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**STANDING COMMITTEE ON
RAILWAYS
(2020-21)
SEVENTEENTH LOK SABHA**

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

[Action taken by Government on the Recommendations/Observations contained in the 2nd Report of the Standing Committee on Railways (Seventeenth Lok Sabha) on 'Demands for Grants (2019-20) of the Ministry of Railways']

FOURTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

FEBRUARY, 2021/ MAGHA, 1942 (SAKA)

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Presented to Lok Sabha on 04.02.2021

Laid in Rajya Sabha on 04.02.2021



LOK SABHA SECRETARIAT
NEW DELHI

FEBRUARY, 2021/ MAGHA, 1942 (SAKA)

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COMPOSITION OF STANDING COMMITTEE ON RAILWAYS (2019-20)@

Shri Radha Mohan Singh - Chairperson

MEMBERS

LOK SABHA

2. Dr. Farooq Abdullah
3. Shri T.R. Baalu
4. Smt. Ranjanben Bhatt
5. Shri Pankaj Choudhary
6. Shri Abu Hasem Khan Chowdhury
7. Smt. Sangeeta Kumari Singh Deo
8. Shri Arvind Ganpat Sawant[§]
9. Shri Suresh Kodikunnil
10. Shri Kaushalendra Kumar
11. Smt. Diya Kumari
12. Smt. Jaskaur Meena
13. Shri Anubhav Mohanty
14. Shri Sunil Kumar Mondal
15. Smt. Queen Oja
16. Smt. Keshari Devi Patel
17. Shri Mukesh Rajput
18. Shri N. Reddeppa
19. Shri Sumedhanand Saraswati
20. Shri Gopal Jee Thakur
21. Sadhvi Pragya Singh Thakur

RAJYA SABHA

22. Shri Narhari Amin*
23. Shri Chh. Udayanraje Bhonsle*
24. Shri H.D. Devegowda*
25. Shri N. Gokulakrishnan
26. Prof. Manoj Kumar Jha
27. Shri Joginipally Santosh Kumar
28. Smt. Phulo Devi Netam*
29. Ms. Saroj Pandey
30. Shri Ashok Siddharth
31. Shri Bashistha Narain Singh

@ Constituted w.e.f. 13.09.2019 vide Lok Sabha Bulletin Part II No. 550 dated 13.09.2019.

§ Shri Arvind Sawant was nominated in place of Shri Hemant Tukaram Godse vide Bulletin-II No. 1170 dt. 25.02.2020

* Members nominated to the Committee w.e.f. 22.07.2020 vide Lok Sabha Bulletin Part II No. 1370 dated 24.07.2020.

Note: Shri Mohd. Ali Khan, Shri Garikapati Mohan Rao, Mahant Shambhuprasadji Tundiya and Shri Moti Lal Vora retired w.e.f. 09.04.2020 vide Rajya Sabha Bulletin Part-II No. 59529 dated 02.01.2020.

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Shri Radha Mohan Singh - Chairperson

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12. Shri Mukesh Rajput
13. Shri N. Reddeppa
14. Shri Achyutananda Samanta
15. Shri Sumedhanand Saraswati
16. Shri Arvind Ganpat Sawant
17. Dr. Amar Singh
18. Smt. Sangeeta Kumari Singh Deo
19. Shri Kodikunnil Suresh
20. Shri Gopal Jee Thakur
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29. Ms. Saroj Pandey
30. Shri Ashok Siddharth
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LOK SABHA SECRETARIAT

- | | | | |
|----|------------------------|---|------------------|
| 1. | Shri Prasenjit Singh | - | Joint Secretary |
| 2. | Shri Arun K. Kaushik | - | Director |
| 3. | Smt. Archana Srivastva | - | Deputy Secretary |

INTRODUCTION

I, the Chairperson, Standing Committee on Railways (2020-21), having been authorised by the Committee to present the Report on their behalf, this Fourth Report on Action Taken by the Government on the Recommendations/Observations of the Committee contained in their Second Report (Seventeenth Lok Sabha) on 'Demands for Grants (2019-20) of the Ministry of Railways'.

2. The Second Report was presented to the Lok Sabha and laid in the Rajya Sabha on 12.12.2019. The Report contained 18 Recommendations/Observations. The Ministry of Railways furnished their Action Taken Notes on all the recommendations/observations contained in the Report on 02.02.2020.

3. The Committee (2019-20) considered and adopted the Draft Action Taken Report at their sitting held on 13.08.2020. Since the Report could not be presented to the Lok Sabha and laid in Rajya Sabha during the term of the Committee i.e., till 31.08.2020, it was again adopted by the Standing Committee on Railways (2020-21) after its constitution. Accordingly, the Report was then adopted by the Committee at their sitting held on 25.11.2020. The minutes of the sittings are given in Appendix-I and Appendix-II.

