

**STANDING COMMITTEE ON RAILWAYS
(2007-08)**

FOURTEENTH LOK SABHA

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**[Action taken by the Government on the recommendations/ observations
contained in the 17th Report of the Standing Committee on Railways
(Fourteenth Lok Sabha)
on 'Production Units, Railway Workshops and Maintenance of Rolling
Stock']**

TWENTY NINTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

September, 2007/Bhadrapada, 1929 (Saka)

TWENTY NINTH REPORT

STANDING COMMITTEE ON RAILWAYS

(2007-08)

FOURTEENTH LOK SABHA

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

**[Action taken by the Government on the recommendations/ observations
contained in the 17th Report of the Standing Committee on Railways
(Fourteenth Lok Sabha)
on 'Production Units, Railway Workshops and Maintenance of Rolling
Stock']**

Presented to Lok Sabha on 07.09.2007
Laid in Rajya Sabha on 07.09.2007



LOK SABHA SECRETARIAT
NEW DELHI

September, 2007/Bhadrapada, 1929 (Saka)

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE.....	(iv)
INTRODUCTION	(v)
PART - I	
CHAPTER I Report.....	1
CHAPTER II Recommendations/Observations which have been accepted by the Government	11
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply	27
CHAPTER IV Recommendations/Observations in respect of which Replies of the Government have not been accepted by the Committee and which require reiteration	29
CHAPTER V Recommendations/Observations in respect of which final Replies of Government are still awaited	32

APPENDICES

APPENDIX	I.	Minutes of the sitting of the Standing Committee on Railways held on 06.09.2007
APPENDIX	II.	Analysis of the action taken by the Government on the Recommendations/Observations contained in the 17 th Report of the Standing Committee on Railways (14 th Lok Sabha) on 'Production Units, Railway Workshops and Maintenance of Rolling Stock'.

COMPOSITION OF THE STANDING COMMITTEE ON RAILWAYS (2007-08)**Shri Basudeb Acharia - Chairman****MEMBERS****LOK SABHA**

2. Shri Prasanna Acharya
3. Dr. Dharendra Agarwal
4. Shri Atiq Ahamad
5. Shri S. Ajaya Kumar
6. Shri Bapu Hari Chaure
7. Shri H.D. Devegowda
8. Shri Kishan Lal Diler
9. Shri Giridhar Gamang
10. Shri Anwar Hussain
11. Shri Mahesh Kumar Kanodia
12. Ch. Lal Singh
13. Shri Ananta Nayak
14. Shri Laxmanrao Patil
15. Shri A. Sai Prathap
16. Shri Kishan Singh Sangwan
17. Shri Iqbal Ahmed Saradgi
18. Shri Manik Singh
19. Shri K. Subbarayan
20. Shri C.H. Vijayashankar
21. Vacant

RAJYA SABHA

22. Shri Karnendu Bhattacharjee
23. Maulana Obaidullah Khan Azmi
24. Shri Satyavrat Chaturvedi
25. Shri Lalit Kishore Chaturvedi
26. Shri Shreegopal Vyas
27. Shri Tarini Kanta Roy
28. Shri A. Elavarasan
29. Shri Isam Singh
30. Shri Harendra Singh Malik
31. Shri Abani Roy

LOK SABHA SECRETARIAT

- | | | | |
|----|-----------------------|---|----------------------|
| 1. | Dr.(Smt.) P.K. Sandhu | - | Additional Secretary |
| 2. | Shri A. Louis Martin | - | Joint Secretary |
| 3. | Shri V.S. Negi | - | Director |
| 4. | Shri Hoti Lal | - | Deputy Secretary |
| 5. | Shri Vinay P. Barwa | - | Executive Officer |

INTRODUCTION

I, the Chairman of the Standing Committee on Railways (2007-08), having been authorized by the Committee to present the Report on their behalf, present this Twenty Ninth Report of the Committee on Action Taken by the Government on the Recommendations/Observations contained in the Seventeenth Report of the Standing Committee on Railways on 'Production Units, Railway Workshops and Maintenance of Rolling Stock'.

2. The Seventeenth Report was presented to Hon'ble Speaker on 03.02.2006 and presented to Lok Sabha on 20.02.2006. It contained 20 recommendations/observations. The Ministry of Railways have furnished their Action Taken Replies on all the recommendations/observations on 15.05.2006 and 08.06.2007.

3. The Committee considered and adopted the Draft Action Taken Report at their sitting held on 06.09.2007.

4. An analysis of the action taken by the Government on the recommendations/observations contained in the Seventeenth Report of the Standing Committee on Railways (Fourteenth Lok Sabha) is given in Appendix-II.

NEW DELHI;
6 September, 2007
15 Bhadrapada, 1929 Saka

BASUDEB ACHARIA
Chairman,
Standing Committee on Railways

CHAPTER I

REPORT

This Report of the Committee deals with the Action Taken by the Government on the recommendations and observations contained in the 17th Report of the Standing Committee on Railways (2005-06) on 'Production Units, Railway Workshops and Maintenance of Rolling Stock'. The Report was presented to Hon'ble Speaker on 03.02.2006 and presented to Lok Sabha and laid in Rajya Sabha on 20.02.2006.

2. Action Taken Notes have been received from the Government in respect of all the 20 recommendations/observations contained in the Report. These have been broadly categorized as follows:-

- (i) Recommendations/Observations which have been accepted by the Government –

Para Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 13, 14, 15, 16, 17 and 18.

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies –

Para Nos. 19 and 20.

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration –

Para Nos. 10 and 12.

- (iv) Recommendations/Observations in respect of which final replies are still awaited Para No.-

Nil.

3. The Committee will now deal with the Action Taken by Government on some of their recommendations/observations.

4. The Committee are distressed to note that the Ministry of Railways have not given careful consideration and specific responses to a number of points made in their 17th Report as may be seen from some of the observations contained in the subsequent paragraphs. The Committee hope that the Ministry of Railways will not be found wanting in this respect in future.

**A. PERSPECTIVE PLAN REGARDING ROLLING STOCK
(Recommendation Para No. 2)**

5. The Committee had noted that the Railways had projected to acquire 9160 coaches and 1745 EMUs during the 10th Plan period. In the first three years of 10th Plan, the Railways could acquire only 5957 coaches and 397 EMUs. Though Railways were going to achieve the coach targets but in case of EMUs, Railways would have a shortfall of 800 at the end of the Plan. The Committee were also informed that this shortfall would be made up by 2008-09. The Committee further noticed that the Railways were then using 562 over aged EMUs after putting extra inputs to cope up with the shortfall. They were of the view that the Railways were not planning their requirement of rolling stock in right perspective by taking into account the future growth trajectory in traffic and requirement on account of condemnation of old stock etc. They had, therefore, recommended that the Railways should prepare a perspective Plan with regard to their requirement of rolling stock for the next 10 years holistically so that increasing demands of the rolling stocks could be met. They had also desired that keeping into account the substantial growth in suburban passenger traffic the number of coaches in all EMU trains be increased to 12 coaches from the existing 9 coaches.

