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STANDING COMMITTEE ON RAILWAYS
(2018-19)
SIXTEENTH LOK SABHA

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

[Action taken by Government on the recommendations/observations contained in the 19th Report of the Standing Committee on Railways (Sixteenth Lok Sabha) on 'Demands for Grants (2018-19) of the Ministry of Railways']

TWENTY SECOND REPORT

LOK SABHA SECRETARIAT
NEW DELHI

DECEMBER, 2018/ PAUSHA, 1940 (SAKA)

SCR NO. 220

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Presented to Lok Sabha on 03.01.2019

Laid in Rajya Sabha on 03.01.2019

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

DECEMBER, 2018/ PAUSHA, 1940 (SAKA)

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COMPOSITION OF STANDING COMMITTEE ON RAILWAYS (2018-19)@

Shri Sudip Bandyopadhyay - Chairperson

MEMBERS

LOK SABHA

2. Smt. Anju Bala
3. Shri Ram Tahal Choudhary
4. Shri Pankaj Chowdhary
5. Shri Sudheer Gupta
6. Dr. Sanjay Jaiswal
7. Shri Gajanan Chandrakant Kirtikar
8. Shri Kunhalikutty P.K.
9. Shri Balabhadra Majhi
10. Dr. K.H. Muniyappa
11. Shri Kinjarapu Ram Mohan Naidu
12. Shri A.T. (Nana) Patil
13. Shri Vijayakumar S.R.
14. Shri R. Radhakrishnan
15. Shri Lakhan Lal Sahu
16. Shri Rajeev Shankarrao Satav
17. Prof. (Dr.) Ram Shankar
18. Shri Gowdar Mallikarjunappa Siddheshwara
19. Shri Ganesh Singh
20. Shri Uday Pratap Singh
21. Shri Kukade Madhukarrao Yashwantrao

RAJYA SABHA

22. Shri A.K. Antony
23. Shri Shwait Malik
24. Shri Satish Chandra Misra
25. Shri Mukut Mithi
26. Ms. Saroj Pandey
27. Shri Garikapati Mohan Rao
28. Shri T. Rathinavel
29. Shri Bashistha Narain Singh
30. Mahant Shambhuprasadji Tundiya
31. Shri Motilal Vora

@ Constituted w.e.f. 01.09.2018 *vide* Lok Sabha Bulletin Part II No. 7332 dated 18.09.2018.

LOK SABHA SECRETARIAT

1.	Smt. Abha Singh Yaduvanshi	-	Joint Secretary
2.	Shri Arun K. Kaushik	-	Director
3.	Shri R.L. Yadav	-	Deputy Secretary
3.	Dr. Mohit Rajan	-	Under Secretary

INTRODUCTION

I, the Chairperson, Standing Committee on Railways (2018-19), having been authorised by the Committee to submit the Report on their behalf, present this Twenty Second Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Nineteenth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2018-19) of the Ministry of Railways'.

2. The Nineteenth Report was presented to the Lok Sabha and laid in the Rajya Sabha on 06.03.2018. The Report contained 11 recommendations/observations. The Ministry of Railways furnished their Action Taken Notes on all the recommendations/observations contained in the Report on 25.07.2018.

3. The Committee considered and adopted the Draft Action Taken Report at their sitting held on 20.12.2018. The minutes of the sitting are given in Appendix-I.

4. For facility of reference and convenience, the observation and recommendations of the Committee have been printed in bold letters.

5. An analysis of the Action Taken by Government on the recommendations/observations contained in the Nineteenth Report of the Standing Committee on Railways (Sixteenth Lok Sabha) is given in Appendix-II.

NEW DELHI:
20 December, 2018
29 Agrahayana, 1940 (Saka)

SUDIP BANDYOPADHYAY
Chairperson,
Standing Committee on Railways

CHAPTER I

REPORT

This Report of the Standing Committee on Railways deals with the action taken by the Government on the Recommendations/Observations contained in their Nineteenth Report (16th Lok Sabha) on "Demands for Grants (2018-19) of the Ministry of Railways".

2. The Nineteenth Report was presented to the Lok Sabha and laid in Rajya Sabha on 06.03.2018. It contained 11 Recommendations/Observations excluding para 1 which does not contain recommendation.

3. Action Taken Notes in respect of 11 Recommendations/Observations have been received and categorised as follows:

(i) Recommendations/observations which have been accepted by the Government:-

Para Nos. 2,3,4,5,6,7,8,10 and 12

Total : 09
Chapter II

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

Para No. 9

Total :01
Chapter III

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

Para No. 11

Total : 01
Chapter IV

(iv) Recommendations/observations in respect of which final replies are still awaited:-

Para No. Nil

Total : Nil
Chapter V

4. The Committee trust that utmost importance will be given to the implementation of the Recommendations accepted by the Government. The Committee desire that final action taken notes to the Recommendations/ Observations contained in Chapter-I of this Report should be furnished to them not later than three months of the presentation of this Report.

5. The Committee will now deal with the action taken by the Government on some of their recommendations/observations.

FINANCIAL PERFORMANCE

Recommendation (Para No.4)

6. The Committee had noted that target for Gross Traffic Receipts (GTR) for the year 2018-19 had been kept at Rs. 2,00,840 crore involving an increase of Rs. 13,615 crore (7.3%) over the Revised Estimates of 2017-18 i.e., Rs. 187225 cr. However, Budget Estimate of GTR for the year 2017-18 i.e., Rs. 188998.37 cr. has been revised downward by Rs. 1773.37 crore to Rs. 187225 crore at RE (2017-18) while actuals till December, 2017 had been just Rs. 122434.02 Cr (65.36% of RE 2017-18 and 64.78% of BE). Also, the actual Gross Traffic Receipts for the year 2016-17 was at Rs. 165292.20 crore, with 96.10% achievement over RE 2016-17 i.e., Rs. 172155 cr. Further, in the year 2017-18, Goods earnings were revised downward by Rs. 656.5 Cr from Rs. 118156.50 crore at BE 2017-18 to Rs. 117500 crore at RE 2017-18 and had been targeted at Rs. 121950 crore (BE) for the financial year 2018-19. The actuals till Dec., 2017 were Rs. 81427.77 cr. i.e., (69.3% of RE 2017-18). The Committee had expressed concern that Gross Traffic Receipts had been continuously revised downwards from 2015-16 to 2017-18 and the reasons attributed for the negative revision by the Ministry had been stated to be the drop in originating passengers and massive drop in loading and freight lead. Such downward revision in the core functions of the Railways i.e., passenger and goods earnings is a matter of grave concern for the Committee. Economic Survey 2017-18 clearly and distinctly mentions that the share of Indian Railways in freight movement had declined over a period of time primarily due to non-competitive tariff structure. Though the Committee found that the Ministry have taken some measures to augment freight

revenue, they were of the firm opinion that serious focus should be laid on implementation of these measures with utmost seriousness forthwith. The Committee had desired the Ministry to address the matter of low revenue generation from passenger and goods earnings on priority basis and take all necessary corrective measures and explore possibilities to enhance the revenues through alternative means such as use of modern technology and implement it to ensure capping of leakages in Railway resources and also facilitate the freight customers in terms of economies of scales, last mile connectivity, tailor made delivery options, incentives and discounts on empty flow directions besides expanding and involving carriage of additional commodities.

7. In their Action Taken Replies, the Ministry of Railways have stated as under:

"IR has just missed the freight target for 2017-18 by 5.4 million tonnes in loading and Rs 466 Cr. in earnings. The freight earnings in the current year upto 31st March 2018 is around Rs 117033.97 Cr. (P) which is 12.2% (i.e. Rs 12695.43 Cr.) higher than the earnings achieved in the corresponding period of last year which was Rs 104338.54Cr. The last five years freight loading and earnings data are as under:-

Year	Loading (in MT)	Variation over Pre. Yr		Earnings (Rs. in Cr.)	Variation over Pre. Yr	
2012-13	1008.09	Absolute	%age	85262.58	Absolute	%age
2013-14	1051.64	43.55	4%	93905.63	8643.05	10.1%
2014-15	1095.26	43.62	4%	105791.34	11885.71	12.7%
2015-16	1101.51	6.25	1%	109207.65	3416.31	3.2%
2016-17	1106.58	5.07	0.5%	104338.54	-4869.11	-4.5%
*2017-18	1159.57	52.99	5%	117033.97	12695.43	12.2%
CAGR	3%		3%	7%		7%

*Sources: *Earnings for 2017-18- Account Dte., Railway Board*

The above table shows that there is remarkable growth both in loading & earnings in 2017-18.

Indian railway system is one of the largest transportation and logistics networks in the world, around 19000 trains daily including 7000 freight trains. It is the life line of the country. It is committed to offer affordable transportation solution to the poorest section of the society and therefore, the tariff policy on Indian Railways has traditionally been one of restraint with regard to increase in passenger fare, particularly for second class ordinary and suburban passengers which constitute about 83% of the total passenger traffic. Further, Indian Railways carries out certain transport activities which are uneconomic in nature and are carried out in the larger interest of the country. Indian Railways continues to incur losses every year on such un-remunerative services. The losses thus are mostly due to (i) Low ordinary second class fare, (ii) Low Suburban and non-suburban season ticket, (iii) Loss on essential commodities carried below cost, and (iv) a variety of concessions granted on passenger ticket. Working of uneconomic branch lines, too, imposes a heavy burden on Indian Railways' finances. A gap is thus created between the revenue income generated through these services and their cost.

Traditionally on IR, the losses in coaching services are being cross-subsidized through profit from freight services. Thus passenger fares have not been increased in order to provide relief to common people despite the increase in input cost.

In passenger segment

Following steps have been taken in passenger segment to minimize these losses:-

a. The fare structure of new trains like Humsafar, Suvidha, Tejas, Gatimaan, Mahamana trains etc. are fixed on the basis of enhanced facilities/amenities provided in it.

b. Flexi fares have been introduced in Rajdhani, Shatabdi and Duronto.

c. The voluntarily 'Give up' concession scheme have been introduced for Senior Citizen. Senior Citizen passengers have been given option of voluntarily giving up 50% of the concession in addition to the existing option of giving up 100% concession.

d. Full fares have been levied for child passenger, age between 5 to 12 years if opted for berth.

In Freight Segment

The following steps have been taken / are being taken by Railways to increase the freight output:-

1. Increasing the axle load for carrying additional traffic per wagon. Length of freight trains has also been increased to carry more traffic per train.

2. Use of extensive computerization in freight operations to improve monitoring and to improve utilization of assets.

3. Deployment of higher capacity locomotives and higher capacity wagons.

4. Improvement in maintenance practices of wagons and locomotives resulting in increased availability of rolling stock for traffic use.

5. Improvement in track and signaling to carry the higher volume of traffic.

6. Training staff and officers to adopt the new technology and management practices.

7. Focused investment on improvement of the freight terminals.

8. Special emphasis is being given for removal of bottlenecks to traffic, speedier completion of throughput enhancement works and rapid induction of newer rolling stock of enhanced capacity.