4. For facility of reference and convenience, the observations 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 Second Report of the Standing Committee on Railways (Seventeenth Lok Sabha) is given in Appendix-III.

NEW DELHI:
02 February, 2021
13 Magha, 1942 (Saka)

RADHA MOHAN SINGH
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 Second Report (17th Lok Sabha) on "Demands for Grants (2019-20) of the Ministry of Railways".

2. The Second Report was presented to the Lok Sabha and laid in Rajya Sabha on 12.12.2019. It contained 18 Observations/ Recommendations. Replies of the Government in respect of all these Observations/Recommendations have been received and are categorized as under:-

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

Para Nos. 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17 and 18

Total : 18
Chapter II

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

NIL

Total :00
Chapter III

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

NIL

Total : 00
Chapter IV

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

NIL

Total : 00
Chapter V

3. 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.

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

A. NATIONAL RAIL PLAN

(Recommendation No. 2)

5. The Committee had expressed their concern over delay in formulation of the 'National Rail Plan'. They had desired that all the formalities and preliminary work be completed expeditiously, so that the 'National Rail Plan' which aims at capacity augmentation of Railway infrastructure is put in the place at the earliest.

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

"The observations of the Committee are noted please. The Ministry is in process of preparation of the National Rail Plan and the draft report is expected to be completed in the current financial year."

7. The Committee are happy to note that the draft report on 'National Rail Plan' is expected to be completed in the current financial year. They desire to be informed about the details of the Plan as soon as it is finalized and recommend that Government may examine and initiate action on the same in a time bound manner.

B. ANNUAL PLAN 2019-20

Recommendation (Para No.3)

8. The Committee had noted that the Budget Estimate in respect of Budgetary Support had invariably been revised downward at the Revised Estimate stage during 2017-18 and 2018-19. While taking into account that there had been under-spending in many Heads, the Committee had exhorted the Ministry to intensify their efforts towards timely completion of projects so as to ensure better utilization of earmarked funds and depiction of a realistic budgetary exercise.

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

“The observations of the committee are noted please. However, it may be mentioned that the completion of any Railway project depends on various factors like quick land acquisition by State Government, forest clearance by officials of forest department, shifting of infringing utilities (both underground and over ground), statutory clearances from various authorities, geological and topographical conditions of area, law and order situation in the area of project site, number of working months in a year for particular project site due to climatic conditions, encountering unforeseen conditions like earthquake, flooding, excessive rains, strikes of labour, orders of Hon’ble Courts, situation and conditions of working agencies/contractors etc. All these factors vary from project to project and site to site and affect the completion time and cost of the project, which is finally worked out at the completion stage.

In 2019, a thorough review of throughput enhancement projects has been carried out and with focussed approach, the projects have been prioritized into Super Critical (58 Nos), Critical (68 Nos) and other throughput enhancement projects. All out sincere and focussed efforts are being made by Railway for quick execution of these projects so as to get early returns to Railway.

In the overall interest of the nation and to ensure that projects are completed in time without cost overrun, lot of monitoring is done in Railways at various levels (field level, divisional level, zonal level and Board level) and regular meetings are held with the officials of State Government and concerned authorities to resolve the pending issues that are obstructing the progress of projects.

To ensure that projects are completed even before time, Railway has adopted the concept of incentives to the contractor in the form of bonus clause in contracts which will further enhance the pace of execution of projects.

For capacity enhancement projects, institutional financing has been arranged, which has increased Railways’ capacity for committed fund provision for capacity enhancement projects.”

10. The Committee are in agreement with the Ministry of Railways that the Railway Projects are dependent upon various factors like quick land acquisition by State Government, forest clearance, shifting of infringing utilities, statutory clearances from various authorities, geological and topographical conditions of the area, law and order situation in the area of project site, etc besides climatic conditions, conditions like earthquake, flooding, excessive rains, strikes of labour, orders of Hon’ble Courts etc. The Committee note that Railways have adopted the concept of incentives to the contractor in the form of bonus clause in contracts which will further enhance the pace of execution of project. While appreciating this initiative, the Committee are of the considered view that to

arrest the cost escalation and time overrun, there is need to take more concrete measures for better utilization of funds and also to accelerate the pace of expansion of Railways. They, therefore, desire the Railways to have concrete and holistic measures required to utilize the available funds.

C. DEVELOPMENT OF RAIL NETWORK

Recommendation (Para No. 4)

11. The Committee had noted that Railways are in expansion mode of their existing network with an investment of Rs. 50 Lakh Cr. between 2018 and 2030. To execute the projects, they had planned to use PPP Model to facilitate faster development and completion of Projects. While appreciating the step taken by the Railways, the Committee had desired that a robust planning mechanism must be put in place, so that the project expansion and faster development of rail network could be achieved.