Further the Committee recommended that in order to meet the future requirement of coaches, Railways should consider setting up a production unit in the Eastern Region.

6. In their Action Taken Reply, the Ministry of Railways have stated as under:-

“Production Plans are normally issued on an annual basis. Other than the plan for 2006-07 which has already been finalised, the Ministry is also in the process of finalizing production programme for a further two years i.e., for 2007-08 and

2008-09. These shall be incorporated within the planning for the 11th Five Year Plan which shall be initiated shortly to include Rolling Stock requirements projected for the plan period from 2007-08 to 2011-12. This will thus enable a holistic requirement of Rolling Stock keeping in view the trends, increasing demand and traffic projections.

The increase in number of coaches in EMU trains from 9 coaches to 12 coaches is being implemented in a phase-wise manner depending upon suburban traffic requirements and availability of the coaches.

The capacities of Rail Coach Factory/Kapurthala and Integral Coach Factory/Chennai have been proposed and sanctioned for enhancement from 1000 coaches each to 1400 coaches for RCF/Kapurthala and 1250 coaches for ICF/Chennai. These works shall significantly increase the coach manufacturing capacity including EMUs to take care of the overaged stock.

Keeping in view the ongoing expansion of ICF and RCF and the proposal of further increasing ICF's capacity of 1500 coaches per year, as proposed for sanction in 2006-07, the coach manufacture capacity in the country is considered adequate and there is no proposal to set up another production unit for coach manufacture."

7. The Ministry has not given any reason as to why a perspective plan for next ten years regarding rolling stock should not be prepared as recommended by the Committee. The Ministry's reply though confined to the 11th Five Year Plan ending in 2011-12, has not disclosed what would be the projected requirement for rolling stock at the end of the 11th Plan period and whether the proposed expansion programme of ICF and RCF would be adequate to meet the projected requirement. The Committee would await details in this regard. The Committee as already recommended would also like the Railways to project their rolling stock requirement by the year 2016-17 and to consider establishing a production unit in the Eastern Region.

8. The Committee note from the reply of the Ministry that the Railways are increasing the number of coaches in EMU trains phase-wise manner depending upon suburban traffic requirement and availability of coaches. The Committee would like to be informed of the number of EMU trains in which coaches have been increased to 12 coaches until now and their plan in this regard for the year 2007-08.

B. JERKING PROBLEM IN LHB COACHES (Recommendation Para No. 5)

9. The Committee had desired that certain deficiencies noticed in LHB coaches be removed, efforts be made to reduce the magnitude of jerks.

10. In their Action Taken Reply, the Ministry of Railways have stated as under:-

“.....Indian Railways have switched over for passenger carrying trains with centre buffer couplers from the conventional screw coupling arrangement. The central coupling arrangement has significant advantages in terms of safety during unfortunate accidents. With the centre buffer coupler arrangement, the coaches do not climb on each other, thereby significantly reducing the loss of life and injury to passengers during serious accidents. It is, however, correct that considering the larger number of coaches in our trains as compared to several other countries, these are giving higher longitudinal jerks. Most developed countries have shorter trains (lesser number of coaches per train) and in that situation the magnitude of these jerks is not high. Since we are running trains with much larger number of coaches in each train, we have to supplement the existing centre buffer couplers to take care of this problem. Developmental work in this field is already in hand with RDSO and is expected to be finalised within a few months after which this will be taken up for implementation on coaches.”

11. Developmental work to supplement the center buffer couplers to take care of the jerk problem is stated to be already in hand with Research Designs and Standards Organisation (RDSO) and is expected to be finalized soon. The Committee hope the developmental work finalized in this regard will be expeditiously implemented on coaches. The Committee would like to be apprised of the effectiveness of the development work in removing the jerk problem.

C. UTILISATION OF OVER-AGED LOCOMOTIVES (Recommendation Para No. 6)

12. The Committee had noted that against the plan to acquire 655 diesel locomotives during the 10th Five Year Plan, the Ministry of Railways had been able to procure 326 diesel locos in the first three years of the Plan and expect to procure only 293 locos in

the remaining two years of the 10th Plan. Thus there would be a shortfall of 36 locos and the Ministry of Railways propose to make up this shortfall by deferring condemnation of 60 diesel locos for two years by giving them three years rescheduling and taking care of safety requirement. The Committee also found that the orders for locos placed by Railways with DLW during the initial three years of 10th Plan are far below the installed capacity of DLW resulting in gross under utilization of the manpower and technology available with DLW. The Committee had disapproved the practice adopted by Railways for postponement of condemnation of overaged rolling stock in view of non availability of new stock which obviously further puts the safety aspect on back burner. They, therefore, were of the view that such adhoc approach should be avoided by the Railways and adequate orders be placed with DLW in future so that it's capacity is utilized fully.

13. In their Action Taken Reply, the Ministry of Railways have stated as under:-

"The production programme for diesel locomotive works, Varanasi for 2006-07 is for 150 diesel locomotives which is the installed capacity of DLW. It is estimated that the number of diesel locomotives required in the coming years shall be significantly more than these numbers, and hence the capacity of DLW is expected to be utilized fully."

14. The Committee take a serious view that the Action Taken Reply of the Ministry of Railways have not addressed the Committee's concerns regarding the operational safety, which could be jeopardized as a result of the continued use of over-aged rolling stocks. They would await the Ministry's response in this regard specifying the steps taken or proposed to be taken to discontinue the practice of using over-aged locos.

D. TRACTION MOTOR PRODUCTION IN CHITTARANJAN LOCOMOTIVE WORKS (CLW)

(Recommendation Para No. 9)

15. The Committee had noted that the requirement of traction motors was being met by Railways from CLW and Transfer of Technology (ToT) partners such as BHEL and Crompton Greaves. They had further noticed that CLW had the production capacity of 750 traction motors. During their study visit to CLW in October, 2005, they were

informed that CLW was manufacturing 90 traction motors per month and likely to manufacture 800-900 traction motors that year. The Committee had therefore desired that the traction motor production capacity of CLW be increased to 1000 per annum so that CLW itself could meet the entire requirement of the Railways.

16. In their Action Taken Reply, the Ministry of Railways have stated as under:-

"The manufacture of traction motors at CLW is being stabilized. However, due to increased requirement, the dependence on ToT partners to supply traction motors may continue to supplement CLW's production."