Further, the government has initiated various steps so as to increase the share of Rail in transportation market. The strategy adopted to increase share of Railways in freight movement is multi-pronged. It includes direct and focused investments to increase transportation capacity in congested sections and also tariff and non-tariff policy initiatives aimed at attracting more traffic (including new traffic) streams to Railways. Some of these are as under:

i. The originating traffic tonnage is likely to increase in the coming year because of the impact of budget announcement such as expansion of the freight basket of IR, expansion of container sector to all traffic (barring Coal & specified Mineral Ores) and access to container traffic for all existing terminals/sheds. Moreover all efforts would be made to increase the share of high value commodities in total loading.

ii. Policy on Long Term Tariff Contract with key freight customers using pre-determined price escalation principle has been issued on 30.3.2017. The objective of the policy is to attract additional traffic and revenue by offering suitable rebate and stability of freight rate to its key customers. This policy envisages a win - win situation for railways and customers. IR expects to not only retain the rail-coefficient of its key customers but also to increase the traffic as well as earnings from these agreements. Total 26 proposals were received and out of them, 24 proposals / agreements have been signed till 01.04.2018.

iii. With aim to attract additional traffic to IR and to make the rail transportation more competitive, the guidelines for Station to Station Rate policy were issued on 29.09.2016. This policy offers attractive concession up-to 30% concession on incremental traffic for traffic booked between a station to station or between cluster of stations. It is hoped that this policy will go a long way in helping zonal railways to attract additional traffic to rail. The policy aims at win-win situation for railways and industry both. Total 72 proposals have been signed till 31st March, 2018.

iv. To increase rail traffic, Indian Railways have introduced various schemes like Liberalized Wagon Investment Scheme, Wagon Leasing Scheme, Special Freight Train Operators Scheme (SFTO), Automobile Freight Train Operator Scheme (AFTO), development of Private Freight Terminals (PFT).

v. Time-tabled trains for running of automobiles rakes: With a view to provide time-bound delivery of the automobiles traffic, time-table for each circuit has been chalked out and circulated to the zonal railways with advice to run the auto rake as per scheduled time-table.

vi. The freight rates are being rationalized further to make it more competitive with other modes of transportation. Certain steps have already been initiated in this direction to attract more traffic to rail which includes:

- Permitting all covered wagons for booking of traffic to two-point/multi-point combinations, mini rake.
- Distance restriction applicable for mini rake has been relaxed from 400 to 600 kms.,
- Automatic freight rebate scheme for traffic loaded in empty flow direction.
- Discontinuance of dual freight policy for Iron Ore traffic,
- Introduction of Roll-on-Roll-off policy,
- Merry-Go-Round (MGR) scheme has been further rationalized to attract short lead traffic.

It is expected that the above mentioned initiatives would spur growth in various sectors of the economy and generate additional revenue for Railways. Rationalisation of tariff is an on-going process and in future also various initiatives would continue to be taken as per the need and demand of the IR and Economy. All above initiatives continued for the financial year 2018-19.

In addition to this, certain 'Digital India Initiatives' have been taken like,

- Electronic Registration of Demands & Electronic Transmission of Railway Receipt.
- SAMVAD – A process of structured dialogue between customers and top Railway authority has been initiated at Railway Board as well as zonal level to take continuous feedback from customers. Ten key customer Managers at Railway Board level have been nominated to liaison with major freight stake holders.

As a result of above mentioned action taken by IR, an annual growth of 10%, 10% & 14% has come through for iron & steel, cement and container loading in 2017-18 respectively, which is highest ever annual growth in last eight financial years.

Indian Railways continuously strive to improve passenger earnings through various measures including the following:-

i. Augmentation of ticket selling capacity through operation of Automatic Ticket Vending Machines (ATVM), ticket booking through mobile phones, utilizing the services of ticketing agents like Jan Sadharan Ticket Booking Sewaks (JTBS), Station Ticket Booking Agents (STBA), Yatri Ticket Suvidha Kendra (YTSK) etc.

ii. Organising intensive ticket checking drives including fortress checks etc.

iii. Augmentation of on-board capacity by attachment of additional coaches, running of special trains during festivals and holidays, running of Suvidha trains etc.

iv. Introduction of special measures to increase passenger earnings through schemes like booking of tickets under Tatkal Quota, Premium Tatkal Quota, Flexi-fare system, Suvidha trains with variable fares, special trains on special charges etc.

v. Alternate Train Accommodation Scheme (ATAS) known as VIKALP has been introduced to provide confirmed accommodation to waitlisted passengers and also to ensure optimal utilization of available accommodation and to improve passenger earnings.

vi. The number of RAC berths has been increased to provide additional accommodation to the passengers and to increase passenger earnings.

vii. Revision of child fare.

viii. New trains such as Gatimaan, Tejas, Humsafar and Antyodaya with higher fare structure than Mail/Express trains have also been introduced.

ix. Increase in charges of Platform tickets from Rs.5 to Rs.10.

x. Increase in minimum fare for non-suburban from Rs.5 to Rs.10.

xi. Revision in Clerkage and Cancellation charges.

In order to augment freight revenue, certain measures to facilitate the freight customers in terms of economies of scales, last mile connectivity, tailor made delivery options, Ministry has floated schemes for private investment in Special Purpose Wagons (SPW) and High Capacity Wagons (HCW) namely :

1. Liberalized Wagon Investment Scheme (LWIS),

2. Special Freight Train Operator Scheme (SFTO),

3. Wagon Leasing Scheme (WLS),

4. Automobile Freight Train Operator Scheme (AFTO)

These schemes are specially designed to cater to the specific requirements of Trade and Industry to move Freight in a specific manner from their manufacturing units to consumption units.

Moreover, there was a long standing demand for private participation in investment of general purpose wagons which has been fulfilled by introduction of a new policy namely "General Purpose Wagon Investment Scheme (GPWIS)."

8. The Committee note that pursuant to their recommendation to address the matter of low revenue generation from passenger and goods earnings on priority basis and to take all necessary corrective measures, the Railways have taken a number of steps in this direction. For revenue generation from passenger earnings, the steps taken include augmentation of ticket selling capacity through operation of automatic ticket vending machines, ticket booking through mobile phones, utilizing the services of ticketing agents and station tickets booking agents, organizing intensive ticket checking drives, augmentation of on-board capacity by attachment of additional coaches etc., introduction of special measures to increase passenger earnings through schemes like tatkal quota, premium tatkal quota etc., alternate train accommodation scheme, increasing number of RAC berths, revision of child fare etc. Similarly, to augment freight revenue schemes like liberalized wagon investment schemes, special freight train operators system, Wagon leasing scheme and automatic freight train operator scheme have been introduced. The Committee appreciate these measures and hope that the same will help in augmenting the revenue from passenger earnings as well as freight earnings to a great extent. However, the Committee note that the reply of Govt. is silent on the suggestion made by the Committee for exploring possibilities to enhance the revenue through alternative means. Though the Committee acknowledges the social obligations of Railways for providing economic mode of transportation to masses, they desire the Railways to find alternative sources for generation of revenue such as commercial utilization of vacant land, advertisements at Railway Stations and on trains and through catering etc., with a view to compensate the same.

RAILWAY VACANCIES

Recommendation (Para No. 11)

9. In regard to the vacancies in Railways, the Committee were astounded to know that as on 01, April, 2017, a total of 2,22,509 number of posts out of 14,68,715 (total strength) were lying vacant in all categories including 2,20,137 number of posts in Group 'C' (& erstwhile Group 'D') category and 1,986 in Group 'A' against the sanctioned strength of 14,52,897 and 10,199 respectively. Further, there were 1,28,942 vacancies out of 7,64,882 sanctioned strength only in Railway safety and maintenance category itself. The Committee understand that filling up of vacancies is a continuous process and two fresh notifications for 26,502 vacancies for the post of Asst. Loco Pilots & Technicians and for 62,907 for various posts in Level 1 to 7 CPC matrix, have been published. The Committee believe that the primary reason for piling up such a large number of vacancies could be, not holding regular recruitment since long and giving compensation to present employees for working beyond normal duty hours. However, this cannot be a sustainable solution or reason for keeping the posts vacant. Filling up vacant posts may not only play a key role in running all Railways smoothly but also enables the working personnel to be relieved of the stress of overwork beyond normal hours. The Committee strongly recommend the Ministry to take up the matter of filling up the vacancy on top most priority basis as having more than a lakh seats vacant only in safety category is clearly telling on safe travel by trains. Moreover, 'Safety First policy' is one of the agenda of the Government, which should be dealt with urgently.

10. In their Action Taken Replies, the Ministry of Railways have submitted as under:

> "The Committee's concern on filling up of Safety category vacancies has been partly addressed in the two Employment Notifications for filling up the posts of ALP/Technicians and Level 1- Safety categories.
>
> It is pertinent to state that sanctioned posts in all categories are more than the actual operational requirement as these include the element of the Leave Reserve and Rest Givers, which varies from 12.5% to 30%.

Recruitment in safety categories were made through RRBs on a regular basis in the last few years but no notification had been issued for Level 1 (erstwhile Group 'D') since 2013. Recruitment has been initiated for filling up of 26502 posts of ALP (17673) & Technicians (8829) and 62907 safety category vacancies in Level-1, including those of Trackman, for which Computer Based Test (CBT) will be conducted on pan India basis.

Recruitment in other categories shall be processed on need basis to fill up vacancies in critical areas. Thus, Railways plan to fill up some of the vacancies where core work / operations are involved. However, no shortage of man-power will be allowed that may hamper the smooth functioning of the system and its safety parameters."

11. Having observed that there were 2,22,509 vacant posts in Railways in various categories out of which 1,28,942 vacancies were in Railway safety and maintenance category, the Committee had strongly recommended the Ministry to take up the matter of filling up of vacancies on top priority basis. The Committee are concerned to note that no notification had been issued for Level-1 (erstwhile Group 'D') since 2013 by Railway Recruitment Boards and recruitment has been initiated for filling up of 62,907 safety category vacancies in Level-1, which is only 48.8% of total number of vacancies in that category, while recruitment in other categories is yet to be initiated. In their various Reports, the Committee have been emphasizing the need for early filling up of vacancies particularly in safety category. The Committee, therefore, reiterate their earlier recommendation that the process of recruitment should be initiated at the earliest and it may be ensured that all the posts are filled up in a time bound manner.