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

“Ministry of Railways is committed to expand not only the network, but augmentation of both fixed and moveable infrastructure as well as enabling improved level of services to the rail users i.e. both passenger and freight customers. MoR is in readiness to garner the investment especially private investment, to the tune of Rs.50 lakh Crore between 2018-2030. It is understood that facilitating investment to this level would require strengthening system of PPP mode in Railways. The initiatives already taken involving private investment indicates the existence of robust mechanism for project identification, planning and execution of projects.

2. The initiatives have been taken in different area viz. network expansion, setting up of locomotive factories, induction of railway wagons through private participation, station development etc. MoR has also planned to permit private participation in operation of passenger trains on identified routes.

2.1 The details of these activities undertaken are as under:-

(i) Ministry of Railways has formulated a Participative Policy, 2012 to encourage the investment in developing rail connectivity by associating strategic partners and other investors. The policy defines five Public Private Partnership models viz. Non-Government Railway (NGR), Joint Venture (JV), Customer funded model, BOT and BOT-Annuity models. State Governments/ Local bodies/PSUs may also participate as stakeholder for the development of new lines/gauge conversion project under the participative policy of MoR. The role of State Government is to facilitate early land acquisition and making available their share of funds as per the agreed terms and conditions of model. In case of JV model, State Government/PSUs will have

representation on the management of SPVs corresponding to its equity contribution. In all such PPP projects, train operation continues to remain with Railway. The PPP mode has been found to be quite successful in Railways, especially in providing last mile rail connectivity to many ports and industrial clusters.

Till now, 12 projects of Rs.5700 crores have already been completed through PPP model. 13 projects of Rs.23,000 Cr are under implementation. In addition, 07 more projects of Rs.13,400 Cr have already been given in-principle approval.

An exercise has also been initiated to review and revise the extant PPP policy and models in order to make it more investment friendly, so as to garner substantial investment for infrastructure creation in future.

MoR has also formulated the document for Engineering Procurement & Construction (EPC) mode of execution of projects for network expansion.

(ii) Locomotive Factories:

MoR associated in the Joint Venture to set up an electric locomotive factory at Madhepura and a diesel locomotive factory at Marhowra in Bihar.

The electric locomotive factory with Rs.1300 Cr project cost set up at Madhepura in Bihar has to manufacture high power 12000 HP electric locomotive associating M/s Alstom Manufacturing Limited. The locomotive turned out from factory is under trial targetted to be inducted into service by February, 2020.

Similarly, MoR also associated in the Joint Venture with GE Diesel Locomotive Private Limited to set up the diesel locomotive factory at Marhowra in Bihar with Rs.1300 Cr project cost. The factory has already supplied 172 locomotives of 4500 HP and the locomotive of 6000 HP is undergoing trial.

(iii) Wagon Induction through Incentive Scheme:

Innovative schemes have been involved by MoR where freight users have been associated in the task of wagon induction. Four such schemes are in vogue viz. Liberalised Wagon Investment Scheme (LWIS), Special Freight Train Operator (SFTO) Scheme, Automobile Freight Train Operator (AFTO), General Purpose Wagon Investment Scheme (GPWIS) through which total 150 rakes have been inducted.

(iv) Private Freight Terminals:

To facilitate development of network of freight terminals with private investment to provide efficient and cost effective logistics service and warehousing solution, private freight terminal (PFT) scheme was launched. The revised policy exists since 2015. Presently 63 PFTs have been commissioned and functional in various zones.

(v) Station Redevelopment:

MoR has taken up the task of station redevelopment through different agencies viz. RLDA, IRSDC etc. Two stations viz. Habibgunj at Bhopal and Gomatinagar at Lucknow (U.P.) are at advanced stage of construction.

In order to strengthen the mechanism for execution of station redevelopment projects, a Group of Secretaries was constituted for formulating bidding process and bid documents. Model Bid documents are under finalisation.

(vi) Private Train: Operation:

Ministry of Railways has planned to permit private participation in operation of passenger train services over 100 routes by introducing around 150 modern rakes.

The objective of this initiative is to introduce modern technology rolling stock with reduced maintenance, reduced transit time, provide world class travel experience to passengers, and also reduce demand supply deficit in the passenger transportation sector. The private entity shall be responsible for financing, procuring, operation and maintenance of the trains. The total indicative cost of procurement of 1500 rakes is around Rs.22,500 cr.

The proposal has received in-principle approval of PPPAC on January 09, 2020. A stakeholder conference was also organised on 31.12.2019 in NITI Aayog to understand the issues and concerns of various stakeholders with regard to this initiative. Further, another stakeholder conference with train operators has also been planned.”