17. The Ministry's reply is silent as to the quantum of increase in requirement of traction motors, the extent of dependence on Transfer of Technology partners and the stabilized capacity of the Chittaranjan Locomotive Works for manufacture of traction motors. The Committee would await details in this regard.

D. EXPORT ORDERS FOR PRODUCTION UNITS

(Recommendation Para No. 10)

18. The Committee had noted that the capacity of production units was not being utilized fully because of the lesser orders placed by the Railways with them. The export orders received so far by Railways were also not adequate. Therefore, they desired that the Railways should explore extensively the markets abroad in order to secure more orders which would not only help in generating extra revenue but also help in better utilization of the capacities of these production units. The Committee also found that the production units were exporting their rolling stocks namely, coaches and locomotives, after meeting the demands of Railways mostly to Afro-Asian Countries through RITES. To grant more autonomy to production units, the Railway Board was contemplating to evolve a methodology under which more autonomy could be imparted to these units. The Committee had desired that the Railway Board should finalise the same expeditiously so that the production units could earn more money and utilize the same for their expansion, modernization and replacement of equipments.

19. In their Action Taken Reply, the Ministry of Railways have stated as under:-

“To grant more autonomy, revised financial and administrative powers have been given to General Managers of Production Units which are as under:

- (i) With respect to pricing for Non-Railway Customers (NRCs) and Experts, GMs are delegated powers to reduce profits up to NIL & overheads upto 5%, subject to certain conditions.
- (ii) Machinery & Plant replacement upto Rs. 30 lacs per item subject to availability of Budget.
- (iii) Purchase of components for supplies against confirmed orders of exports of upto Rs. 22 crores per case.
- (iv) Expenditure towards hospitality to NRCs upto specified ceilings.
- (v) Expenditure in engaging/obtaining Consultancy Services for Production Units, connected with export orders, from outside bodies in excess of Rs. 50 lakhs in each case or in excess of Rs. 1.5 crores in a year, to be funded from the Market Development Fund.
- (vi) Development of new items, product diversification, marketing efforts and engagement of consultants for sale to NRCs and for exports of upto Rs. 5 crores per annum (Rs. 1 crore in each case) out of the profits accruing from sales to NRCs and exports, during the course of the year, subject to certain laid down conditions.
- (vii) Powers to import stores from the existing level of Rs. 4 crore in each case to Rs. 15 crore in each case, as applicable to indigenous purchases.”

20. Nothing has been mentioned in the Reply given by the Ministry of Railways as to whether any measures have been initiated as recommended by the Committee to extensively explore the markets abroad for securing more orders of rolling stocks for production units and if so, with what result. The Committee expect the Ministry to furnish details in this regard without delay.

F. REVIEW REGARDING RECOGNITION OF UNIONS IN PRODUCTION UNITS

(Recommendation Para No. 12)

21. The Committee had observed that the production units of Indian Railways did not have recognized unions. However, in pursuance of the directives of the Ministry of Home Affairs, a mechanism is prevailing since 1954 where the redressal of grievances of the staff is done through Staff Council which meets once or twice a year at Railway Board level. According to the Ministry of Railways, the Staff Councils were the representatives of the workers and there was no difficulty for the Staff Council to get

the grievances redressed. Therefore, they did not feel the need for a recognized union. The Committee did not agree with the views of the Ministry and desired that the Railways should review the decision regarding recognition of unions in production units.

22. In their Action Taken Reply, the Ministry of Railways have stated as under:-

“The system of redressal of staff grievances through Staff Councils has been in vogue in the production units and has been working satisfactorily till date. The policy regarding recruitments, promotions, reservations etc. and financial emoluments are dealt with by the Ministry of Railways on a global basis after due consultation with the recognized federations as applicable. These provisions are applicable to the production units also. Policy or major issues specific to a production unit or production units in general are discussed and sorted out in annual meetings held with Staff Councils on regular basis. With respect to Production Units – specific issues representation of staff through the Staff Council is considered adequate for the machinery of grievance redressal.”

23. The Committee are dismayed to note that the Ministry of Railways have simply advanced the same views which had already been considered by the Committee before they made their recommendation. The Ministry's reply does not throw any light as to whether any review was undertaken as recommended by the Committee, on the question of according recognition to the unions in production units. The Committee stress that a review should be undertaken in this regard and the outcome reported to the Committee.

G. MODERNISATION OF WORKSHOPS

(Recommendation Para No. 13)

24. The Committee were informed that modernization of workshops was done from the money available from Depreciation Reserve Fund (DRF). Since workshops are backbone of the Railways and proper maintenance of rolling stocks is essential for smooth and safe operation of trains, the Committee recommended that Railways must make study of all the workshops with reference to their modernization requirement and based on the study, a fresh modernization plan for workshops be prepared in a time bound manner.

25. In their Action Taken Reply, the Ministry of Railways have stated as under:-

"Modernization of workshops is a continuous process. For replacement and modernization of workshop, assets funds are allocated each year. There are however, arrears in replacement of Machinery and Plant and other infrastructure. In order to eliminate/reduce these arrears, a comprehensive workshop modernization plan is being prepared for nominated workshops, this plan shall be ready in six months time."

26. The Committee are glad to note that a comprehensive workshop modernization plan for nominated workshops is being prepared as recommended by the Committee. The Committee would like to be informed of the details of the Modernization Plan, anticipated dates for completion of specific projects and the steps taken to ensure timely completion of those projects.

H. ROLE OF CENTRAL ORGANISATION FOR MODERNISATION OF WORKSHOPS (COFMOW)

(Recommendation Para No. 14)

27. The Committee were surprised to note that the Central Organisation for Modernisation of Workshops (COFMOW) established in 1979 with an objective to modernize the workshops and to deal with the modernization programme was involved in only procuring of Machine and Plants and in making studies for maintenance of sub systems in workshops with a view to improve them instead of concentrating on its main objective of planning for modernization. The Committee further noted that modernization of workshops is done by the Railway Board based on the feedback from workshops and funds are released accordingly. They were of considered view that the COFMOW should discharge its core responsibility of planning for modernization of workshops and Railways must entrust this work to COFMOW. Funds allocated for modernisation of workshops should also be fully utilized.

28. In their Action Taken Reply, the Ministry of Railways have stated as under:-

"Expertise of COFMOW is being utilized in discharge of industrial engineering functions of production units and workshops. COFMOW have been directed to take up a larger number of technical studies aimed at modernization of

workshops and to organize technical seminars on a regular manner. Studies on technologies related to repair of unloadable wagons in workshops, standardization of compressed air infrastructure in workshops and modernization of stores/depots in major workshops are an example of studies which COFMOW would complete by 31.9.2006.”

