		TOTAL (a) to (d)		
		Credits or Recoveries.		
		(i) Amount recouped from Revenue Reserve Fund for payment of dividend.		
		(ii) Amount recouped from Revenue Reserve Fund for repayment of loans and interest.		
		(iii) Amount recouped from Railway Development Fund.		
		NET		

EXPLANATORY NOTE

This Demand is for payment of dividend to General Revenues and contribution for grants to States in lieu of Passenger Fare Tax. The Budget Estimate in this regard has been computed, based on arrangements approved by Parliament in December, 1977. Under the Convention Resolution adopted by the Lok Sabha and the Rajya Sabha in December, 1972 and Sixth Report of the Railway Convention Committee, 1973 regarding rate of dividend for 1975-76 and other ancillary matters adopted by the Lok Sabha and the Rajya Sabha in December, 1974 and the Eleventh Report of the Committee dealing with the rate of dividend for 1976-77 and other ancillary matters approved by the Parliament in January-February 1976, and the First Report of the Railway Convention Committee, 1977 regarding rate of dividend for 1977-78 and 1978-79 and other ancillary matters approved by the Parliament in December, 1977, dividend is payable to General Revenues at 5.5 per cent on the dividend paying Capital invested in the Railway undertaking upto 31st March, 1964, and 6 per cent on the dividend paying Capital invested thereafter. Out of the additional one per cent payable on the dividend paying Capital invested upto 31st March, 1964, a sum of Rs. 16.25 crores is for transfer to the States as payment in lieu of the tax on the passenger fares and the balance is to assist the States to finance safety works in terms of the Convention.

NOTE:—The salient features of the recommendations of Railway Convention Committee, 1965 and 1971, further extended by RCC, 1973 affecting the dividend to General Revenues are given below:—

- (i) No dividend is payable on the capital expenditure on unremunerative strategic lines; the annual loss in the working of such lines is to be borne by General Revenues and if the working of these lines leaves a surplus, it should be transferred to General Revenues (upto the level of the normal dividend);
- (ii) A beginning should be made with the amortisation of unproductive capital to the extent of the interest earned on the balances in the Revenue Reserve Fund supplemented by such appropriation from Railway Revenues from year to year as may be possible on the financial results of each year.
- (iii) The existing rate of dividend at 4.5 per cent on the capital invested in the Railways upto 1963-64 with an addition of 1 per cent in lieu of passenger fare tax and at 6 per cent on the capital invested after 31st March, 1964 should continue to be paid by the Railways to General Revenues.
- (iv) The extent arrangements for the purpose of dividend in regard to the strategic lines, Kiriburu-Bimlagarh and Sambalpur-Titlagarh or lines may continue (exemption of full capital outlay in

respect of Kiriburu-Bimlagarh and fifty per cent of capital outlay on Sambalpur-Titlagarh).

- (v) The Capital at-charge of the non-strategic portion of the North-east Frontier Railway and the unremunerative branch lines as also the element of over-capitalisation may be exempted from payment of dividend;
- (vi) The existing arrangements of (a) deferring the payment of dividend on the capital-at-charge of New Lines chargeable at the average borrowing rate of interest during the period of their construction as well as for first five years after their opening and (b) closing the account of deferred dividend of New Lines after a period of 20 years from the date of their opening, extinguishing any liability for deferred dividend not liquidated within that period, may be continued;
- (vii) Having regard to the long period of construction|gestation of railway investment in general and the time taken by such investments to reach full earning potential, 25 per cent of outlay in a year on works-in-progress (which could otherwise be liable to payment of dividend) may be exempted from payment of dividend for a period of 3 years;
- (viii) Consistent with the commercial practice of utilising reserves as internal resources, the Railways should be given the benefit of interest at the current dividend rate on the fund balances by being permitted to take credit for the differences between the dividend rate and the average borrowing rate at which interest accrues at present to the Funds as a set off in the dividend payable from the Railways to the General Revenues.
- (ix) There will be no predetermined dividend obligation on (a) the extension of the railway line beyond Kathua to Jammu and (b) the Tirunelveli-Trivandrum-Kanyakumari line, both these lines being treated as national investment. The actual surplus accruing from these lines will be made over to General Revenues. Working losses, if any, will be borne by the Railways.