13. The Committee while appreciating the efforts made by the Railways to garner substantial investment for infrastructure creation, note that the MoR has associated in the JV with GE Diesel Locomotive Private Limited to set up the diesel locomotive factory at Marhowra in Bihar with Rs.1300 Cr project cost. The Factory has already supplied 172 Locomotives of 4500 HP and the Locomotive of 6000 HP is undergoing trial. The Committee desire that since the Railways are heading towards 100% electrification by 2023, the need for diesel locomotives may be prudently assessed and Railways move in this direction as per the actual requirements only.

GROSS TRAFFIC RECEIPTS

Recommendation (Para No. 8)

14. While noting that for the past four years consecutively, the reasons offered by the Railways for downward revision of Gross Traffic Receipts (GTR) are the same, the Committee had desired that a thorough and comprehensive review of the passenger tariff system including Railway's Social Service obligations be undertaken so as to put in place more prudent and robust measures to arrest the consistent decline in Gross Traffic Receipts.

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

“Indian Railways is committed to offer affordable transportation solution to the poorest section of the society and therefore, the passenger fares have traditionally been kept at low level particularly for second class ordinary and suburban passengers. Indian Railways carries out certain transport activities which are uneconomic in nature and are carried out in

the larger interest of the country. The tariff policy on Indian Railways has traditionally been one of restraint with regard to increase in passenger fare.

The last fare revision was carried out in 2014-15.

Recently Indian Railway has revised the basic passenger fare with following features:-

- 01 paisa per kilometer increased in ordinary non-AC classes in Non-suburban
- 02 paisa per kilometer increased in Mail/Express Non-AC classes in Non-Suburban
- 04 paisa per kilometer increased in AC classes in Non-suburban
- No increase in passenger fare of Suburban
- No increase in season tickets (both suburban & Non-Suburban)

Indian Railways in the larger social and national interest, undertakes certain uneconomic operations in transportation to provide affordable transport facilities to poorer sections of society and to facilitate the movement of essential commodities meant for mass consumption. Losses incurred on this account fall under Social Service Obligation of IR.

The main elements of Social Service Obligation in IR are losses relating to:

- Essential Commodities carried below cost;
- Concession in passenger fares;
- Losses on EMU Suburban Services;
- Operation of Uneconomic Branch & New Lines opened for Traffic during the last 15 years;
- Operation of Strategic Lines;
- Pricing of passenger fares below cost.

As part of the Railway's Social Service Obligation, certain essential commodities of mass consumption like fruits and vegetables, salt, charcoal, bamboos etc. are carried below cost of operation in order to contain their market prices. As a welfare measure, Indian Railways extend concessions in passenger fares to more than 50 categories. Concessions are also extended to (i) Military traffic (ii) Postal traffic (iii) Transportation of registered newspapers & magazines etc. and (iv) Traffic to the North East. IR also steps in to provide emergency relief by transporting materials like food, water, fodder etc. to areas affected by natural disasters like drought, cyclone, earthquake etc. Lag in the rise of passenger fares with respect to inflationary pressures prevalent in the economy has contributed to EMU Suburban losses.

Despite concerted efforts to enhance earnings on branch lines, most of such lines remain commercially unviable. The Railway Reforms Committee recommended closure of 40 such lines but due to stiff public resistance and opposition of State Governments towards withdrawal of such services, only 15 lines have been closed permanently by the Railways.

The losses accruing to IR on account of operation of Strategic lines, serve the strategic needs of Defence and Paramilitary forces. Some of the projects have been taken up as National Projects from strategic point of view in the North East region. Indian Railways is maintaining these services essentially for strategic reasons despite steep operating losses.

IR being the major transport carrier of the country bears a Social Service Obligation. Owing to the nature of the services it is committed to offer affordable transportation solution to the poorest section of the society. This essential feature of IR contributes not only to promoting economic and industrial growth but also in providing certain services below their cost of

operation in the interest of common men. Railways therefore have to fine tune between the need to maintain its financial viability and its commitments to society at large. This places certain curbs on the commercial freedom of IR in the matter of pricing and elimination of uneconomic operation and services. The resultant losses accrue to IR on account of fares below cost of operation.

As regarding Land monetization, Zonal Railways and Rail Land Development Authority (RLDA) have been directed for taking necessary action on the Committee's recommendations vide this Ministry's letter No. 2018/LML-II/6/3 dated 20.12.2019 (**enclosed as ANNEXURE-I (Page No. 34-36)**)”

16. The Committee note that the Railways are committed to provide affordable transportation solution as well as certain transport activities which are uneconomical. As a part of the Social Service Obligation, Railways are incurring losses which are badly affecting its gross traffic receipts/internal resource generation. It, therefore, becomes imperative on the part of the Railways to explore and augment various options for revenue generation. They also desire the Railways to prudently assess their social commitments and quantify their losses on account of Social Service Obligation so that the matter could be justifiably raised with the Ministry of Finance for appropriate redressal/corrective action, as deemed fit.