29. The reply of the Ministry has not explained as to why the Central Organisation for Modernisation of Workshops (COFMOW) should not be allowed to discharge its core responsibility of planning for modernization of workshop as suggested by the Committee. The original objective of the organization was not merely conducting technical studies which are detailed in the reply. The Committee would like the Ministry of Railways to give serious thought to the recommendation of the Committee and come up with appropriate response.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation Para No. 1)

The Railways had met their requirement of rolling stocks through its 6 production units located at different places in the country. The adequacy of rolling stock comprising of locomotives, coaches and wagons along with its upkeep and optimum serviceability were utmost important for efficient operation of the system. Rolling stock needs to be augmented and upgraded constantly with modern and fuel efficient ones so as to meet effectively the needs of growing traffic and to keep pace with growing economy of the country.

In their Action Taken Reply, the Ministry of Railways have stated:-

“Rolling Stock augmentation has been a continuous process with the Indian Railways. Recently, Locomotives and coaches have been upgraded through Transfer of Technology from M/s ABB for Electric Locomotives, M/s. General Motors for Diesel Locomotives and M/s. Alstom (LHB) for passenger coaches. Further, upgradation of systems and sub-systems are being done continuously by Research Design and Standard Organization and by the Production Units.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

(Recommendation Para No. 2)

The Committee had found tremendous scope for growth of passenger as well freight traffic taking into account the higher trajectory of national economy. During the evidence the Committee were informed that in the year 2004-05, the passenger growth was 6 per cent as against the annualized passenger growth of 3 per cent in the previous decade and in the current year also Railways expect to sustain the same. In freight traffic Railways expect to achieve 675 million tonne of loading in 2005-06. The Committee further noticed that the Railways were now on a high growth path and

national economy was also picking up. Demands will be much more once the quadrilateral sections are modernized and electrified. In such a scenario Railways need more rolling stock commensurate with traffic growth. They also noted that the Railways had projected to acquire 9160 coaches and 1745 EMUs during the X Plan Period. During the first three years of X Plan, the Railways could acquire only 5957 coaches and 397 EMUs. Though Railways were going to achieve the coach targets but in case of EMUs, Railways would have a shortfall of 800 at the end of the Plan. The Committee were also informed that this shortfall will be made up by 2008-09. The Committee further noticed that the Railways were presently using 562 over aged EMUs after putting extra inputs to cope up with the shortfall. They were of the view that the Railways were not planning their requirement of rolling stock in right perspective by taking into account the future growth trajectory in traffic and requirement on account of condemnation of old stock etc. They, therefore, recommended that the Railways should prepare a perspective Plan with regard to their requirement of rolling stock for the next 10 years holistically so that increasing demands of the rolling stocks can be met out. They also desired that keeping into account the substantial growth in suburban passenger traffic the number of coaches in all EMU trains be increased to 12 coaches from the existing 9 coaches.

Further the Committee had found that at present Rail Coach Factory Kapurthala and Integral Coach Factory, Perambur were the two coach manufacturing units of the Indian Railways. In order to meet the future requirement of coaches, the Committee emphasized that Railways should consider setting up a production unit in the Eastern Region also.

In their Action Taken Reply, the Ministry of Railways have stated:-

"Production Plans are normally issued on an annual basis. Other than the plan for 2006-07 which has already been finalised, the Ministry is also in the process of finalising the production programme for a further two years i.e. 2007-08 & 2008-09. These shall be incorporated within the planning for the 11th Five Year Plan which shall be initiated shortly to include Rolling Stock requirements projected for the plan period from 2007-08 to 2011-12. This will thus enable a

holistic requirement of Rolling Stock keeping in view the trends, increasing demand and traffic projections.

The increase in number of coaches in MU trains from 09 coaches to 12 coaches is being implemented in a phase-wise manner depending upon suburban traffic requirements and availability of the coaches.

The capacities of Rail Coach Factory/Kapurthala and Integral Coach Factory/Chennai have been proposed and sanctioned for enhancement from 1000 coaches each to 1400 coaches for RCF/Kapurthala and 1250 coaches for ICF/Chennai. these works shall significantly increase the coach manufacturing capacity including EMUs to take care of the overaged stock.

Keeping in view the ongoing expansion of ICF and RCF and the proposal of further increasing ICF's capacity of 1500 coaches per year, as proposed for sanction in 2006-07, the coach manufacture capacity in the country is considered adequate and there is no proposal to set up another production unit for coach manufacture."

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

Capacity Enhancement of RCF and ICF

(Recommendation Para No. 3)

The Committee had noted that the installed capacity of Rail Coach Factory (RCF), Kapurthala and Integral Coach Factory (ICF), Perambur was 1000 coaches per annum each at present. As the traffic projections were high the output of these units had to be improved. Therefore, Railways had sanctioned the capacity augmentation of RCF and ICF from 1000 to 1400 and 1250 coaches respectively. The cost involved in the augmentation works-out to Rs.9 crore in the case of ICF and Rs.35 crore in the case of RCF were at various phases of progress at present and likely to be completed by 2008. During their study visit to ICF in October, 2005, the Committee were informed that to increase further the capacity of ICF to 1500, a conceptual plan had been submitted to

Railway Board. The Railway Board informed the Committee that the proposal submitted by ICF was under examination at present. The Committee desired that the Railways should expedite the examination of the proposal and finalize the same at the earliest.

In their Action Taken Reply, the Ministry of Railways have stated:-

“The proposal of further increasing the capacity of ICF to 1500 coaches per year has been considered by the Board, and the work has been proposed for sanction in Budget 2006-07 at a total cost of Rs. 54.31 crore.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

LHB Coaches

(Recommendation Para No. 4)

The Committee had found that the Railways have signed an agreement with M/s LHB/Alstom for transfer of technology to manufacture stainless steel bodied coaches in RCF (Kapurthala). Though presently LHB coaches were being manufactured in RCF, the complete assimilation and indigenisation of the technology acquired from M/s LHB/Alstom had not yet been fully materialized. They also noted that the manufacturing of LHB coaches had been assigned only to RCF and not to ICF. During the study visit to ICF, the Committee were informed that if the ICF was provided with Machines & Plants (M&P) inputs, they can also manufacture LHB coaches. In this connection the Ministry of Railways had submitted before the Committee during examination that once the technology was fully assimilated and becomes broad based after that the proposal for extending the technology by way of giving necessary inputs such as M&P etc. to ICF can be considered. As the entire fleet of Rajdhani and Shatabdi trains were to be replaced by LHB coaches in the near future, the demand for LHB coaches would naturally increase. The Committee, therefore, emphasized that necessary infrastructural inputs such as M&P be provided to ICF also so that the latter can also supplement the requirement of LHB coaches in future.