CHAPTER-II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 2)

ANNUAL PLAN

The Committee observe that the Annual Plan for the year 2018-19 for the Ministry of Railways has been dowelled at Rs.1,46,500 crore comprising Gross Budgetary Support of Rs. 53060 crore including Railway Safety Fund of Rs.2180 crore and Rashtriya Rail Sanraksha Kosh (RRSK) of Rs 10000 Cr, Internal Resources of Rs.11500 crore and Extra Budgetary Resources (EBR) of Rs. 81940 crore, consisting of Marketing Borrowings of Rs.28500 crore and Public Private Partnership (PPP) of Rs.27000 crore and Extra Budgetary Resources (EBR) of Rs. 26440 cr. The Annual Plan 2018-19 is financed through GBS (36.2%), IR (7.9%) and through EBR (55.9%). As the Railway Network is growing with a rapid pace, amount required for capital outlay would also be incremental and provides for highest ever outlay for Annual Plan 2018-19 is a significant step in this direction. The Committee perceive a positive trend in the capital outlay of the Railways and acknowledge a continuous growth in Annual Plan outlay i.e., Rs.93520 Cr in 2015-16, Rs. 109935 Cr in 2016-17 (17.5% growth over 2015-16), Rs. 120000 Cr in RE 2017-18 (9.2% growth over 2016-17) and Rs. 146500 Cr at BE 2018-19 (22.1% growth over RE 2017-18). The Committee expect the Railways to fully exploit the benefits of this enhanced allocation and accelerate the pace of capacity enhancement prudently. However, the Committee strongly recommend the Ministry that disinvestment of its PSUs such as Burn Standard Co. Ltd. should be considered only after probing all the possibilities of its revival and making all out efforts to bring it in profit. They hope augmentation in Capital Outlay may be justified and best utilized in areas/projects with optimum output in terms of finances as well as fulfilling social obligations.

Reply of the Government

Burn Standard Company Limited was already a sick company when it's administrative control was transferred to Ministry of Railways from Department of Heavy Industries in September 2010. The company continued to be sick and has been accumulating losses in spite of efforts and financial assistance provided to the company. The proposed revival plan of the company was examined by NITI Aayog who opined that the performance of the company, over the years, has shown decline and there is no prospect of the revival/turn around in future as BSCL is engaged in mainly wagon manufacturing for which there is an already developed competitive market. NITI Aayog has recommended closure of the company. The resolution plan, based on recommended closure of the NITI Aayog, has been submitted by the Company to The Hon'ble National Company Law Tribunal (NCLT) which has been accepted. The Cabinet has approved closure of Burn Standard Company Limited in it's meeting on 4th April, 2018.

Recommendation (Para No. 3)

The trend from previous years shows that the Ministry has not been able to generate enough internal resources as for 2016-17, actual internal resource generation was Rs. 12125 Cr against Rs. 14715 Cr at BE (2016-17) and Rs. 12125 Cr at RE (2016-17); further, for the year 2017-18, Internal resources have been revised downwards from Rs. 14000 Cr at BE (2017-18) to Rs. 10900 Cr at RE (2017-18). The Committee understand that low generation of revenue from Internal Resources gradually compels Railway to depend more on either Budgetary Support or Extra Budgetary Support in the form of borrowings, further compelling them to bear extra interest liability. In view of the same, the Committee would urge the Ministry to explore and review all possible areas where resources can be mobilized with a view to increase their internal resources and refrain themselves from depending on Budget/EBR to the extent possible. The Committee stress that the Ministry should prioritise completion and commissioning of remunerative projects, besides exploring other commercial viable avenues that would not put the Railways under financial duress. The Committee expect hike in internal resources generation through the steps initiated by Railways to improve non-fare earnings viz. commercial development of vacant land, monetization of railway assets by means of conventional advertising, advertising on trains and areas along track, road overbridges and river crossing gaps etc. The Committee desire the railways to implement these measures with full vigour and maintain a database of the achievements due to these measures and keep the Committee abreast of the same.

Reply of the Government

1. The net expenditure during 2016-17 and 2017-18 (provisional) under Development Fund (DF), Depreciation Reserve Fund(DRF) Capital Fund (CF) is as under:

(rupee in crore)

Name of fund	Previous year 2016-17	2017-18 (provisional)
DF	2497.83	1380.50
DRF	4982.01	1525.82*
CF	3000.00	0

*this includes Rs 1100 crore transferred to Rashtriya Railway Suraksha Kosh (RRSK)

2. Ministry of Railways has planned for redevelopment of major stations through leveraging of commercial development of vacant land/ air space in and around stations. At present, Ministry of Railways is formulating revised schemes for station redevelopment on fast track. Important stations will be taken up for redevelopment, once the revised strategy for redevelopment of stations is finalized.

3. To enhance non fare earnings, Indian Railways had set up Non Fare Revenue Branch and new policies of NFR generation were issued viz Out of Home Advertising (OoH), Advertisement through Mobile Assets, Rail Display Network (RDN), Content on Demand (CoD) and Unsolicited Proposal. OoH policy covers non fare earnings of commercial advertising on road over bridges, road under bridges, level crossing gates, railway land along the tracks etc and is under implementation by Zonal Railways.

4. CoD and Advertisements through Mobile Assets policies deal with advertising on trains. CoD policy was issued to detail the various conditions to monetize entertainment

based services on the trains and stations. RailTel as the nodal agency is handling the bid process management. Mobile Assets policy was issued to facilitate Railways to offer combined train packages consisting of internal and external advertisements to realize economies of scale and give more marketing flexibility, thereby enhancing earnings. Zonal Railways are implementing this policy.

Recommendation (Para No. 4)

The Committee note that target for Gross Traffic Receipts (GTR) for the year 2018-19 has been kept at Rs. 2,00,840 crore involving an increase of Rs. 13,615 crore (7.3%) over the Revised Estimates of 2017-18i.e., Rs. 187225 cr. However, Budget Estimate of GTR for the year 2017-18 i.e., Rs. 188998.37 cr. has been revised downward by Rs. 1773.37 crore to Rs. 187225 crore at RE (2017-18) while actuals till December, 2017 has been just Rs. 122434.02 Cr (65.36% of RE 2017-18 and 64.78% of BE). Also, the actual Gross Traffic Receipts for the year 2016-17 was at Rs. 165292.20 crore, with 96.10% achievement over RE 2016-17i.e., Rs. 172155 cr. Further, in the year 2017-18, Goods earnings were revised downward by Rs. 656.5 Cr from Rs. 118156.50 crore at BE 2017-18 to Rs. 117500 crore at RE 2017-18 and has been targeted at Rs. 121950 crore (BE) for the financial year 2018-19. The actuals till Dec., 2017 was Rs. 81427.77 cr. i.e., (69.3% of RE 2017-18). The Committee express concern that Gross Traffic Receipts have been continuously revised downwards from 2015-16 to 2017-18 and the reasons attributed for the negative revision by the Ministry have been stated to drop in originating passengers and massive drop in loading and freight lead. Such downward revision in the core functions of the Railways i.e., passenger and goods earnings is a matter of grave concern for the Committee. Economic Survey 2017-18 clearly and distinctly mentions that the share of Indian Railways in freight movement has been declined over a period of time primarily due to non-competitive tariff structure. Though the Committee find that the Ministry have taken some measures to augment freight revenue, they are of the firm opinion that serious focus should be laid on implementation of these measures with utmost seriousness forthwith. The Committee desire the Ministry to address the matter of low revenue generation from passenger and goods earnings on priority basis and take all necessary corrective measures and explore possibilities to enhance the revenues through alternative means such as use of modern technology and implement it to ensure capping of leakages in Railway resources and also facilitate the freight customers in terms of economies of scales, last mile connectivity, tailor made delivery options, incentives and discounts on empty flow directions besides expanding and involving carriage of additional commodities.

Reply of the Government

IR has just missed the freight target for 2017-18 by 5.4 million tonnes in loading and Rs 466 Cr. in earnings. The freight earnings in the current year upto 31st March 2018 is around Rs 117033.97 Cr. (P) which is 12.2% (i.e. Rs 12695.43 Cr.) higher than the earnings achieved in the corresponding period of last year was Rs 104338.54Cr. The last five years freight loading and earnings data are as under:-

Year	Loading (in MT)	Variation over Pre. Yr		Earnings (₹ in Cr.)	Variation over Pre. Yr	
2012-13	1008.09	Absolute	%age	85262.58	Absolute	%age
2013-14	1051.64	43.55	4%	93905.63	8643.05	10.1%
2014-15	1095.26	43.62	4%	105791.34	11885.71	12.7%
2015-16	1101.51	6.25	1%	109207.65	3416.31	3.2%
2016-17	1106.58	5.07	0.5%	104338.54	-4869.11	-4.5%
*2017-18	1159.57	52.99	5%	117033.97	12695.43	12.2%
CAGR	3%		3%	7%		7%

Sources: *Earnings for 2017-18- Account Dte., Railway Board

The above table shows that there is remarkable growth both in loading & earnings in 2017-18.

Indian railway system is one of the largest transportation and logistics networks in the world, around 19000 trains daily including 7000 freight trains. It is the life line of the country. It is committed to offer affordable transportation solution to the poorest section of the society and therefore, the tariff policy on Indian Railways has traditionally been one of restraint with regard to increase in passenger fare, particularly for second class ordinary and suburban passengers which constitute about 83% of the total passenger traffic. Further, Indian Railways carries out certain transport activities which are uneconomic in nature and are carried out in the larger interest of the country. Indian Railways continues to incur losses every year on such un-remunerative services. The losses thus are mostly due to (i) Low ordinary second class fare, (ii) Low Suburban and non-suburban season ticket, (iii) Loss on essential commodities carried below cost, and (iv) a variety of concessions granted on passenger ticket. Working of uneconomic branch lines, too, imposes a heavy burden on Indian Railways' finances. A gap is thus created between the revenue income generated through these services and their cost.

Traditionally on IR, the losses in coaching services are being cross-subsidized through profit from freight services. Thus passenger fares have not been increased in order to provide relief to common people despite the increase in input cost.

In passenger segment

Following steps have been taken in passenger segment to minimize these losses:-

a. The fare structure of new trains like Humsafar, Suvidha, Tejas, Gatimaan, Mahamana trains etc. are fixed on the basis of enhanced facilities/amenities provided in it.

b. Flexi fares have been introduced in Rajdhani, Shatabdi and Duronto.

c. The voluntarily 'Give up' concession scheme have been introduced for Senior Citizen. Senior Citizen passengers have been given option of voluntarily giving up 50% of the concession in addition to the existing option of giving up 100% concession.

d. Full fares have been levied for child passenger, age between 5 to 12 years if opted for berth.

In Freight Segment

The following steps have been taken / are being taken by Railways to increase the freight output:-

1. Increasing the axle load for carrying additional traffic per wagon. Length of freight trains has also been increased to carry more traffic per train.

2. Use of extensive computerization in freight operations to improve monitoring and to improve utilization of assets.

3. Deployment of higher capacity locomotives and higher capacity wagons.

4. Improvement in maintenance practices of wagons and locomotives resulting in increased availability of rolling stock for traffic use.

5. Improvement in track and signaling to carry the higher volume of traffic.

6. Training staff and officers to adopt the new technology and management practices.

7. Focused investment on improvement of the freight terminals.

8. Special emphasis is being given for removal of bottlenecks to traffic, speedier completion of throughput enhancement works and rapid induction of newer rolling stock of enhanced capacity.