CHAPTER-II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1)

Prior to 2017-18, the Railway Budget was being presented separately every year preceding the Union budget. After the merger of Railway Budget with the Union Budget in the financial year 2017-18, the Railways have got exemption from payment of dividend to general revenues and its capital-at-charge stands wiped off and they continue to function as a departmentally run commercial undertaking. The merger was aimed to facilitate Multi-modal transport planning among Highways, Railways and Inland Waterways apart from allowing the Ministry of Finance greater elbow-room at the time of mid-year review for better allocation of resources etc. In other words, consequent upon unification of these two budgets, there is no dividend liability on the part of Railways from 2017-18, which saves Railways from payment of approximately Rs. 10,000/- crore as annual dividend to the Government exchequer which after adjusting the subsidy in payment of dividend has given a net benefit of about Rs. 5,000/- crore to Railways. At the same time, the Ministry of Railways continue to get Gross Budgetary Support for capital expenditure. The merger has also reduced the procedural requirements involved in presenting a separate Budget. The Committee appreciate that the Railways have got 15% increase in the Capital Outlay in 2019-20 over the RE of previous year and 25% increase in 'Gross Budgetary Support', thus providing adequate funds for execution of the projects which have been suffering/lagging on account of financial constraints. While taking note of the positive developments subsequent to the merger of Railway Budget with the Union Budget, the Committee impress upon the Indian Railways to make concerted efforts towards large scale upgradation and modernization as well as completion of important/strategic projects so as to ensure expansion of Railway network and enhancement.

Reply of the Government

The following infrastructural projects have been targeted to be completed within the next five years:

1. 100% electrification of 64,298 route Km from present 58% (37,500 Km) by December 2023, along with electrification of all new lines.
2. About 2,200 Km Gauge Conversion has been targeted by 2023 to remove bottlenecks.
3. 14,000 Km of multi tracking is to be completed over High Density Network (HDN) and Highly Utilised Network (HUN).

4. Completion of 19 ongoing projects has been targeted for Port and Coal connectivity through customer funding and JV/SPVs.
5. Commissioning of Eastern & Western DFCs by December 2021.
6. Average speed of freight trains to be increased to 40 Kmph by commissioning of Eastern and Western DFCs.
7. Extra long freight trains to be increased from current 40 to 100 per day with the completion of DFCs.
8. To Develop 250 freight terminals as inter-modal hubs on PPP/SPV mode.
9. To replace ICF coaches with LHB coaches. Population of LHB coaches to be increased from 20% to 50% of total coach holding by 2024.
10. Replacement of generator cars with generation from locomotives leading to 150000 additional seats daily.
11. Average speed of Mail/Express train targeted to be raised to 80 Kmph.
12. Speed of Delhi-Mumbai and Delhi-Howrah routes to be increased to 160 Kmph to reduce the travelling time by 25%.
13. Speed on remaining legs of Golden Quadrilateral/Golden Diagonal to be raised from 100-110 kmph to 130 Kmph.
14. To introduce 150 Private Passenger Trains to provide world class services.
15. Modern Train Control System to be installed on Delhi-Howrah and Delhi-Mumbai routes.
16. Removal of 2568 manned Level Crossings on Golden Quadrilateral/Golden Diagonal routes by ROBs/RUBs.
17. Signal protection of all level crossing (>50000 track vehical units per day) by 2023.
18. Redevelopment of 50 Railway Stations through PPP mode.

Recommendation (Para No. 2)

The Committee are deeply concerned to note that the formulation of the 'National Rail Plan' which was announced in the Railway Budget for the year 2016-17, could commence only in December, 2018 after a delay of one and half years. Though the Ministry have exuded confidence to complete the work in 2019-20 itself, the Committee apprehend its fructification in the remaining time period of four months of the current financial year, more so when there is still a lot to be done in terms of appointment of Key and Support Personnel. However, taking note of the Ministry's assurance, the Committee desire that all the formalities and preliminary work be completed expeditiously so that the National Rail Plan which aims at capacity augmentation of Railway infrastructure is put in place at the earliest.

Reply of the Government

The observations of the committee are noted please. The Ministry is in process of preparation of the National Rail Plan and the draft report is expected to be completed in the current financial year.