In their Action Taken Reply, the Ministry of Railways have stated:-

“The indigenous manufacture of LHB Alstom coaches at Rail Coach Factory/Kapurthala was initiated in 2001-02, and within a period of four years the assimilation of technology has progressed significantly. It has been proposed that Integral Coach Factory/Chennai be given very stiff targets for manufacture of EMUs over 2007-08 onwards, so that overaged EMUs running over the Indian Railways can be replaced within a very short time. In view of this, infrastructure enhancements at ICF are underway in terms of inputs such as required Machinery & Plant etc. for meeting the growing requirements for EMUs. The production of LHB coaches at RCF, though on a progressively increasing trend, is not constrained by production capacity at RCF, the issue of manufacture of LHB coaches by ICF can be considered at a later stage.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

(Recommendation Para No. 5)

The Committee had also noticed certain deficiencies in LHB coaches such as uncomfortable toilets, heavy doors and jerks during journey. During examination the Ministry of Railways had stated that certain quality problems had been noticed in these coaches and were being discussed with users and manufacturers so as to get these rectified. The Committee had desired that existing toilets in these coaches be replaced with more convenient and user-friendly ones and efforts be made to reduce the magnitude of jerks.

In their Action Taken Reply, the Ministry of Railways have stated:-

“The toilets provided in the LHB coaches are ‘Controlled Discharge Toilets’. Discharge from these toilets is controlled through a programmable logic controller with the objective that the waste is not discharged at major stations or in densely populated areas. As the next stage of technology upgradation, Indian Railways are putting efforts to procure/develop sealed toilets, which will have no waste discharge enroute. Considering the environment requirements and the

Government policy of total sanitation for the year 2012, it would not be appropriate to go back to conventional coach toilets. As is common with several new technologies/products there have been a few teething problems with these toilets, particularly in respect of the slide/flapper arrangement of discharge from the toilet bowl to the retention tank and from the retention tank to outside. Based on the experience of these problems, certain solutions have been found and the modified arrangements are being tried in the new builds; for example a change over from slide arrangement to flapper arrangement e.g. a change over from double cylinder to slide arrangement and from slide arrangement to flapper arrangement. Performance of these toilets is being monitored very closely and it has been found that lately the cases of choking of toilets, etc. have come down. The expectation is that with some more experience we will be able to overcome all the problems. By designing these toilets and to provide better cleaning of the bowl and considering these several advantages it is proposed to continue with controlled discharge toilets but make necessary changes as already stated earlier.

Indian Railways have switched over for passenger carrying trains with centre buffer couplers from the conventional screw coupling arrangement. The central coupling arrangement has significant advantages in terms of safety during unfortunate accidents. With the centre buffer coupler arrangement, the coaches do not climb on each other, thereby significantly reducing the loss of life and injury to passengers during serious accidents. It is , however, correct that considering the larger number of coaches in our trains as compared to several other countries, these are giving higher longitudinal jerks. Most developed countries have shorter trains (lesser number of coaches per train) and in that situation the magnitude of these jerks is not high. Since we are running trains with much larger number of coaches in each train, we have to supplement the existing centre buffer couplers to take care of this problem. Developmental work in this field is already in hand with RDSO and is expected to be finalized within a few months after which this will be taken up for implementation on coaches.”

DIESEL LOCOMOTIVES WORKS (DLW)

(Recommendation Para No. 6)

From the material submitted to the Committee, they noted that against their plan to acquire 655 diesel locomotives during the Tenth Five Year Plan, the Ministry of Railways has been able to procure 326 diesel locos in the first three years of the Plan and it is proposed to procure 329 locos during 2005-06 and 2006-07. During the examination, the Committee were informed by Ministry of Railways that they expect to procure only 293 locos in the remaining two years of the 10th Plan and there would be a shortfall of 36 locos. The Ministry of Railways further informed the Committee that they propose to make up this shortfall by deferring condemnation of 60 diesel locos for two years by giving them three years rescheduling and taking care of safety requirement. The Committee find that the orders for locos placed by Railways with DLW during the initial three years of 10th Plan are far below the installed capacity of DLW resulting in gross underutilization of the manpower and technology available with DLW. They are of the view that had the adequate orders been given to DLW during these three years of 10th Plan, the question of capacity underutilization and shortfall would not have arisen. The Committee also disapprove the practice being adopted by Railways at present for postponement of condemnation of the overaged rolling stock in view of non-availability of new stock which obviously further puts the safety aspect on back burner. They, therefore, are of the view that such ad hoc approach should be avoided by the Railways and adequate orders be placed with DLW in future so that its capacity is utilized fully.

13. In their Action Taken Reply, the Ministry of Railways have stated as under:-

"The production programme for diesel locomotive works, Varanasi for 2006-07 is for 150 diesel locomotives which is the installed capacity of DLW. It is estimated that the number of diesel locomotives required in the coming years shall be significantly more than these numbers, and hence the capacity of DLW is expected to be utilized fully."

(Recommendation Para No. 7)

The Committee had further noticed that although General Motors had transferred technology for various equipments and sub-assemblies, yet 100 per cent transfer of technology from General Motors to DLW had not taken place so far in the case of these equipments and sub-assemblies. As a result DLW was still importing around 13 per cent of the equipments such as engine blocks, turbochargers etc. required for diesel locomotives. They were surprised to note as to why the DLW had not so far been able to acquire the requisite technology from General Motors despite the fact that the MoU for transfer of technology was signed way back in 1990s. They desired that the Railways must vigorously pursue with the General Motors for complete transfer of technology so that the equipments now being imported can be manufactured in DLW itself.

In their Action Taken Reply, the Ministry of Railways have stated:-

“Certain import content would remain either because of the assembly/component being proprietary in nature or because of the fact that economies of scale would not be achievable in view of the fact that certain specialized components (such as those of the turbos) require huge investments for setup for complete manufacture and the offtake of DLW would not be commensurate with the costs of setup.

However, the import content of General Motors has been reducing substantially, and full efforts are underway to further reduce dependence on import for critical items such as engine block etc. This is being vigorously pursued by DLW, so that indigenization can be stepped up further, and further cost reduction can be affected.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

CHITTARANJAN LOCOMOTIVE WORKS (CLW)**(Recommendation Para No. 8)**

The Committee had also found that as in the case of DLW, orders placed during the last six years including the current year on CLW for electric locomotives were much below the installed capacity. They further found that in the year 2002-03 the orders placed with CLW were only 69 Locos which was around 53% of the installed capacity. The Committee were informed that yearly production of locomotives was based on traffic requirement and availability of funds. For the year 2005-06, the target for the CLW had been increased to 128 locos and the present capacity was sufficient to meet the projected requirement of locos in future. To increase the capacity to 150 locos, works were in progress at CLW. The Committee had noted that during 2004-05 there was a tremendous growth in the passenger as well as freight traffic which was likely to continue in the current year as well as in future. Accordingly, the Railways would be required more locomotives to carry the increased traffic. The Committee therefore, desired that henceforth adequate orders be placed with CLW not only to cope up with the increasing traffic but also to utilize their capacity.