Further, the government has initiated various steps so as to increase the share of Rail in transportation market. The strategy adopted to increase share of Railways in freight movement is multi-pronged. It include directed and focused investments to increase transportation capacity in congested sections and also tariff and non-tariff policy initiatives aimed at attracting more traffic (including new traffic) streams to Railways. Some of these are as under:

i. The originating traffic tonnage is likely to increase in the coming year because of the impact of budget announcement such as expansion of the freight basket of IR, expansion of container sector to all traffic (barring Coal & specified Mineral Ores) and access to container traffic for all existing terminals/sheds. Moreover all efforts would be made to increase the share of high value commodities in total loading.

ii. Policy on Long Term Tariff Contract with key freight customers using pre-determined price escalation principle has been issued on 30.3.2017. The objective of the policy is to attract additional traffic and revenue by offering suitable rebate and stability of freight rate to its key customers. This policy envisages a win - win situation for railways and customers. IR expects to not only retain the rail-coefficient of its key customers but also to increase the traffic as well as earnings from these agreements. Total 26 proposals were received and out of them, 24 proposals / agreements have been signed till 01.04.2018.

iii. With aim to attract additional traffic to IR and to make the rail transportation more competitive, the guidelines for Station to Station Rate policy were issued on 29.09.2016. This policy offers attractive concession up-to 30% concession on incremental traffic for traffic booked between a station to station or between cluster of stations. It is hoped that this policy will go a long way in helping zonal railways to attract additional traffic to rail. The policy aims at win-win situation for railways and industry both. Total 72 proposals have been signed till 31st March, 2018.

iv. To increase rail traffic, Indian Railways have introduced various schemes like Liberalized Wagon Investment Scheme, Wagon Leasing Scheme, Special Freight Train Operators Scheme (SFTO), Automobile Freight Train Operator Scheme (AFTO), development of Private Freight Terminals (PFT).

v. Time-tabled trains for running of automobiles rakes: With a view to provide time-bound delivery of the automobiles traffic, time-table for each circuit has been chalked out and circulated to the zonal railways with advice to run the auto rake as per scheduled time-table.

vi. The freight rates are being rationalized further to make it more competitive with other modes of transportation. Certain steps have already been initiated in this direction to attract more traffic to rail which includes:

•Permitting all covered wagons for booking of traffic to two-point/multi-point combinations, mini rake.

•Distance restriction applicable for mini rake has been relaxed from 400 to 600 kms.,

•Automatic freight rebate scheme for traffic loaded in empty flow direction.

•Discontinuance of dual freight policy for Iron Ore traffic,

•Introduction of Roll-on-Roll-off policy,

•Merry-Go-Round (MGR) scheme has been further rationalized to attract short lead traffic.

It is expected that the above mentioned initiatives would spur growth in various sectors of the economy and generate additional revenue for Railways. Rationalisation of tariff is an on-going process and in future also various initiatives would continue to be taken as per the need and demand of the IR and Economy. All above initiatives continued for the financial year 2018-19.

In Addition to this, certain 'Digital India Initiatives' have been taken like

•Electronic Registration of Demands & Electronic Transmission of Railway Receipt.

•SAMVAD – A process of structured dialogue between customers and top Railway authority has been initiated at Railway Board as well as zonal level to take continuous feedback from customers. Ten key customer Managers at Railway Board level have been nominated to liaison with major freight stake holders.

As a result of above mentioned action taken by IR, an annual growth of 10%, 10% & 14% has come through for iron & steel, Cement and Container loading in 2017-18 respectively, which is highest ever annual growth in last eight financial years.

Indian Railways continuously strive to improve passenger earnings through various measures including the following:-

i. Augmentation of ticket selling capacity through operation of Automatic Ticket Vending Machines (ATVM), ticket booking through mobile phones, utilizing the services of ticketing agents like Jan Sadharan Ticket Booking Sewaks (JTBS), Station Ticket Booking Agents (STBA), Yatri Ticket Suvidha Kendra (YTSK) etc.

ii. Organising intensive ticket checking drives including fortress checks etc.

iii. Augmentation of on-board capacity by attachment of additional coaches, running of special trains during festivals and holidays, running of Suvidha trains etc.

iv. Introduction of special measures to increase passenger earnings through schemes like booking of tickets under Tatkal Quota, Premium Tatkal Quota, Flexi-fare system, Suvidha trains with variable fares, special trains on special charges etc.

v. Alternate Train Accommodation Scheme (ATAS) known as VIKALP has been introduced to provide confirmed accommodation to waitlisted passengers and also to ensure optimal utilization of available accommodation and to improve passenger earnings.

vi. The number of RAC berths has been increased to provide additional accommodation to the passengers and to increase passenger earnings.

vii. Revision of child fare.

viii. New trains such as Gatimaan, Tejas, Humsafar and Antyodaya with higher fare structure than Mail/Express trains have also been introduced.

ix. Increase in charges of Platform tickets from `5 to `10.

x. Increase in minimum fare for non-suburban from `5 to `10.

xi. Revision in Clerkage and Cancellation charges.

In order to augment freight revenue, certain measures to facilitate the freight customers in terms of economies of scales, last mile connectivity, tailor made delivery options Ministry has floated schemes for private investment in Special Purpose Wagons (SPW) and High Capacity Wagons (HCW) namely :

1. Liberalized Wagon Investment Scheme (LWIS),
2. Special Freight Train Operator Scheme (SFTO),
3. Wagon Leasing Scheme (WLS),
4. Automobile Freight Train Operator Scheme (AFTO)

These schemes are specially designed to cater to the specific requirements of Trade and Industry to move Freight in a specific manner from their manufacturing units to consumption units.

Moreover, there was a long standing demand for private participation in investment of general purpose wagons which has fulfilled by introduction of a new policy namely "General Purpose Wagon Investment Scheme (GPWIS)."

Comments of the Committee

(Please see recommendation para No. 8 of Chapter-I)

Recommendation (Para No. 5)

The Committee note a change in the trend with respect to Net Revenue since 2015-16 as Net Revenue for the year 2015-16 was Rs19228.48 Cr which has been drastically lowered down to Rs. 4913 Cr in 2016-17 as against Rs. 7695 Cr at RE 2016-17 and Rs.

18210.64 Cr at BE 2016- 17 i.e., a decrease of more than 50% at RE level from BE. Further, it has been revised downward to Rs. 6425 Cr at RE 2017-18 from Rs. 8948.37 Cr at BE 2017-18 and has been kept at Rs. 12990 Cr at BE 2018-19. The Committee are surprised to note that actual Net Revenue upto December, 2017 for the year 2017-18 has been Rs. 17876.09 Cr (negative). In the given scenario, where Railways are not able to meet their downward revised targets also for Net Revenue of Rs. 19897.84 Cr, Rs. 7685 Cr and Rs. 6425 Cr in the years 2015-16, 2016-17 and 2017-18 respectively, the Committee are not satisfied with the rationale and optimism behind keeping an enhanced target of Net Revenue for the year 2018-19 at Rs. 12990 Cr. In this regard, the Committee strongly feel that it is imperative on the part of the Railways to keep the realistic targets for Net Revenue and strive to achieve the same. They desire the Ministry to necessitate remedial measures in order to hold the declining net revenue trend. The Committee note that the Ministry are taking steps such as enhancement of revenue and control of revenue expenditure, with which the downfall in the Net Revenue can be checked. They, however, are of the opinion that all their efforts made in this direction have not been adequate to get desired results leading to further downfall in Net Revenue. In this context, the Committee recommend the Ministry to explore the new arena afresh without having any preoccupation of previous efforts and results while keeping in mind their all existing resources and future challenges. Further, they should focus on implementation of their earlier concrete steps in the matter of Pan India level and monitor it vigorously. A flexibility at operational level be provided to officers on field to bring best results for Railways.

Reply of the Government

Drastic reduction in Net revenue of 2016-17 vis-à-vis 2015-16 was caused by (i) higher outgo towards staff cost pursuant to implementation of 7th CPC recommendations and (ii) drop in goods earnings due to a very low incremental loading and drop in average freight lead. Past experience has shown that decline in Net Revenue during the years of implementation of Central Pay Commission recommendations are not unusual. The position in 2016-17 was further accentuated by decline in goods earnings vis-a-vis 2015-

16 for reasons stated above. In 2017-18, though the growth of traffic earnings in general and of goods earnings in particular has picked up compared to the rate of growth in 2016-17, continuing pressure on Ordinary Working Expenses and Pension expenditure led to downward revision in Net Revenue target in RE vis-a-vis BE. Negative position of Net Revenue within the year is not a true reflection of the financial position of Railways as a lot of financial transactions are settled towards the end of the year. Last year, the Net Revenue to end of December, 2016 was also negative by over Rs. 16,000 cr but by the close of the year 2016-17, the Net Revenue came to Rs. 4,913 cr. As such, the position of Net Revenue of 2017-18 is also expected to improve by the year end.

In 2018-19, the financial position of Railways is expected to improve with the stabilization of staff cost and further improvement in the growth of traffic earnings. Accordingly, in BE 2018-19, a Net Revenue target of Rs. 12,990 cr has been kept which is moderate and achievable. The target is based on an estimated growth of 7.3% in total receipts and 3.9% growth in total revenue expenditure vis-a-vis RE 2017-18. Taking note of the indications of a recovery in freight performance, a 4.4% growth in loading has been targeted and 0.7% growth in passengers has also been kept. In sundry other earnings comprising non-fare revenue sources like monetisation of land, advertisement and publicity etc, a challenging growth target (48.5%) has been kept.

Innovative policy initiatives, both in passenger and freight segments, are being undertaken to enhance revenues. Similar initiatives in the non-fare revenue segments are also being undertaken. All these initiatives are expected to improve the financial position of railways in the short and medium term. Apart from these, long term initiatives aimed at enhancing Railways' carrying capacity are being undertaken through substantially higher capital investment and construction of Dedicated Freight Corridors.

Delegation of power to field units/officers is a continuous process. Empowerment and delegation of powers has been done to ensure faster decision making and execution. This includes powers on safety, ease of procurement, upkeep of equipment, cleanliness at stations and in trains and training & capacity building of staff.

Recommendation (Para No. 6)

The Committee note that allocation to Kolkata Metro Rail Corporation Ltd. has been revised downward by almost 25% from Rs. 1937 Cr at BE 2017- 18 to Rs. 1500 Cr at RE 2017-18. Further, Budgetary allocation for the year 2018-19 has been kept at Rs. 1100 Cr i.e., Rs. 400 Cr lower than RE 2017-18 of Rs. 1500 cr. In this regard, the Committee strongly opine that more fund should be allocated to Kolkata Metro Rail Corporation Ltd as it is not only the oldest running Metro in the country but also caters to the needs of growing population of the largest city of Eastern India faced with acute congestion on roads. It is not only modern means of transportation but also most eco-friendly mode, especially in times of growing population. In fact, Metro Rails are now becoming lifeline of major cities. Further, being completely owned by the Railways, it becomes imperative on the part of the Railways to maintain and provide sufficient funds for better sustenance of the Kolkata Metro. The Committee strongly recommend to the Ministry of Railways that instead of reducing fund allocation to Kolkata Metro Rail Corporation Ltd, the Ministry should enhance the funding so that all the undergoing works and projects are completed within stipulated timeframe without any time and cost escalation. Once completed, operationalized Metro lines will start paying off the Railway's incurred cost as they will run in remunerative parts of the city.

Reply of the Government

Noted*.