Recommendation (Para No. 3)

The Committee note that the Budget Estimate in respect of Budgetary support has invariably been revised downward at the Revised Estimate stage during 2017-18 and 2018-19. To illustrate, the BE of Rs. 44,332 Cr. and Rs.40,880 Cr. in respect of Budgetary support during the year 2017-18 and 2018-19, the RE was reduced to Rs. 28,725 Cr. and Rs. 40,060 Cr. respectively and the corresponding actuals were only Rs. 32,043 Cr. and Rs.39,388 Cr. The Committee are of the considered opinion that the downward or upward revision of the budget allocation is primarily dependent upon the trend of fund utilization by the respective Ministry/Department concerned. In view of the fact that there has been under-spending in many Heads, the Committee exhort the Ministry to intensify their efforts towards timely completion of projects so as to ensure better utilization of earmarked funds and depiction of a realistic budgetary exercise.

Reply of the Government

The observations of the committee are noted please. However, it may be mentioned that the completion of any Railway project depends on various factors like quick land acquisition by State Government, forest clearance by officials of forest department, shifting of infringing utilities (both underground and over ground), statutory clearances from various authorities, geological and topographical conditions of area, law and order situation in the area of project site, number of working months in a year for particular project site due to climatic conditions, encountering unforeseen conditions like earthquake, flooding, excessive rains, strikes of labour, orders of Hon'ble Courts, situation and conditions of working agencies/contractors etc. All these factors vary from project to project and site to site and affect the completion time and cost of the project, which is finally worked out at the completion stage.

In 2019, a thorough review of throughput enhancement projects has been carried out and with focussed approach, the projects have been prioritized into Super Critical (58 Nos), Critical (68 Nos) and other throughput enhancement projects. All out sincere and focussed efforts are being made by Railway for quick execution of these projects so as to get early returns to Railway.

In the overall interest of the nation and to ensure that projects are completed in time without cost overrun, lot of monitoring is done in Railways at various levels (field level, divisional level, zonal level and Board level) and regular meetings are held with the officials of State Government and concerned authorities to resolve the pending issues that are obstructing the progress of projects.

To ensure that projects are completed even before time, Railway has adopted the concept of incentives to the contractor in the form of bonus clause in contracts which will further enhance the pace of execution of projects.

For capacity enhancement projects, institutional financing has been arranged, which has increased Railways' capacity for committed fund provision for capacity enhancement projects.

Comments of the Committee

(Please see recommendation para No. 7 of Chapter-I)

Recommendation (Para No. 4)

The Committee note that Railways are planning to expand the existing network for which an investment of Rs. 50 Lakh Cr. would be required between 2018 and 2030. To execute the projects, they are planning to use PPP Model to facilitate faster development and completion of Projects, as the annual outlays of Railways are just around Rs. 1.50 Lakh Cr. to 1.60 Lakh Cr. The Committee feel that this is a step in the right direction to mop up adequate and requisite revenue and the Railways should, therefore, put in place a robust planning mechanism so that the project expansion and faster development of rail network is achieved.

Reply of the Government

Ministry of Railways is committed to expand not only the network, but augmentation of both fixed and moveable infrastructure as well as enabling improved level of services to the rail users i.e. both passenger and freight customers. MoR is in readiness to garner the investment especially private investment, to the tune of Rs.50 lakh Crore between 2018-2030. It is understood that facilitating investment to this level would require strengthening system of PPP mode in Railways. The initiatives already taken involving private investment indicates the existence of robust mechanism for project identification, planning and execution of projects.

2. The initiatives have been taken in the different area viz. network expansion, setting up of locomotive factories, induction of railway wagons through private participation, station development

etc. MoR has also planned to permit private participation in operation of passenger trains on identified routes.

2.1 The details of these activities undertaken are as under:-

- (i) Ministry of Railways has formulated a Participative Policy, 2012 to encourage the investment in developing rail connectivity by associating strategic partners and other investors. The policy defines five Public Private Partnership models viz. Non-Government Railway (NGR) Joint Venture (JV), Customer funded model, BOT and BOT-Annuity models. State Governments/ Local bodies/PSUs may also participate as stakeholder for the development of new lines/gauge conversion project under the participative policy of MoR. The role of State Government is to facilitate early land acquisition and making available their share of funds as per the agreed terms and conditions of model. In case of JV model, State Government/PSUs will have representation on the management of SPVs corresponding to its equity contribution. In all such PPP projects, train operation continues to remain with Railway. The PPP mode has been found to be quite successful in Railways, especially in providing last mile rail connectivity to many ports and industrial clusters.

Till now, 12 projects of Rs.5700 crores have already been completed through PPP model. 13 projects of Rs.23,000 Cr are under implementation. In addition, 07 more projects of Rs.13,400 Cr have already been given in-principle approval.

An exercise has also been initiated to review and revise the extant PPP policy and models in order to make it more investment friendly, so as to garner substantial investment for infrastructure creation in future.

MoR has also formulated the document for Engineering Procurement & Construction (EPC) mode of execution of projects for network expansion.