In their Action Taken Reply, the Ministry of Railways have stated:-

"The Production Programme for Chittaranjan Locomotives Works, Chittaranjan for 2006-07 is for 150 Electric Locomotives which is the installed capacity of CLW. It is estimated that the number of Electric Locomotives required in the coming years shall be significantly more than these numbers, and hence capacity of CLW is expected to be utilized fully."

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

(Recommendation Para No. 9)

The Committee had noted that at present the requirement of traction motors were being met by Railways from CLW and Transfer of Technology (ToT) partners such as BHEL and Crompton Greaves. They further noticed that CLW had the production capacity of 750 traction motors at present. During their study visit to CLW in October, 2005, the Committee were informed that CLW is manufacturing 90 traction motors per month and were likely to manufacture 800-900 traction motors this year. The Committee therefore, desired that the traction motor production capacity of the CLW be increased to 1000 per annum so that CLW itself could meet the entire requirement of the Railways.

In their Action Taken Reply, the Ministry of Railways have stated:-

“The manufacture of traction motors at CLW is being stabilized. However, due to increased requirements, the dependence on TOT partners to supply traction motors may continue to supplement CLW’s production.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

Staff Strength

(Recommendation Para No. 11)

The Committee had noted that a large number of vacancies especially in Group ‘C’ & ‘D’ categories exist almost in all the production units of the Railways. Similarly, there was shortage of staff in Workshops. The Ministry of Railways had informed the Committee that as part of the manpower planning exercise, the DOPT Guidelines permit only one out of three posts falling vacant to be filled up. They further informed that though percentage of vacancies were on higher side being more than 10 per cent, the vacancies did not necessarily affect the production because the posts were sanctioned broadly on the basis of work load and actual operational requirement which vary from time to time depending upon the annual production targets. Vacant posts were not surrendered as the production units and workshops had to manufacture upto their

capacity. Therefore, Railways had approached the DOPT for relaxation in the norms so that Railways could fill up the posts more than 1/3rd. The Committee taking note of the growing demand of rolling stock as a result of traffic growth were of the considered view, that the Railways should pursue the matter with DOPT and vacancies in Group 'C' & 'D' category be filled up accordingly so that the targets of rolling stock could be met without delay.

In their Action Taken Reply, the Ministry of Railways have stated:-

“Integral Coach Factory/Chennai and Diesel Locomotive Works, Varanasi have already been permitted for filling up of the posts as required by them. For meeting the increased targets of Rolling Stock production. The specific requirements of the other Production Units & Workshops with respect to increased production targets will also be considered as per the requirements projected by them.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

MODERNISATION OF WORKSHOPS

(Recommendation Para No. 13)

The Committee find that way back in 1980s, with the World Bank assistance, Railway Workshops primarily dealing with coaching stock were modernized in two phases with the objective to reduce Periodic Overhauling (POH) cycle time, increase POH capacity of rolling stock and replace overaged Machines & Plants. In phase-I four workshops namely Matunga, Kanchrapara, Kharagpur and Lower Parel Workshops and in Phase-II, six workshops viz. Parel, Lilluah, Jagadhari, Golden Rock, Kharagpur and Ajmer workshops were modernized. The also found that thereafter Railways have not made any effort to modernize the workshops keeping pace with the technological development in the field. During the evidence, the Committee were informed that modernization needed for Machines & Plants and some sheds structures were done in Phase-I and II and as the sufficient money is now available from Depreciation Reserve Fund (DRF), modernization requirement is done from this money. The Committee

consider workshops as backbone of the Railways as besides manufacturing components, Periodic Overhauling of Locomotives, coaches, wagons are done in these workshops which is essential for smooth and safe operation of trains. They therefore, recommend that Railways must make study of all the workshops with reference to their modernization requirement and based on the study a fresh modernization plan for workshops be prepared in a time bound manner. The Committee also desire that action taken in this regard be intimated to them.

In their Action Taken Reply, the Ministry of Railways have stated as under:-

“Modernization of workshops is a continuous process. For replacement and modernization of workshop, assets funds are allocated each year. There are however, arrears in replacement of Machinery and Plant and other infrastructure. In order to eliminate/reduce these arrears, a comprehensive workshop modernization plan is being prepared for nominated workshops, this plan shall be ready in six months time.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

CENTRAL ORGANISATION FOR MODERNISATION OF WORKSHOPS (COFMOW)

(Recommendation Para No. 14)

Central Organisation for Modernisation of Workshops (COFMOW) was established in 1979 with an objective to modernize the workshops and to deal with the modernization programme. The Committee are surprised to note that COFMOW is at present involved in only procuring of Machines & Plants and making studies for maintenance of sub-system in workshops with a view to improve them instead of concentrating on its main objective of planning for modernization. The Committee further note that modernization of workshops is done by the Railway Board based on the feed back from workshops and funds are released accordingly. The Committee are therefore, of considered view that the COFMOW should discharge its core responsibility of planning for modernization of workshops and Railways must entrust this work to COFMOW. Funds allocated for modernization of workshops should also be fully utilized.

In their Action Taken Reply, the Ministry of Railways have stated:-

“Expertise of COFMOW is being utilized in discharge of industrial engineering functions of production units and workshops. COFMOW have been directed to take up a larger number of technical studies aimed at modernization of workshops and to organize technical seminars on a regular manner. Studies on technologies related to repair of unloadable wagons in workshops, standardization of compressed air infrastructure in workshops and modernization of stores/depots in major workshops are an example of studies which COFMOW would complete by 31.9.2006.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

MAINTENANCE OF LHB COACHES

(Recommendation Para No. 15)

The Committee were of the considered view that with the introduction of LHB coaches in the premier trains like Shatabadi and Rajdhani trains, the requisition for maintenance of these coaches will increase manifold. This would require separate facilities such as Machines and Plants to be installed at workshops meant for coach maintenance at ideal locations depending upon the operational needs of the Railways. The Committee found Liluah Workshop as one of the ideal workshops which requires to be equipped with the maintenance facilities of LHB coaches. They, therefore, recommended that the Railways should first install the requisite facilities at Liluah Workshop for maintenance of LHB Coaches by expanding it and accordingly funds be allocated. The Committee also recommended that the same may also be replicated in other workshops which were ideally and strategically located on the operational routes of trains being run with LHB coaches.