** Fund allocation to East West Metro Corridor Project, Kolkata in the Budget 2018-19 for Rs. 1100 crores was done based on the availability of fund within the GBS approved by Ministry of Finance. Now, since the Budget has been passed by the Parliament, enhancement of the allocation is not feasible at this stage. However, the additional allocation shall be considered during revised estimate stage if required by the project implementing agency, i.e., Kolkata Metro Rail Corporation (KMRCL). It is also submitted that KMRCL is not completely owned by Railways, but in the ratio 74:26 between Ministry of Railways and Ministry of Housing and Urban Affairs.*

PHYSICAL PERFORMANCE

Recommendation (Para No. 7)

One of the main thrust areas for Ministry in the Budget for the year 2018-19 is focusing more on capacity enhancement of Railways in all respects i.e., construction of New Lines, Gauge Conversion, Doubling of Lines and increasing the number of Rolling Stock. The Committee observe that during 2015-16 and 2016-17, the Ministry has performed well by exceeding targets in respect to construction of New Lines, Gauge Conversion, Coaches and Wagons while targets set in areas of Doubling of lines, Diesel Locomotives, Track Renewals (2016-17) and Electrification (2016-17) were not achieved completely. Further, for the year 2017-18, targets for New Lines, Gauge Conversion and Doubling aimed in budgetary provisions have been revised downwards by almost half i.e., from 800 to 402 Route kms, from 900 to 574 Route kms and 1800 to 945 Route Kms respectively. The Committee understand that downward revision of targets has been due to capacity constraints of supply of rails by SAIL and suggest the Ministry to work out the solution by continuous dialogue with SAIL at the highest level and expedite the supply of Rails. The Committee further emphasize the Railways to improve their performance for meeting physical targets and expect the same pace of accomplishment for the year 2018-19 by overcoming all the constraints more so when the focus of the Government is capacity enhancement.

Reply of the Government

Regarding targets of New Line, GC and doubling for 2018-19, it is submitted that targets set will be achieved and all possible measures are being taken for this.

The targets for manufacture of Coaches and electric locomotives have been revised upward for the year 2018-19. However, the target for diesel locomotives for the year 2018-19 has been revised downward in view of Ministry of Railways' decision to switch over to 100% electric traction in a phased manner.

During financial year 2016-17, the Budgetary target of 2000 route kilometers (rkms) was set for Railway Electrification against which 2013 rkms were electrified and 1646 rkms were commissioned on electric traction.

In financial year 2017-18 metric was changed to commissioning of section on electric traction accordingly against target of 4000 rkms of commissioning of section on electric traction 4087 rkms have been commissioned on electric traction.

For financial year 2018-19, it is planned to electrify 6000 rkms of sections on electric traction. Thus there is no shortfall.

Railway Board, Ministry of Railways is continuously in dialogue with SAIL at it's Board level including Chairman, Director/Technical and Director/Commercial of SAIL. In 2017-18 the supply of rails from SAIL, though fell short of IR's requirement, but it has shown improvement. SAIL supplied 8.81 lakh MT rails in 2017-18 as compared to 6.3 lakh MT in 2016-17. In 2018-19 SAIL has assured to supply 15 lakh MT rails. Ministry of Railways is continuously interacting with Ministry of Steel also on the subject even at the level of Secretary/Ministry of Steel.

Recommendation (Para No. 8)

Rashtriya Rail Sanraksha Kosh (RRSK), a dedicated fund for safety was created in 2017-18 with a corpus of Rs. 1 Lakh crores over a period of 5 years for clearing the backlog of critical safety related works. It was expected to fund track renewals/safety, strengthening of bridges, elimination of unmanned level crossings, upgradation of maintenance facilities, signaling improvement and complete switchover to LHB/coaches/retro fitment of CBC couplers in ICF coaches. The total outlay for capital expenditure from RRSK for the year 2018-19 is Rs. 20,000 crore. Also, for the year 2017-18, Rs. 20,000 crore was allocated to RRSK, consisting of Rs. 5000 crore from additional Budgetary support, Rs. 10,000 crore transferred from Railway Safety Fund (Railway's share out of the Central Road Fund), Rs. 4,000 crore from Depreciation Reserve Fund

(DRF) and remaining Rs. 1000 crore from Railway's Revenue surplus but in Revised Estimate 2017-18, the entire amount of Rs. 5000 crore contribution to RRSK has been advanced from DRF. Further, expenditure out of RRSK to the end of January 2018 is only Rs. 10709 crore, which is almost 50% of the allocation. In their 13th Report on DFG 2017-18, the Committee had expressed their apprehensions about the financing of RRSK and had recommended dedicated financing for it. The Committee again recommend the Ministry to ensure the non-fungible financing to RRSK and stress upon the Ministry to ensure prudent deployment of the fund strictly on the works it has been assigned with regular scrutiny of the progress. The Committee feel that RRSK was created with a vision to have a single head in order to cater all safety related needs of the Railways by dissolving various safety related funds and if the Ministry is not been able to utilize the funds judiciously from RRSK, the sole purpose of having a dedicated fund becomes futile. The Committee further recommend that at the time when there is tepid growth in Net Revenue of Railways and a lot of funds are needed for capital asset creation, funding to and expenditure from RRSK for safety purposes should be ensured at highest level in order to accord paramountcy to the safety.

The funds from DRF should have been utilized for replacement of assets, tracks etc. Transferring the funds, by not allowing replacement repair etc. of assets to RRSK funds and not utilizing it for safety purposes explains the lack of vision and shoddy way of utilizing and appropriating the valuable resources.

Reply of the Government

Rashtriya Rail Sanraksha Kosh has been introduced in 2017-18. The financing pattern of the fund has been defined in Para 8 of Ministry of Finance's Office Memorandum of 5.7.2017 (enclosed as **ANNEXURE-I**), according to which RRSK has been created in the form of a Reserve Fund in the Public Accounts of India. The fund will receive a corpus of Rs. 1 lakh crore over the period of five years from 2017-18, with dedicated provision of Rs. 5,000 cr. from Budgetary Support, Rs. 10,000 cr. transfer from Central Road Fund and Rs. 5,000 cr. from Railways' internal resources will be made annually.

Para 9 of MOF's OM dated 5.7.2017 suggests the nature of RRSK to be non fungible. It declares RRSK to be a Safety Fund with a broader mandate and suggests that it shall be the primary funding source for financing capital expenditure/works on Railway safety. All works specified in the document prepared by Inter Departmental Committee of EDs shall be technically eligible to be funded through RRSK, excluding works of routine nature and regular maintenance.

RRSK has to remain in operation for a period of five years, the works being executed through RRSK include identified safety works relating to both new provisioning and replacement, renewal and upgradation of assets. Thus with the shifting of most of replacement, renewal and upgradation works to RRSK, the DRF will be used for funding only the current arisings. The appropriation of Rs. 5000 crore to DRF in RE-2017-18 was actually meant for transfer to RRSK as Railway's contribution. In BE 2018-19, Railways have proposed to route contribution to RRSK from the excess instead of DRF. Hence, Rs. 500 cr has been appropriated to DRF in 2018-19 for financing other than RRSK works. Hence, funding to and expenditure from RRSK is being ensured and monitored at highest level with regular scrutiny of the progress.

Recommendation (Para No. 10)

The Rail Budget which used to be presented separately since 1924, was merged with Union Budget 2017-18 and a single budget including Annual accounts and Demands for Grants for Railways was presented in 2017-18. The Committee were apprised that Railways will maintain its distinct identity as departmentally run commercial undertaking with full functional autonomy. They, however, observe that separate Outcome Budget for Railways was presented in the Union Budget 2018-19 as per the instruction given by the Ministry of Finance stating that no separate Outcome Budget for the Ministries/ Departments is now presented since last year, rather it is a consolidated document for Government of India. However, being in the agreement of the Ministry of Finance for having single Outcome Budget, the Committee feel that the information relating to Railways included in the Outcome Budget contains no elaborative and exhaustive information on Schemes/projects and instead have merely a list of Schemes/ projects with consolidated financial outlay 2018-19, name of the various Railway lines for New Lines, Gauge Conversion & Doubling, Rolling Stock, Track Renewals, Electrification and Signaling projects. In this regard, the Committee desire that as Outcome Budget is an important Budgetary document which reflects the progress made by the Railways and gives comparative outcome, not only over the years, but also achievements vis-à-vis targets (both physical and financial) and their future outcomes, it should have been more elaborative and informative. The Committee recommend the Ministry to present all the documents relating to Railways viz. explanatory memorandum, outcome budget, pink book etc. henceforth so that a wide range of parameters like physical & financial outcome, cost overrun, status of progress made as on date, likely time of completion and overall impact expected after completing the ongoing projects become available in public domain and the system remains transparent.

Reply of the Government

Consequent upon merger of Railway Budget with the General Budget, the Ministry of Railways, like any other Ministry, is required to present / lay in Parliament only such documents as are prescribed by Ministry of Parliamentary Affairs and more specifically by the Lok Sabha Secretariat.

Accordingly, while as a part of the General Budget Ministry of Finance supplies to the Parliament a number of Budget documents which inter alia contain information on Railways also, the Ministry of Railways only lays the 'Detailed Demands for Grants' subsequent to presentation of the General Budget as prescribed by the Lok Sabha Secretariat. Copies of 'Annual Report and Accounts' are also required to be supplied to Parliament.

The Outcome Budget for all Ministries/Departments of the Government of India is being compiled and presented to the Parliament by Ministry of Finance as a part of the General Budget set since 2017-18. Being a document containing information for all the Ministries/Departments, it contains only specific and relevant information pertaining to Railways. However, it may be mentioned that a document called 'Expenditure Profile' of the General Budget contains a separate section on Railways (Part V of the document) to capture all the salient information on Railway finance and budget and other details of interest, which were earlier being published in the Explanatory Memorandum such as i) Overview of Receipts and Expenditure, ii) Head-wise Revenue and Capital Expenditure, iii) Expenditure on Safety related activities, iv) Details of Railway Receipts, v) Physical targets and achievements, vi) Railways' traffic performance (Passenger and goods), vii) Major New Lines, Gauge Conversion and Doubling projects commissioned during the year, viii) Position of Railway Funds etc.

As regards the details of the projects under New Lines, Gauge Conversion & Doubling, Rolling Stock, Track Renewals, Electrification and Signaling, along with financial outlays etc, which were earlier printed as Pink Book, it is submitted that these details along with Detailed Demands for Grants and Railway-wise details of earnings and expenditure are made available in the public domain by uploading the same on the official website of Indian Railways for the sake of complete transparency.

Recommendation (Para No. 12)

The Committee note that Railways possesses 4.76 lakh hectare land i.e., land in which a Government railway has any right, title or interest out of which approximately 4.25 lakh hectare is under railway track & yard, structures & buildings which include workshops & production units and under allied usages which include afforestation also. Approximately 0.51 lakh hectare land is vacant which is mostly in the form of narrow strips along the tracks required for servicing and maintenance of track, bridges, railway infrastructure for meeting future growth/needs of Railways. The Committee feel that Railway land is one of the most valuable assets that Railway possess and carries enormous potential for revenue generation if explored judiciously. For better utilization of the Railway Land and using it for commercial or any other revenue generation activity, the Committee recommend the Ministry to look into various other non-conventional avenues other than merely entrusting the work of commercial development of land to Rail Development Land Authority (RLDA). They further stress upon the innovation and novelty in their approach while handling the land issues and consider the ideas like monetizing air space available with Railways at central locations in all Metropolitan and other tier I & II cities, identifying the land for profitable utilization with the help of Member of Parliament concerned and providing space for new start-ups and linking them to Make-in-India initiative at micro level.