- (ii) Locomotive Factories:

MoR associated in the Joint Venture to set up a electric locomotive factory at Madhepura and a diesel locomotive factory at Marhowra in Bihar.

The electric locomotive factory with Rs.1300 Cr project cost set up at Madhepura in Bihar has to manufacture high power 12000 HP electric locomotive associating M/s Alstom Manufacturing

Limited. The locomotive turned out from factory is under trial targetted to be inducted into service by February, 2020.

Similarly, MoR also associated in the Joint Venture with GE Diesel Locomotive Private Limited to set up the diesel locomotive factory at Marhowra in Bihar with Rs.1300 Cr project cost. The factory has already supplied 172 locomotives of 4500 HP and the locomotive of 6000 HP is undergoing trial.

(iii) Wagon Induction through Incentive Scheme:

Innovative schemes have been involved by MoR where freight users have been associated in the task of wagon induction. Four such schemes are in vogue viz. Liberalised Wagon Investment Scheme (LWIS), Special Freight Train Operator (SFTO) Scheme, Automobile Freight Train Operator (AFTO), General Purpose Wagon Investment Scheme (GPWIS) through which total 150 rakes have been inducted.

(iv) Private Freight Terminals:

To facilitate development of network of freight terminals with private investment to provide efficient and cost effective logistics service and warehousing solution, private freight terminal (PFT) scheme was launched. The revised policy exists since 2015. Presently 63 PFTs have been commissioned and functional in various zones.

(v) Station Redevelopment:

MoR has taken up the task of station redevelopment through different agencies viz. RLDA, IRSDC etc. Two stations viz. Habibgunj at Bhopal and Gomatinagar at Lucknow (U.P.) are at advanced stage of construction.

In order to strengthen the mechanism for execution of station redevelopment projects, a Group of Secretaries was constituted for formulating bidding process and bid documents. Model Bid documents are under finalisation.

(vi) Private Train: Operation:

Ministry of Railways has planned to permit private participation in operation of passenger train services over 100 routes by introducing around 150 modern rakes. The objective of this initiative is to introduce modern technology rolling stock with reduced maintenance, reduced transit time, provide world class travel experience to passengers, and also reduce

demand supply deficit in the passenger transportation sector. The private entity shall be responsible for financing, procuring, operation and maintenance of the trains. The total indicative cost of procurement of 1500 rakes is around Rs.22,500 cr.

The proposal has received in-principle approval of PPPAC on January 09, 2020. A stakeholder conference was also organised on 31.12.2019 in NITI Aayog to understand the issues and concerns of various stakeholders with regard to this initiative. Further, another stakeholder conference with train operators has also been planned.

Comments of the Committee

(Please see recommendation para No. 10 of Chapter-I)

Recommendation (Para No. 5)

The Committee note that the Internal Resources is declining in terms of passenger, freight and other loading earnings besides non materialization of revenue from land monetization consecutively over the past few years. The reasons attributed by the Ministry for shortfall in internal revenue generation inter alia include drop in originating passengers in non-suburban sector, trend of lesser average freight lead, low growth in other coaching earnings and non- materialization of revenue targets etc. In view of the fact that there is no dearth of passenger traffic since the Railways have always remained the preferred mode of transport as is evident from ever growing passenger traffic and endless waiting list in all classes on almost all the long distance trains, the Committee impress upon the Railway to continue to find ways and means to leverage earnings from passenger traffic. Similarly, concerted efforts ought to be made to make freight loading in Railways more competitive and attractive so as to ensure projected revenue generation from freight traffic. The Committee also recommend that the Railways should iron out the bottlenecks that have resulted in non-materialization of land monetization so that internal revenue generation is enhanced.

Reply of the Government

Passenger fares across Indian Railways are highly subsidized and on an average only 57% of the cost of travel is recovered. The passenger fares have been consciously kept on lower side for making travel affordable for the common man. Additionally, Indian Railways fulfils its Social Service obligations by granting concessions in passenger fares, operating EMU suburban services, operating trains on uneconomic branch lines etc. In view of these factors, fares were kept unchanged since 2014-15. However, there has been a steady up-gradation and expansion of

amenities, both off-board and on-board through modernization of coaches and provision of improved facilities over stations despite low fares. It is only recently that Railways marginally increased the fare over the non-suburban sections w.e.f. 1st January, 2020. Even then 66% of passengers have been kept outside the fare increase. In spite of these constraints, Indian Railways has continuously endeavoured to improve passenger as well as freight traffic and earnings over its network. Some of the recent initiatives taken in this regard are as under:-

1. Passenger Business

i. Introduction of new passenger services with improved features and amenities with appropriate fare structures like Vande Bharat Express, Tejas Express, Air-conditioned Electrical Multiple Unit (EMU) services.