In their Action Taken Reply, the Ministry of Railways have stated:-

"Railways have already planned for replacing all Rajdhani and Shatabdi coaches of ICF design by LHB design. Accordingly facilities for maintenance of LHB are being created in the workshops, which would be dealing with these coaches, i.e. Jagadhri, Lower Parel and Liluah workshops. The work is in progress in Jagadhri, and Lower Parel workshops.

For Liluah workshops, a new work for creating of facilities for LBH coach maintenance has been proposed through Budget 2006-07."

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

REVIEW OF MANUALS/RULE BOOKS/GUIDELINES REGARDING PERIODIC OVERHAULING (POH)

(Recommendation Para No. 16)

The Committee had found that POH and maintenance of rolling stock were undertaken in the workshops/maintenance sheds as per the manuals/rules book/guidelines/ instructions issued by the Railways. They note that these aforesaid manuals etc. were quite old and voluminous which require to be updated. They therefore, desired that these manuals/rules book etc. be reviewed on urgent bases keeping in view their commensurate compatibility with latest technological developments in the rolling stock and the level of their use.

In their Action Taken Reply, the Ministry of Railways have stated:-

"Instructions have been used to IRIMEE regarding Review of Manuals/Code/Rule books with the purpose of removal of discrepancies or contradictions.

The Coach Manual and Wagon Manual has been reviewed by the nominated committee vide Director/IRIMEE, Jamalpur's letter no. IMEE/RST/Manual Review dated 30.03.2005 and diesel Manual have also been

reviewed by the nominated committee vide their letter dated 27.06.2005. Reports of the Review Committee have been submitted to Railway Board. Instructions have been issued to DLW/Varanasi for the corrections/modifications in Diesel Locomotive manual as advised by the Committee. Instructions have also been issued to RDSO/Lucknow for the corrections/modifications in Coaching and Wagon maintenance manuals as advised by the Committee. Maintenance instructions for diesel electric locomotives have been distributed to all the zonal Railways and other concerned parties.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

CONDEMNATION OF ROLLING STOCK

(Recommendation Para No. 17)

The Committee found that Rolling Stock are condemned on age-cum-condition basis and in line with life codal provisions. As on date the Railways were having 392 Diesel locomotives, 562 EMUs and 1587 coaching vehicles which were overaged but were being used after putting extra inputs and caring for the safety aspects. The Ministry of Railways had stated that by 2010 all the overaged stock running on the system would be eliminated. The Committee appreciated that all the overaged rolling stock would be eliminated by 2010 but at the same time would like to add that the overaged 562 EMU coaches which were still being run be replaced on urgent basis so that safety of passengers travelling in EMU trains was ensured. Besides, the Committee also desired that the replacement of the condemned rolling stock should be a parallel exercise so that the business does not get affected.

In their Action Taken Reply, the Ministry of Railways have stated:-

“Rolling Stock is replaced on an age-cum-condition basis. The age of the Rolling Stock is taken as a yardstick for Planning replacements which are done based on the individual condition of the vehicle from structural aspects and safety point of view. This is a continuous process.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

IMPROVEMENTS IN COACHING MAINTENANCE DEPOTS

(Recommendation Para No. 18)

The Railway Safety Review Committee (RSRC), 1989 in their Report submitted in August, 1999 had inter-alia highlighted the deficiencies in coaching maintenance infrastructure. RSRC was of the view that inadequate infrastructure at coaching depots caused great safety hazards and that the gap between the required and the existing facilities had widened which is not at all conducive for safety. The Committee had noted that based on the recommendation of RSRC the Railway Board had constituted a Task Force for identifying shortcomings in coaching depots and to work out investments required to eliminate these shortcomings. This Task Force had submitted its Report in 2003 and thereafter the Railway Board had constituted a Committee to prioritize these works. They also found that the Zonal Railways had been asked to formulate proposals for improving 10 priority coaching maintenance depots so as to make good the existing deficiencies for bringing out the infrastructure upto the norms/standards. The Committee had also been informed that the identified high priority depots include Jheel Siding and Sorting Yard, Tikiyapara of Howrah Division of Eastern Railway for which an investment of about Rs. 35 crore is needed. The Committee desired that while formulating the proposals for modernization of the coaching depots, the proposal of sanctioning Rs. 35 crore for the Tikiyapara coaching depot be taken into consideration.

In their Action Taken Reply, the Ministry of Railways have stated:-

“The Ministry of Railways are seized with the need for making good infrastructural deficiencies in coach maintenance depots in the country. In the light of the RSRC recommendations that the deficiencies should be made good in a time bound manner, prioritization of the needs in this area has been done. In line with this, an amount of Rs. 99.68 crores has been proposed for sanction in the Railway Budget 2006-07 for making good deficiencies in Coaching Maintenance Depots. This also includes a proposal for additional facilities at Tikiapara Depot at a cost of Rs. 20.00 crores.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

CHAPTER III

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

SETTING UP OF WAGON WORKSHOP IN EAST COAST RAILWAY

(Recommendation Para No. 19)

The Committee had found that at present there are 66 workshops with the Indian Railways and these were not equitably located in all Zones. During the course of the examination of the subject and also during the study visit of the Committee in October, 2005, the Committee had found that the region under East Coast Railway was experiencing rapid industrialization and the traffic to be handled by it was likely to grow up enormously in the coming years which may result in the requirement of wagons to the extent of 25000. As compared to 170 wagons at the moment, it was expected that the POH arising out of this increase in traffic will be about 620 wagons per month. The Committee found that the East Coast Railway does not have any wagon workshop to attend to this increased POH and as a result wagons were being sent to South Central Railway, South East Central Railway and Southern Railway, etc. As such this movement was unproductive from traffic point of view. The Committee, therefore, recommended that a wagon workshop should be set up in East Coast Railway at some appropriate location.

In their Action Taken Reply, the Ministry of Railways have stated:-

“Planning for periodic overhaul of freight stock on Indian Railways is on all-India basis. Present workshop capacities available on the Indian Railways are sufficient to meet arisings. According to the present planning for periodic overhaul, wagons on East Cost Railways are based on Raipur and Kharagpur workshops, where capacity exists. Railways therefore at present are not considering setting up of any new wagon POH workshop on East Coast Railway.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

MAINTENANCE OF METER GAUGE COACHES**(Recommendation Para No. 20)**

After the introduction of Uni-gauge System in the Indian Railways, the Northeast Region falling under Northeast Frontier Railway still has the substantial route on Meter Gauge (MG). The Committee had found that there are no adequate maintenance facilities for MG coaches in the region with the result these coaches were sent for POH and maintenance to other Workshops/Depots outside the region, which lead to delay in maintenance as well as affecting the business also. Therefore, the Committee desired that adequate maintenance facilities be provided in the region itself by providing necessary allocation.