This Demand also shows the provision for repayment of temporary loans including interest (by taking further loans if necessary) from the General Revenues for financing expenditure out of the Railways' Development Fund and the Revenue Reserve Fund and also the amount for amortisation of over-capitalization in accordance with the recommendations of the Railway Convention Committee.

Railway-wise details of Item (a) (i) are given in Part II of the Demand Book.

DEMAND NO. 16—RAILWAYS**ASSETS ACQUISITION, CONSTRUCTION AND REPLACEMENT**

(All Railways)

PART I

(In thousands of Rupees)

Actuals 1977-78	Budget Estimates 1978-79	Sub-heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(a) New lines (Construction)		
		(b) Purchase of new lines		
		(c) Restoration of dismantled lines		
		(d) Gauge conversion		
		(e) Doubling		
		(f) Traffic facilities—Yard remodelling and others		
		(g) Rolling stock		
		(h) Track Renewals		
		(i) Bridge work		
		(j) Signalling and Telecommunication works		
		(k) Taking over of line wires from P & T		
		(l) Electrification Projects		
		(m) Other electrical works		
		(n) Machinery & Plant		
		(o) Workshops—including Production Units		
		(p) Staff quarters		
		(q) Amenities for staff		
		(r) Passenger and other Railway users amenities		
		(s) Investment in Government commercial undertakings—Road Services		
		(t) Investment in Government Commercial undertakings—Public undertakings		
		(u) Other specified works		
		(v) Stores suspense		
		(w) Manufacturing suspense		

Actuals 1977-78	Budget Estimate 1978-79	Sub-heads of Demand	Revised Estimate 1978-79	Budget Estimate 1979-80
		(x) Misc. Advances		
		(y) Metropolitan Transport Projects—		
		Capital	Voted Charged	
		DRF	Voted Charged	
		DF	Voted Charged	
		ACF	Voted Charged	
		OLWR	Voted Charged	
		TOTAL	Voted Charged	
		Probable Savings		
		Gross amount for which Vote of Parlia- ment is required :—		
			Voted Charged	
		<i>Credits or recoveries</i>		
		(a) Deduct—Amount met from DRF, DF & ACF		
		(b) Other credits		
		Net Capital		
		OLWR		

EXPLANATORY NOTE

This Demand is for expenditure on Assets—Acquisition, Construction and Replacement, whether met out of loans to be obtained from the general exchequer or internal resources of the Railways viz., Revenue, the Depreciation Reserve Fund, the Development Fund and the Accident Compensation, Safety and Passenger Amenities Fund. In the case of the last named fund, expenditure on Safety works and passenger amenities works only is included in this Demand, the accident compensation being shown separately in Demand No. 12. No reappropriation of funds will be permissible between Capital, Railway Funds and Revenue.

Exhibit 16-A shows the source of financing under each Sub-head of the Demand for Budget Estimate for 1979-80. Exhibit 16-B shows similar information for Revised Estimates 1978-79.

Exhibit 16-C shows the provision proposed state-wise for investment in Government commercial undertakings—Road Services.

The 'charged' expenditure is for payment in satisfaction of Court decrees and arbitration awards where made into rule of the Court.

The details of the outlay proposed are given in the Consolidated 'Works Machinery & Rolling Stock Programme'.

Railway Administration-wise summary of the proposed outlay under each sub-head of demand is given in Part II of the Demand Book.

Credits or recoveries represent adjustments in the accounts as a reduction of expenditure, but are outside the scope of the gross demand. This gross demand include recoupment from the Public Account to the Consolidated Fund of India of the sums voted initially by Parliament from out of the Consolidated Fund of India for meeting the expenditure chargeable to the Depreciation Reserve Fund; the Development Fund and the Accident Compensation, Safety & Passenger Amenities Fund.