The Committee observe that there is huge volume of vacant Railway Land in Metros and other big Cities which is having enormous Commercial Value. For example there is vacant land of around 51,648 hectares in Kolkata City alone. Further the Railway Colonies in almost all the Metros and important Cities are in very dilapidated and wretched condition. The Committee feel that this land can be utilized for commercial purposes such as construction of marriage halls, malls etc. under PPP Model which will produce huge revenues for the Railways on regular basis. There are also some Waterbodies/ Ponds etc. on Railway Land which can be rejuvenated and developed/beautified for commercial purposes for tourist attractions with fees etc. helping Railways to earn from these. The Committee desire the Railways to explore these possibilities. They would like to be apprised of the action taken in this regard at the earliest.

Reply of the Government

Railway is having approximately 0.51 lakh hectare of vacant land out of about 4.76 lakh hectare of land in possession. This vacant land which is mostly in the form of narrow strips along the Railway track, required for railways maintenance / operational needs. The vacant land which is not required by railways, is utilized for commercial development wherever feasible, in order to mobilize additional financial resources through Rail Land Development Authority (RLDA). As on date 54 land parcels have been identified and entrusted to RLDA having total area about 189 hectares for commercial development having approximately revenue realization of Rs.14000 Cr. These lease land parcels are spread in metropolitan cities like Delhi, Mumbai, Chennai, Secunderabad as well as in Tier-II / III cities. Besides, entrusting of vacant land to RLDA for commercial development, Railway has been leasing/ licensing its vacant land for conventional usages which are essentially connected with Railway's operation/working such as bulk oil installations & oil depots, steel yards, concrete sleeper plants, coal dumps, connectivity to private sidings and ports and other infrastructure, plots, vending stalls etc. Railways also lease/license land for development of public utilities by various Centre / State Governments and Local bodies including permitted usages of Railway land to Railway employees under Grow More Food (GMF) Scheme to ensure continuous surveillance against encroachments. The revenue generation from such leasing/ licensing of land in last 3 years is Rs.1313 Cr. in 2014-15, Rs.1683 Cr. in 2015-16 and Rs.2079 Cr. in 2016-17. There is no bar on monetizing air space available with Railways. Railways have launched programme of Station redevelopment on neutral cost basis which involves redevelopment of Stations through monetization of air space available above Stations as well as vacant land available around the stations. RLDA has been provided with all functional power for commercial development of Malls, Theatres, Hotels etc. under PPP Model.

RLDA has also been assigned the task to redevelop major Railway colonies of metropolitan cities on commercial terms, for such development RLDA has been permitted to lease out the space for commercial utilization up to 99 years. All the Zonal Railways have already been advised to identify such railway colonies having total plot area of 3 to 5 acres so as to redevelop through RLDA. As on date a total of 1559 water bodies are functional on Indian Railways out of which 54 number of water bodies have been recreated and 44 number are rejuvenated. The majority of water bodies about 1120 numbers are already been utilized on commercial terms for fisheries purpose.

Committee's suggestion with regard to developing/beautifying railway land for commercial purposes, tourist attraction, has been noted and Railway will explore such possibilities provided same is economically viable, although at some of the locations like Shatabdi Park at Asansol on Eastern Railway is being utilized for commercial purpose.

Committee's suggestion for identifying the land for profitable utilization with the help of Member of Parliament concerned for providing space for new Start-ups and linking them to Make-in-India initiative level has been noted. As per Cabinet's decision the leasing / licensing of land for activities not connected with Railways working is not permitted, hence to provide space to new Start-ups and linking them to Make-in-India projects at micro level may not be feasible. However, at macro level Railway has already provided land to GE and Alstom for setting up of diesel and electric locomotive factories in Marhora and Madhepura respectively in Bihar under Make- in-India initiatives.

CHAPTER – III

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

OPERATING RATIO

Recommendation (Para No. 9)

The Committee observe a lot of fluctuation in the value of Operating Ratio since 2012-13. The Operating Ratio has been 90.2, 93.6, 91.3, 90.5, and 96.5 for the year 2012-13, 2013-14, 2014-15, 2015-16 and in 2016-17 respectively. Further, for the year 2017-18, it has been revised to a higher value at 96% at RE from 94.57% at BE 2017-18 and has now been projected at 92.8% at BE 2018-19. The Ministry has attributed the reasons for the higher value of Operating Ratio to higher staff cost due to implementation of 7th Pay Commission coupled with drop in goods earning. The Committee understand that the Operating Ratio is a function of total working expenditure to total traffic earnings and any effort to improve the same revolves around maximizing the traffic earnings and minimizing the controllable working expenses. The Committee express their concern over the higher value of Operating Ratio and recommend the Ministry to regulate their finances in such a way that the same could result into a subservient balancing of accounts reflecting the better value of Operating Ratio. The Ministry should observe more financial discipline, plug leakages, such as limited use of Railway Saloons, reduce operating (working) expenses by implementing the steps taken in this regard in mission mode. The Ministry should also focus on recoverables, such as recovering outstanding dues from various thermal power Corporations, reimbursements from Ministries, such as Defence, who provide discounted train travel to their employees etc. The Committee also suggest that alternative avenues, such as Railways may put 30000 kms of IR power lines on block for disinvestment where PSUs, power companies, private players and pension funds could be allowed to bid and may fetch Rs. 30,000 cr. @ Rs. 1 cr. for each km. of infrastructure. Railways could later take these lines back on lease and pay interest and continue to manage the operations and maintenance functions of these power lines. The funds, so raised, could be fruitfully utilized on remunerative projects. The Committee feel that such initiatives could be taken on experimental basis and can extend this route for monetization of other Railway assets, such as trains and stations and bring down the Operating Ratio.

Reply of the Government

This Ministry is equally concerned with the occasional upward movement of Operating Ratio for factors not entirely within the control of this Ministry. For example, the rise in staff cost arising out of periodic pay commissions, occasional slowdown in the economy adversely affecting the passenger and freight business and the ever growing social service obligations of Railways are some of the factors which adversely impact its Operating Ratio. Notwithstanding the above, it has been a continuing endeavour of Railways to watch and improve on its Operating Ratio to the utmost. Railways have already taken measures to keep the operating expenses to the barest minimum and would continue to pursue the same. With the stabilization of the impact of implementation of 7th Central Pay Commission and with picking up of the growth in traffic earnings, the Operating Ratio is expected to gradually improve in the coming years. Accordingly, an Operating Ratio target of 92.8% has been kept in BE 2018-19. As regards certain suggestions to enhance railway receipts, the following submissions are made:

With regard to the recommendations to focus on recoverables, it is submitted that the Ministry has taken note of these directions and all possible measures will be taken to ensure that fresh accumulation of outstanding is reduced and old outstanding realized.

The concerns of the Committee have also been conveyed to field officers vide Board's letter dated 22.03.2018 (copy enclosed as **ANNEXURE-II**) from Chairman, Railway Board to General Managers of Zonal Railways seeking action plan to realize the maximum clearance of outstanding dues under the personal monitoring of the progress through ten days reports. There is progressive clearance in outstanding dues.

As regards the suggestion for monetization of Railways' power lines, Ministry of Railways has examined the option of monitisation of the existing electrified assets comprising Over Head Equipment (OHE) and Traction Sub-station (TSS) for generation of funds for financing of 100% electrification scheme in the next 4-5 years with sale and lease back (SLB) of existing assets. The same was not found to be the best financing option. It is considered that the option of going ahead with these projects on annuity basis would be a preferable proposition which may be taken forward or alternatively, financing of new electrification projects under Extra-Budgetary Resources (Institutional Finance) through Indian Railway Finance Corporation which is already available would be more prudent.

CHAPTER – IV

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

RAILWAY VACANCIES

Recommendation (Para No. 11)

In regard to the vacancies in Railways, the Committee were astounded to know that as on 01, April, 2017, a total of 2,22,509 number of posts out of 14,68,715 (total strength)were lying vacant in all categories including 2,20,137 number of posts in Group 'C' (& erstwhile Group 'D') category and 1,986 in Group 'A' against the sanctioned strength of 14,52,897 and 10,199 respectively. Further, there are 1,28,942 vacancies out of 7,64,882 sanctioned strength only in Railway safety and maintenance category itself. The Committee understand that filling up of vacancies is a continuous process and two fresh notifications for 26,502 vacancies for the post of Asst. Loco Pilots & Technicians and for 62,907 for various posts in Level 1 to 7 CPC matrix, have been published. The Committee believe that the primary reason for piling up such a large number of vacancies could be, not holding regular recruitment since long and giving compensation to present employees for working beyond normal duty hours. However, this cannot be a sustainable solution or reason for keeping the post vacant. Filling up vacant posts may not only play a key role in running all Railways smoothly but also enables the working personnel to be relieved of the stress of overwork beyond normal hours. The Committee strongly recommend the Ministry to take up the matter of filling up the vacancy on top most priority basis as having more than a lakh seats vacant only in safety category is clearly telling on safe travel by trains. Moreover, 'Safety First policy' is one of the agenda of the Government, which should be dealt with urgently.

Reply of the Government

The committee's concern on filling up of Safety category vacancies has been partly addressed in the two Employment Notifications for filling up the posts of ALP/Technicians and Level 1- Safety categories.

It is pertinent to state that sanctioned posts in all categories are more than the actual operational requirement as these include the element of the Leave Reserve and Rest Givers, which varies from 12.5% to 30%.

Recruitment in safety categories were made through RRBs on a regular basis in the last few years but no notification had been issued for Level 1 (erstwhile Group 'D') since 2013. Recruitment has been initiated for filling up of 26502 posts of ALP (17673) & Technicians (8829) and 62907 safety category vacancies in Level-1, including those of Trackman, for which Computer Based Test (CBT) will be conducted on pan India basis.

Recruitment in other categories shall be processed on need basis to fill up vacancies in critical areas. Thus, Railways plan to fill up some of the vacancies where core work / operations are involved. However, no shortage of man-power will be allowed that may hamper the smooth functioning of the system and its safety parameters.

Comments of the Committee

(Please see recommendation para no. 11 of Chapter I)

CHAPTER – V

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

-NIL-

NEW DELHI: **SUDIP BANDYOPADHYAY**

20 December, 2018 **Chairperson,**

29 Agrahayana, 1940 (Saka) **Standing Committee on Railways**

NEW DELHI; **SUDIP BANDYOPADHY**

December, 2018 **Chairperson,**

Pausha, 1940 (Saka) **Standing Committee on Railways**

ANNEXURE-I

Copy of the guidelines for operating 'Rashtriya Rail Sanraksha Kosh' (RRSK)

F.No.35(06)/PF-II/2016
Ministry of Finance
Department of Expenditure
(PFC-II Division)
....