In their Action Taken Reply, the Ministry of Railways have stated:-

“On Northeast Frontier Railway there are three workshops at New Bongaigaon, Lumding and Dibrugarh which are undertaking periodic overhaul of coaches and wagons. The arising of POH workload for Northeast Frontier Railway is being met by these three workshops and on MG stock FROM Northeast Frontier Railway is being sent to other Railway workshops for periodic overhaul.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

CHAPTER IV

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

Autonomy

(Recommendation Para No. 10)

The Committee had found that at present the capacity of Production Units were not being utilized fully because of the lesser orders placed by the Railways with them. The Committee felt that this under utilization of the capacity of production units would need to be viewed seriously. The export orders received so far by Railways were also not adequate. Therefore, they desired that the Railways should be explored extensively the abroad markets in order to secure more orders which would not only help in generating extra revenue but also help in better utilization of the capacities of these production units. The Committee also found that production units are exporting their rolling stocks namely coaches and locomotives, after meeting the demands of Railways, mostly to Afro-Asian countries through RITES at present. During evidence the Committee were informed that to restructure the production units, the powers of General Managers of Production Units had been increased so that they can function better and had greater autonomy. To grant more autonomy to those Production Units the Railway Board was presently contemplating to evolve a methodology under which more autonomy could be imparted to these units. The Committee desired that the Railway Board should finalize the same expeditiously so that the production units could earn more money and utilize the same for their expansion, modernization and replacement of equipments. They would like to be apprised of the action taken in the matter.

In their Action Taken Reply, the Ministry of Railways have stated:-

"To grant more autonomy, revised financial and administrative powers have been given to General Managers of Production Units which are as under:

- (viii) With respect to pricing for Non-Railway Customers (NRCs) and Experts, GMs are delegated powers to reduce profits up to NIL & overheads upto 5%, subject to certain conditions.
- (ix) Machinery & Plant replacement upto Rs. 30 lacs per item subject to availability of Budget.
- (x) Purchase of components for supplies against confirmed orders of exports of upto Rs. 22 crores per case.
- (xi) Expenditure towards hospitality to NRCs upto specified ceilings.
- (xii) Expenditure in engaging/obtaining Consultancy Services for Production Units, connected with export orders, from outside bodies in excess of Rs. 50 lakhs in each case or in excess of Rs. 1.5 crores in a year, to be funded from the Market Development Fund.
- (xiii) Development of new items, product diversification, marketing efforts and engagement of consultants for sale to NRCs and for exports of upto Rs. 5 crores per annum (Rs. 1 crore in each case) out of the profits accruing from sales to NRCs and exports, during the course of the year, subject to certain laid down conditions.
- (xiv) Powers to import stores from the existing level of Rs. 4 crore in each case to Rs. 15 crore in each case, as applicable to indigenous purchases."

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

INDUSTRIAL RELATIONS

(Recommendation Para NO. 12)

The Committee had observed that the production units of Indian Railways do not had recognized unions. However, there was a mechanism of redressal of grievances of the staff through Staff Councils which meets once or twice in a year at Railway Board level. This system was prevailing since 1954 in pursuance of the directives of the

Ministry of Home Affairs. During evidence the representatives of the Ministry of Railways explained to the Committee that the Staff Councils are the representatives of the workers and there was no difficulty for the Staff Council to get the grievances redressed. Therefore, Railways did not feel the need for a recognized Union. The Committee did not agree with the views of the Ministry as the production units were industrial establishment that employs a large number of workers in different categories and it was their genuine right to had a recognized union. The Committee therefore, desired that the Railways should review the decision regarding recognition of unions in production units.

In their Action Taken Reply, the Ministry of Railways have stated:-

“The system of redressal of staff grievances through Staff Councils has been in vogue in the Production Units and has been working satisfactorily till date. The policy regarding requirements, promotions, reservations etc. and financial emoluments are dealt with by the Ministry of Railways on a global basis after due consultation with the recognized federations as applicable. These provisions are applicable to the Production Units also. Policy or major issues specific to a production unit or production units in general are discussed and sorted out in annual meetings held with Staff Councils on regular basis. With respect to Production Unit – specific issues, representation of staff through the Staff Councils is considered adequate for the machinery of grievance redressal.”

[Ministry of Railways O.M. No. 2005/BC-II/XIV/300/12 dated 15.05.2006]

CHAPTER V

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

-NIL-

**NEW DELHI;
6 September, 2007
15 Bhadrapada, 1929 Saka**

**(BASUDEB ACHARIA)
Chairman,
Standing Committee on Railways**

APPENDIX-II

**ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE
RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE 17th REPORT
(14TH LOK SABHA) ON 'RAILWAY PRODUCTION UNITS, WORKSHOPS AND
ROLLING STOCK'**

Total number of Recommendations/Observations	20
(i) Recommendations/observations which have been accepted by the Government (<i>Vide</i> recommendations/observations) Para Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 13, 14, 15, 16, 17 and 18	16
Percentage of total	80%
(ii) Recommendations/observations which the Committee do not desire to pursue in view of the Government replies Para Nos. 19 and 20	02
Percentage of total	10%
(iii) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee which require reiteration Para Nos. 10 and 12	02
Percentage of total	10%
(iv) Recommendations/observations in respect of which final replies of Government are still awaited Para No. NIL	NIL

**MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE
ON RAILWAYS (2007-08)**

The Committee sat on Thursday, the 6th September, 2007 from 1000 hours to 1030 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Prasanna Acharya
3. Shri Giridhar Gamang
4. Shri Anwar Hussain
5. Shri Mahesh Kumar Kanodia
6. Ch. Lal Singh
7. Shri Manik Singh
8. Shri Kishan Singh Sangwan
9. Shri K. Subbarayan

RAJYA SABHA

10. Shri Satyavrat Chaturvedi
11. Shri Lalit Kishore Chaturvedi
12. Shri Shreegopal Vyas
13. Shri Tarini Kanta Roy

SECRETARIAT

- | | | |
|----------------------|---|---------------------|
| 1. Shri Louis Martin | - | Joint Secretary |
| 2. Shri V.S. Negi | - | Director |
| 3. Shri Hoti Lal | - | Deputy Secretary-II |

2. The Committee considered and adopted the following draft Action Taken Reports without any amendment:-

- (i) xxxx xxxx xxxx xxxx
- (ii) Draft report on action taken by the Government on the
recommendations/observations contained in 17th report on 'Production Units,
Railway Workshops and Maintenance of Rolling Stock'
- (iii) xxxx xxxx xxxx xxxx
- (iv) xxxx xxxx xxxx xxxx

The Committee then adjourned.