~~EXHIBIT 16-A~~

DEMAND No. 16—RAILWAYS

ASSETS—ACQUISITION CONSTRUCTION AND REPLACEMENT

Source of Financing for each Sub-head of Demand

Budget Estimate 1979-80

(In thousands of Rupees)

Sub-head of Demand	Capital	Funds				Total
	From General Exchequer to finance capital expenditures	Depreciation Reserve Fund	Development Fund	Accident compensation, Safety and Passenger Amenities Fund	Revenue (O.L. W.R.)	
(a) New lines (construction)						
(b) Purchase of new lines						
(c) Restoration of dismantled lines						
(d) Gauge conversion						
(e) Doubling						
(f) Traffic facilities—yard re-modelling and others						
(g) Rolling stock						
(h) Track Renewals						
(i) Bridge work						
(j) Signalling & Telecommunication works						
(k) Taking over of line wires from P&T						
(l) Electrification Projects						
(m) Other Electrical works						
(n) Machinery & Plant						
(o) Workshops including Production Units						
(p) Staff quarters						
(q) Amenities for staff						
(r) Passenger & other Railway users amenities						
(s) Investment in Government commercial undertakings—Road services						

Sub-head of Demand	Capital	Funds				Total
	From General Ex-chequer to finance Capital expenditure	Depreciation Reserve Fund	Development Fund	Accident compensation Safety and Passenger Amenities Fund	Revenue (O.L. W.R.)	
(t) Investment in Government commercial undertakings— Public undertakings.						
(u) Other specified works						
(v) Stores suspense						
(w) Manufacturing suspense						
(x) Misc. Advances						
(y) Metropolitan Transport Projects (Misc. Advances)						
	Voted					
TOTAL	Charged					
Less Probable Savings						
	Voted					
	Charged					
Credits or Recoveries						
(a) Credits for released materials						
(b) Other credits						
Plan Outlay						

EXHIBIT 16-B**DEMAND NO. 16—RAILWAYS****ASSETS—ACQUISITION, CONSTRUCTION AND REPLACEMENT**

Source of Financing for each Sub-head of Demand

Revised Estimate 1978-79

(In thousands of Rupees)

Sub-head of Demand	Capital	Funds				Total
	From General Ex-chequer to finance Capital expenditure	Depreciation Reserve Fund	Development Fund	Accident compensation, Safety, and Passenger Amenities Fund	Revenue (O.L. W.R.)	
(a) New lines (construction)						
(b) Purchase of new lines						
(c) Restoration of dismantled lines						
(d) Gauge conversion						
(e) Doubling						
(f) Traffic facilities—Yard re-modelling and others						
(g) Rolling Stock						
(h) Track Renewals						
(i) Bridge work						
(j) Signalling & Telecommunication works						
(k) Taking over of line wires from P&T						
(l) Electrification Projects						
(m) Other electrical works						
(n) Machinery & Plant						
(o) Workshops including Production Units						
(p) Staff quarters						
(q) Amenities for staff						

Sub-head of Demand	Capital	Funds				Total
	From General Ex-chequer to finance Capital expenditure	Depreciation Reserve Fund	Development Fund	Accident compensation, Safety and Passenger amenities Fund	Revenue (O.L. W.R.)	
(r) Passenger & other Railway users amenities						
(s) Investment in Government Commercial Undertakings—Road Services						
(t) Investment in Government Commercial Undertakings—Public undertakings						
(u) Other specified works						
(v) Stores suspense						
(w) Manufacturing suspense						
(x) Misc. Advances						
(y) Metropolitan Transport Projects (Misc. Advances)						
	Voted					
TOTAL	Charged					
Less Probable Savings						
	Voted					
	Charged					
Credits or Recoveries						
(a) Credits for released materials						
(b) Other credits						
Plan Outlay						

EXHIBIT 16-C**DEMAND NO. 16—RAILWAYS****ASSETS—ACQUISITION, CONSTRUCTION AND REPLACEMENT**

Statement showing the Provision proposed State-wise for Investment in Government
Commercial Undertakings—Road Services