Chairman, Railway Board
FTS No. 303913
Date 7/7/17

North Block, New Delhi
Date: 5th July, 2017

OFFICE MEMORANDUM

Subject:-Guidelines for operating of Rashtriya Rail Sanraksha Kosh (RRSK) by the Ministry of Railways.

....

The undersigned is directed to forward herewith a copy of the above said document for taking further necessary action on the part of Ministry of Railways, NITI Aayog and Department of Economic Affairs.

It may kindly be noted that:-

a) sources of financing of RRSK have been spelt out inter alia in Para 8 of the guidelines;
b) the above said guidelines are to be followed mandatorily for implementation of the railway safety works out of the RRSK;
c) the RRSK will also be reviewed annually by the Cabinet Committee on Economic Affairs headed by the Prime Minister;
d) an independent 'RRSK Monitoring Committee' is to be created and to be headed by CEO, NITI Aayog for examining RRSK performance/outputs/outcomes on a quarterly basis against the physical and financial targets finalised by the Minister of Railways.

3. The document has been seen by the Prime Minister, Finance Minister and Railway Minister as well.

4. This issues with the approval of competent authority.

(Sitangshu Chakrabortty)
Consultant (PFC-II)
Tele: 23093457
e-mail: c.sitangshu@gov.in

To

1. The Cabinet Secretary,
Rashtrapait Bhawan,
New Delhi.

2. The Chairman,
Railway Board,
Rail Bhawan, Rafi Marg,
New Delhi.

3. CEO, NITI Aayog, New Delhi.

4. Secretary, Deptt. of Economic Affairs, North Block, New Delhi

Copy to:- PMO (Kind Attention: Sh.Ajit Kumar, Dy.Secretary) w.r.t. their I.D Note No.4641560/PMO/2017 ES-I dated 30.6.2017.

GUIDELINES FOR OPERATING 'RASHTRIYA RAIL SANRAKSHA KOSH' (RRSK):

I. BACKGROUND:

1. Indian Railways is the largest railway network under a single management in the world. Safety in Railways operations has been a matter of concern and is a top most priority for the Government. The main areas of concern that endanger safety have been identified as derailments and Level Crossings (LC) related accidents including unmanned level crossings accidents and signal passing at danger by loco pilots. These concerns need to be addressed by timely replacement of over-aged assets, adoption of suitable technology for up-gradation and maintenance of track, rolling stock, signalling and interlocking systems, safety drives, greater emphasis on training of officials and inspections at regular intervals to monitor and educate staff for observance of safe practices etc.

2. The *Standing Committee on Railways* in their Twelfth Report relating to 'Safety and Security in Railways' have also expressed their reservations on the existing system in Indian Railways of providing safety in the backdrop of inter-departmental differences or even intra-department prioritization on safety issues. They are of the view that safety being a non-negotiable subject should be dealt in a prompt, precise and diligent manner. The recommendations of the Standing Committee needs to be given due attention in preparation of the Railway Safety Plan through RRSK.

3. From time to time Railways has been taking various initiatives to improve safety in its system functioning at all the three levels of organizational structure viz. Railway Board at the apex level, Zonal Railways at middle level and Divisions at bottom level. At the Board level, Safety Directorate is headed by an Adviser. A '*High Level Safety Review Committee (HLSRC)*' headed by Dr. Anil Kakodkar suggested on the needs of massive investments in Railways towards ensuring safety and convenience of rail users. The Kakodkar Committee had in 2012, laid down a detailed road map for improving safety, projecting an investment requirement of Rs. 1 lakh crore over 5 years. The Committee recommended a range of inter-departmental measures in connection with safe running of train services in the country. Sam Pitroda Committee on 'Modernization of Indian Railways' also made certain recommendations relating to Railway safety.

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II. Creation of Rashtriya Rail Sanraksha Kosh (RRSK):

4. Keeping in view the need to galvanize Safety Organization of the Railways to meet the present challenges, including a fresh assessment, planning and implementation of the safety plans, Railways constituted an Inter-Departmental Committee comprising concerned Executive Directors of Railway Board for re-assessing the funding requirements at the current levels of safety needs. The Committee benefitting from the earlier studies outlined department wise works/measures that needed to be implemented for meeting the current levels of Railway safety needs, and assessed a total funding requirement of Rs.1,19,183 crore over a period of 5 years. The Railway also suggested creation of a dedicated Reserve Fund viz. '**Rashtriya Rail Sanraksha Kosh (RRSK)**' to ensure an assured funding for implementing the assessed safety works.

5. The proposal for the creation of RRSK was agreed to by the Government with additional budgetary support of at least Rs.5,000 crore per annum from the General Revenues (in addition to the CRF amount) with the balance resources to be generated by the Railways. Hon'ble Minister of Finance announced in Para 74 of his Budget Speech 2017-18 as under – *"For passenger safety, a 'Rashtriya Rail Sanraksha Kosh' will be created with a corpus of Rs.1 lakh crore over a period of five years. Besides seed capital from the Government, the Railways will arrange the balance resources form their own revenue and other sources."*

6. In 2016-17, the provision for Railway Capital works amounted to Rs 1,21,000 crores, out of the funds provided through Gross Budgetary Support / CRF, internal revenues generated by Railways and Extra Budgetary Resources. There is a total budget provision of Rs.1,31,000 crore for the same purpose in BE 2017-18. Even after earmarking of the amount of Rs.15,000 crore from gross budgetary support / Railway Safety Fund towards RRSK, Railways will have sufficient resources for other Capital/New works. Since the share of RRSK from GBS/Railway Safety Fund is fixed at Rs.15,000 crore for the next five years, the incremental growth in gross budgetary support from 2018-19 shall be available solely for other capital/new works. The Railways shall as a measure of enhancing efficiency in resource allocations, shall prioritize other capacity enhancement Capital/New Works so as to complete the ongoing/pending capital works before taking up new Capital works. Railways may also mobilise resources through other Extra Budgetary Resources, including market borrowings or Public Private Partnerships wherever feasible for carrying out safety works.

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7. Accordingly, a Fund namely 'RRSK' with a corpus of Rs.1 lakh crore has been created and gross budgetary outlay of Rs.20,000 crore has been provided in Budget 2017-18.

III. Sources of Financing RRSK:

8. The Rashtriya Rail Sanraksha Kosh has been created in the form of a Reserve Fund in the Public Account of India. The Fund will receive a corpus of Rs. 1 lakh crore over the period of 5 years starting from 2017-18. The sources of funding, totalling to Rs 20,000 crore every year, for the RRSK is as follows-

(i) *Additional Budgetary Support from General Revenues for RRSK-* Ministry of Finance will provide an earmarked Rs. 5,000 crore every year towards the corpus of the RRSK, as part of the gross budgetary support provided to Railways;

(ii) *Railway Safety Fund-* Railways get a share of 14 percent from Central Road Fund, primarily to meet its safety needs as well as other capital works. Keeping in view the importance of safety works, an amount of Rs. 10,000 crore per annum out of the Railway Safety Fund / CRF receipts/share of the Railways, will be earmarked towards the funding of safety works identified to be carried out through RRSK.

(iii) *Contribution by Railways from their own Revenues:* The Railways will contribute *at least* an amount of Rs. 5,000 crore every year from their own revenues/resources towards the corpus of RRSK.

IV. What are the Railway Safety Works:

9. RRSK being a Safety Fund with a broader mandate, shall be the primary funding source for financing capital expenditure/works on Railway safety in the medium term from 2017-18 till 2021-22. All works specified in the document prepared by Inter Departmental Committee of EDs titled "Creation of RRSK for enhancement of safety of Indian Railway System" shall be technically eligible to be funded through RRSK, excluding works of routine nature and regular maintenance. The list of works identified by the Inter-Departmental Committee along with the estimated funding requirements for the full period is as follows:.

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Summary of RRSK Works identified:

SN	Item	Approx. Fund (Rs Crores)
A.	**Civil Engineering**	
1.	Track works	30032
2.	Bridge Rehabilitation	3250
3.	Vehicular Ultrasound testing system for Rail/ Welds	900
4.	Provision of Broken Rail detection system	1624
5.	Adoption of Flash Butt Welds & Welds quality improvement	145
6.	Measures for Safety Enhancement and improved maintenance	2915
7.	Isolation of track from surrounding area	3995
8.	Provision of Ballast less Track at critical locations	912
9.	E-Monitoring of Engineering Assets for timely preventive action	200
10	Provision of diagnostic aids for Bridges	381
11.	Up-gradation and modernization of girder fabrication facilities	325
12.	Arrangement for movement and uploading of P-way Materials	300
	Total	**44979**
B	**Safety Works at Level Crossing** (Elimination of LC, ROB/RUB/Subways etc.)	**43444**
C	**S&T Works**	
1.	Train Protection Warning System/ Train Collision Avoidance system on 11200 Rkms on BG Network	2750
2.	Up-gradation of Standard of Interlocking to Std II(R)-430 Stations	1630
3.	Replacement of Overage Signalling gears at stations by Electrical/ Electronic Interlocking and in Block sections-1200 Stations & 470 Route Km	2540
4.	Centralized On-line monitoring, predictive maintenance & event analysis-68 Divisions	680
5.	Provision of Mobile Train Radio Communication on A,B And C Routes of IR-15000 RKMs	1800
6.	Provision of OFC and Quad Cables on IR-13000 RKMs	740
	Total	**10140**
D.	**Mechanical Engineering**	
1.	Freight Design and Maintenance	2080
2.	Coach Design and Maintenance	1014.05
3.	Diesel locomotive maintenance, Crew Management and Disaster Management	6167.50
	Total	**9263.55**
E.	**Electrical Engineering**	
	Replacement of Over-aged Traction Distribution(TrD) assets	6500
	Conversion of unregulated OHE to regulated OHE	1125
	Replacement of Masts/ Portals having critical implantation	425
	Replacement of old & Over-aged transformer, cables, earthing, panels, wiring etc for operating installations	300
	Audio/ video recording in loco cabs of all electric locos	210
	Automatic Wheel Profile Monitoring System	500
	Crew Friendly cab with air conditioning	435
	TOTAL	**9495**
F.	**HUMAN RESOURCES DEVELOPMENT**	**1861.44**
G.	**GRAND TOTAL**	**119183**

Note: Based on new risks/vulnerabilities assessed by Railways, additional items of works can be proposed to be added to the list by the Railways, for the consideration of the RRSK Approval Committee.

10. The existing sources such as Depreciation Reserve Fund and the Development Fund may continue to fund the balance unmet requirements, subject to availability of funds.

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Similarly, all revenue expenditure relating to safety works viz. expenditure incurred on repairs & maintenance of key assets will continue to be met by the Railways from their own revenues, as it presently exists.