States	Budget Estimate, 1978-79	Revised Estimate 1978-79	Budget Estimate 1979-80
Assam			
Bihar			
and so on			

APPENDIX II

Summary of recommendations|observations

S. No.	Reference to Para No. of the Report	Recommendation observation
1	2	3
1.	23.	<p>The Committee note that in pursuance of the recommendation of the Railway Convention Committee, the Ministry of Railways propose to restructure the Demands For Grants (Railways) on the basis of the reports of the Task Force appointed by them. The restructured Demands For Grants are based on function-oriented analysis of the working expenses and plan head-wise analysis of works expenditure. The scheme of revised Demands For Grants makes each Grant distinguishable by the main activity to which it relates and the related objectives of expenditure under the Grant. The Committee have also been informed that the proposed restructuring of the Demands does not envisage any dilution in the extent of control at present being exercised by Parliament; in fact it has, it is stated, strengthened the Parliamentary Control. The Committee have further been assured that the Demands for Grants will include all the statements and annexures which are at present being included in the Demands. The Committee have no objection to the proposed restructuring of the Demands For Grants (Railways) and to their presentation in the restructured firm as given in Appendix I to this Report subject to the following:</p> <p>(i) As recommended by the Task Force, Demand No. 15 should contain an explanatory note showing separately the elements of 'Interest' and 'Contribution' in the dividend paid by the Railways to General Revenues.</p> <p>(ii) The expenditure incurred on 'hospitality and entertainment expenses' by the Railway</p>

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Board and the Zonal Railways should be shown separately under the respective Demands.

- (iii) As suggested by the Estimates Committee (1977-78) in their 10th Report on Passenger Amenities the expenditure incurred on 'passenger amenities' should be shown separately from that incurred on providing amenities to 'other railway users' under the relevant Demand.

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27. The Committee note that the Railway Convention Committee 1971 in their First Report had recommended the introduction of Performance Budgeting in Railways in the interest of proper accountability to Parliament and the public. While stressing the introduction of Performance Budgeting, the Task Force, observed that the system should be so devised that "a unit of output or a number of units of output for each sub-head of Demand is established so that Performance Budgeting is integrated to the overall Demands structure." As recognised by the Task Force, the Committee agree that direct correlation of expenditure with performance might not be possible for all the Demands at present as the norms of output/performance and the unit costs can be developed only after experience has been gained over a period of years. But, as suggested by the Task Force, pending the evolution of such norms, the specific volume of output budgeted for under each sub-head of Demands should be made available to Parliament as part of the budget documents to provide a reasonable insight into the financial allocation corresponding to the work load from year to year. The Committee hope that as proposed by the Ministry, no further time will be lost in starting the practice of showing a correlation on a broad basis between the financial inputs and physical outputs under the restructured sub-heads of Demands for Grants and this information made available to Parliament along with budget estimates starting from the financial year 1979-80.

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3. 28. The Committee note that the evolution of norms of output|performance and unit costs and the detailed performance budgeting system is expected to take 3-4 years more. They feel that the completion of this process should not take so long. They stress that the detailed performance budgeting system providing meaningful data correlating costs to results should be introduced at the earliest and the detailed performance budget placed before Parliament along with the budget documents every year.
4. 34. The Committee are surprised to find that in the Railways no operating targets are set for the various responsibility centres for which Railway Managers could be held accountable. The need for fixing financial and physical targets for each responsibility centre and to have a proper management reporting system to monitor and evaluate the performance against the set targets cannot be over-emphasised. It is, therefore, essential that the management reporting system as suggested by the Task Force in Paras 5.33 and 5.34 of its Second Report is introduced expeditiously. The Committee have been informed that the Ministry of Railways consider it of utmost importance that the changes should be brought about only after the staff and officers who are at present under training are properly trained, and they, therefore, propose to consider introduction of the management reporting system as recommended by the Task Force with effect from the financial year 1979-80 when the budget estimates will be fully in the new formats. The Committee would like the Ministry of Railways to ensure that the training of staff is completed well in time and the new reporting system is actually introduced from the year 1979-80.
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