V. Process of Identifying/Preparation of Railway Action Plan on Safety:

11. After the presentation of Budget 2017-18, the Railways requested Dr. Bibek Debroy (Member, NITI Aayog) to extend help in the task of ***'identifying other critical areas and guiding principles for deployment of RRSK funds for bringing out perceptible improvement in safety scenario over Indian Railways'.*** The deployment framework was given in the Report of Dr. Bibek Debroy and Shri. Kishore Desai in the 'Fund Deployment Framework for Rashtriya Rail Sanraksha Kosh', after an independent objective assessment of various aspects of Railway accidents to draw key insights and to arrive at the guiding principles for deployment of RRSK funds. ***It is suggested that the Railways pursue these guiding principles to prepare their Action Plan and implement its safety works programme from the RRSK, based on the listed works identified by the Inter-Departmental Committee of Railways.***

12. Based on above report, the Railway's Safety Wing shall also prepare a systematic analysis of the safety risks/vulnerabilities faced and the set of measures needed to mitigate the risks, on a close assessment of the vulnerabilities assessed from the field offices of all Directorates. The decision on the suggested Action Plan for the five year period broken down into Annual Plans for funding various safety works shall be put forth for the consideration at the highest level of the Railway Board. In addition, Railways shall create adequate capacity within the Railway Safety Directorate to:

- analyze data and trends to identify safety risks / concerns;
- encourage employees to report safety risks etc. to senior management;
- improve work schedule to prevent employee fatigue;
- develop tools to achieve safety targets; and
- manage organizational knowledge for employees to perform their duties safely.

13. The following principles as suggested by the Standing Committee of Railways and Dr. Bibek Debroy shall be followed for recommending funding prioritization from RRSK-

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a) In terms of the sub-mission 'elimination of un-manned level crossings' under 'Mission Zero Accident' announced in Railway Budget 2016-17, all Unmanned Level Crossings (UMLCs) may be eliminated in a period of five years and all possible measures may be taken to optimally achieve the physical and financial targets;

b) The RRSK Funds should be utilized only for implementation of safety works/projects including those based on new safety technology studied and accepted by the Railways, and not for taking up new studies/research etc. which can be carried on from their own resources as part of its normal ongoing effort.

14. The Prioritization principles shall be based on the suggestions made by Dr. Bibek Debroy brought out as under-

a) **Priority I:** Civil Engineering Directorate has been identified as responsible for disproportionate contribution to accidents and deterioration of year to year record. Derailments and LC related accidents in particular, have been identified to contribute to 90% of all the accidents Keeping this in view funding requirements of Civil Engineering works (for minimizing derailments) and Level Crossing (LC) related works should be met, with first charge on RRSK. Priority may be accorded to A, B, C, D and D Special routes (in that order), with savings passed on to other unfunded works in Priority II and III below;

b) **Priority II:** The second charge on RRSK shall be on those works/initiatives of Electrical and Mechanical Engineering Directorates which target minimising or eliminating derailments viz. up-grading rolling stock maintenance infrastructure, technologies to monitor wheel profile, cracks, broken parts, adopting coaches with improved safety features (LHB/ICF coaches with CBC), crew friendly cabs, audio-video recording in cabs,etc.

c) **Priority III:** The balance RRSK funds should be deployed on works/initiatives which target reducing chances of human errors in critical areas of operations viz. improving working conditions and training of safety critical staff such as loco pilots, strengthening signalling systems to avoid instances of SPAD, using technology to monitor health of tracks/wheels/rolling stock components relevant for wheel track interactions etc. Further, initiatives that eliminate opportunities of relying primarily on people need priority emphasis.

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d) There could be some overlaps in the above prioritization principles. **Therefore, a judicious call may be taken on prioritisation based on technical aspects of rail safety, with the objective of eliminating instances of derailment and LC accidents.**

15. RRSK Funds shall not be deployed for works which are based on sharing between Railways and the State Governments, unless the share of the States is received by the Railways. Further, RRSK funding shall not be utilized for ongoing safety works already financed by Railways through their own resources. In case of any ongoing project being already a part of the works identified by the Inter-Departmental Committee of Railways for financing from RRSK, the same should be clearly identified and listed and subject to the same parameters as outlined in these guidelines. In exceptional circumstances, projects not envisaged in the 5 year programme can be included within the ambit of RRSK, only after the screening of the inter-departmental Committee and the approval by Chairman, Railway Board in consultation with NITI Aayog.

16. The RRSK outlays shall also be mandatorily linked with specific measurable outcomes indicated as under:

- Each project/works undertaken through RRSK shall be listed with clearly identified and measurable physical/financial targets over the Short term (Annual), Medium term (2-3 years) and Long term (over the 5 year period);
- All outputs/outcomes shall be linked directly and specifically to each project undertaken through RRSK;
- The above would require respective Directorates to design specified Short/Medium/Long Term outcomes against initiatives funded from RRSK;
- The indicative outcomes of various safety measures relating to various Directorates as suggested by Dr. Bibek Debroy, shall be taken as a guideline for preparing a detailed outcome framework for each item of the safety work.

Directorates	Suggested Outcomes for measuring Impact of RRSK Outlays
Civil Engineering	• % reduction in rail fractures/defects (measuring impact of track renewals); • % increase in fractures/defects detected through USFD/Broken rail technology (measuring impact of using new inspection technologies); • Reduction in derailments/accidents on routes where investments made (Overall

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	investment impact).
Mechanical and Electrical	• % reduction in accidents attributed to these Directorates • % increase in wheel failures detected through new technology
Overall*	• % reduction in LC accidents and derailments • % reduction in casualties or injuries related to LC and derailments.

The deliverables/outcomes shall be linked to the 'Overall Outcomes' of reduction in LC accidents and Derailments and reduction in related casualties or injuries.

VI. Approval Framework of RRSK Safety Plan:

17. Ministry of Railways, through an inter-departmental committee co-ordinated by Safety and Planning Directorates, would put together a 5-year programme comprising clearly identified, tangible works to be executed under RRSK. It would also set up a mechanism for periodic monitoring of progress and outcomes to be overseen by the Chairman, Railway Board. Further, Railways shall mandatorily follow the project approval process/norms laid down by the Ministry of Finance for approving/sanctioning projects from the RRSK.

18. The allocations from RRSK on various safety measures shall be tentatively decided for the 5 year period, broken down into annual allocations. The annual allocations shall be reviewed every year by the Chairman, Railway Board in consultation with NITI Aayog, for necessary changes/updating keeping in view the current/urgent priorities and keeping in view the scope of funding from various identified sources.;

- Once approved by the RRSK Committee, the proposal shall be sent by the Railways to the Ministry of Finance, for incorporation in the Annual budget provisions of Railways;
- Railways shall also devise methods of execution to avoid cost/time overruns in the implementation of safety works financed through RRSK.

VII. Monitoring Framework:

19. An independent **'RRSK Monitoring Committee'** shall also be created to be headed by CEO, NITI Aayog.

- This Committee will examine the RRSK performance/outputs/outcomes on a Quarterly basis against the physical and financial targets finalized by the Ministry of Railways (based on the holistic safety assessment needs and Prioritization principles);
- The progress made in this regard shall be monitored every month, at the highest level in the Ministry;

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- The Safety Directorate of the Railways will be responsible for preparing Monthly/Quarterly Reports on the progress made against the approved financial and physical targets on the works/projects undertaken through RRSK;
- In case of any changes/amendments in the Safety Plan the Railways shall promptly apprise RRSK Monitoring Committee with updated Annual/Medium and Long term physical and financial targets; and
- **The RRSK progress/performance shall also be reviewed annually by the '<u>Committee on Economic Affairs (CCEA)</u>' headed by the Prime Minister.**

20. The above guidelines shall be followed mandatorily for implementation of the Railway safety works out of the RRSK.

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ANNEXURE-II

अश्वनी लोहानी
ASHWANI LOHANI

Pl. issue for
23-03-18

सत्यमेव जयते

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अध्यक्ष, रेलवे बोर्ड
एवं
पदेन प्रमुख सचिव, भारत सरकार
रेल मंत्रालय
CHAIRMAN, RAILWAY BOARD
&
EX-OFFICIO PRINCIPAL SECRETARY
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS

2017/AC-III/34/BR/Misc

22 MAR 2018

My dear General Managers,

Sub: Outstanding Recoverable Dues.

Please connect my D.O. letter of even number dated 13.02.2018, requesting you ensure a substantial recovery of outstanding dues in the remaining days of the fiscal. A 10 days progress report of realization made till 31.03.2018 was called for in this regard. I am extremely disappointed to note that only five Railways – ECoR, NCR, SER, WR and WCR have sent a periodic progress. The lack of response of most Railways is a matter of serious concern and reflects in the continuing high outstanding dues of Rs.2280.69 crore to end of December, 2017.

I would once again draw the attention of the GMs to the critical position faced by IR, with regard to achieving targeted earnings and Operating Ratio. Recovery of a substantial portion of these outstanding dues is important for mopping up revenues. A significant amount of outstanding dues relate to major stakeholders like Steel Plants, Collieries, State Governments, PSUs, Oil Companies and Telecom operators etc. I would expect GMs to personally monitor their dues, establishing contact at the apex levels of these organisations. Your personal involvement and direction is imperative at this stage, if Railways is to recover this huge outstanding.

With nine days remaining in the fiscal, I hope GMs will monitor recoveries daily and make all out efforts to reflect a significant clearance in bills recoverable.

With best wishes,

Yours sincerely

(Ashwani Lohani)

O/C

General Managers
All Indian Railways

26/03/18

Room No. 236, Rail Bhawan, New Delhi-110 001.
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APPENDIX-I

MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2018-19)

The Committee met on Thursday, the 20th December, 2018 from 1500 hrs. to 1520 hrs. in Committee Room No. 2, Block-A, PHA Extn. Bldg., New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

MEMBERS

LOK SABHA

2. Smt. Anju Bala
3. Shri Ram Tahal Choudhary
4. Shri Gajanan Kirtikar
5. Shri Balabhadra Majhi
6. Shri K.H. Muniyappa
7. Shri A.T. Nana Patil
8. Srhi Rajeev Satav
9. Shri Uday Pratap Singh
10. Shri Kukade Madhukarrao Yashwantrao

SECRETARIAT

1. Smt. Kavita Prasad - Joint Secretary
2. Shri Arun K. Kaushik - Director
2. Shri R.L. Yadav - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up for consideration the following draft Reports:-

(i) Action taken by the Government on the recommendations/ observations of the Committee contained in their 19th Report on the 'Demands for Grants (2018-19) of the Ministry of Railways'; and

(ii) xxxx xxxx xxxx xxxx

The Committee adopted the above-mentioned Reports without any modification.

3. The Committee also authorized the Chairperson to finalise the Reports and present the same to Parliament.

The Committee then adjourned.

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xxxx *not related to the Report.*

APPENDIX-II

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE 19TH REPORT (16TH LOK SABHA) ON "DEMANDS FOR GRANTS (2018-19) OF THE MINISTRY OF RAILWAYS"

Total number of Recommendations/Observations		11
(i)	Recommendations/Observations which have been accepted by the Government –	
	Para Nos. 2,3,4,5,6,7,8,10 and 12	9
	Percentage of total	81.82%
(ii)	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies –	
	Para No. 9	2
	Percentage of total	9.09%
(iii)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration –	
	Para No. 11	1
	Percentage of total	9.09%
(iv)	Recommendations/Observations in respect of which final replies are still awaited -	
	Para No. NIL	NIL
	Percentage of total	---