ii. Rationalisation of Flexi fare scheme through reduction of maximum cap in all flexi fare applicable classes, offering graded discounts in all flexi-fare trains and discontinuation of flexi fare in certain trains.

iii. Offering 10% discount in basic fare on vacant berths/seats booked after preparation of first reservation charts

iv. Delegation of powers to Zonal Railways to declare sleeper class coaches running underutilized over particular section as second class unreserved on second class fare

v. Delegation of powers to Zonal Railways to declare AC-III tier coaches running vacant during day time over a particular section as AC chair car on AC chair car fare.

vi. Review of reservation quota is carried out on periodical basis and necessary adjustments made to ensure optimum utilisation of available accommodation and enhance earnings.

vii. Streamlining of Computerised Passenger Reservation System to facilitate timely preparation of reservation charts and transfer of vacant berths to next remote location enabling optimum utilization of available accommodation

viii. Extension of Alternate Train Accommodation Scheme VIKALP scheme on all trains to provide confirmed accommodation to waitlisted passengers

ix. Increase in number of RAC berths to provide additional accommodation to the passengers

x. Diversification of ticket booking modes through proliferation of Automatic Ticket Vending Machines (ATVM), ticketing through mobile phone etc.

xi. Augmentation of on-board capacity by attachment of additional coaches, increasing frequency of existing trains and running of special trains during festivals and holidays.

2. Freight Business:

Indian Railway has deployed multi-pronged strategy to boost its revenue from freight; which include tariff rationalization and Tariff/freight incentive schemes which target to make rail a more competitive mode by attempting to bring down freight costs, enhancing ease of doing business which involves simplification of rules & processes and use of IT/digitisation to make rail business more customer-friendly and enhance transparency and diversification of freight basket in which IR has consciously adopted a strategy of gaining new traffic/commodities, in addition to transporting the conventional bulk commodities; for eg. Container traffic, automobile traffic etc.

The following initiatives has been taken to attract more traffic:-

i. The rationalization of freight applicable with effect from 01.11.2018 has following features:

a. Increase in freight rate of Coal , RMSP (Raw material for steel plants) , Iron & Steel , Iron ore , Other goods @ 8.75%

b. Increase in haulage charge of Container trains @ 5 % w.e.f 01.12.2018

c. No increase in freight of Foodgrain, Fertilizers, POL, Sugar, Salt, Edible oils and Cement, as there are essential commodities or already at high rate.

ii. Withdrawal of 15% Busy Season Charge on all commodities (except POL and Iron ore). Coal & Coke and container traffic is already exempted.

iii. Withdrawal of 5% supplementary charge from Mini Rake and Two Point Rake combination to make the rail rates competitive.

iv. A discount of 25% on movement of empty containers and empty flat wagons has been given, to encourage loaded container movement from ports to hinterland

v. Distance for Mini Rake operation has been relaxed upto 1000 km for Intra Zonal traffic. Mini rakes are also booked under lower train load rates.

- vi. Round-trip haulage charge for container traffic (for 0-50 km) minimum distance slab has been notified which is around 35% cheaper per TEU/round trip
- vii. GST exemption has been permitted for certain commodities which are being transported by container
- viii. The benefit of night incentive at par with goods traffic has been extended to container traffic handled at Container Rail Terminal
- ix. Liberalization (reduction) of Terminal Access Charges (TAC) for double (loading & unloading) operations; i.e. instead of 1.5 times the applicable rate, single time charge is now applicable.
- x. Freight rate for movement of Automobile traffic when moved in NMG, BCCNR & BCACM wagons has been retained further for the period of another year i.e. from 01.12.2019 to 30.11.2020.
- xi. To facilitate the ease of doing business Railway has initiated electronic registration of demand, electronic transmission of Railway Receipts, etc.

Various schemes have been launched such as Private Freight Terminal (PFT), General Purpose Wagon Investment Scheme (GPWIS), Liberalized Wagon Investment Scheme (LWIS), Special Freight Train Operator (SFTO) and Automobiles Freight Train Operator Scheme (AFTO) to make freight loading in Railways more competitive and attractive.

As regarding Land monetization, Zonal Railways and Rail Land Development Authority (RLDA) have been directed for taking necessary action on the Committee vide this Ministry's letter No. 2018/LML-II/6/3 dated 20.12.2019 (**enclosed as ANNEXURE-I (Page No. 34-36)**).

Recommendation (Para No. 6)

The Committee note that RRSK was created in 2017-18 to finance critical safety related works of renewal, replacement and augmentation of assets with a corpus of Rupees One lakh crore over a period of five years. The Committee further note that the funding to RRSK from the Internal Resources during the years 2017-18 and 2018-19 has been made to the tune of Rs.1090.75 Cr. and Rs.3015.33 Cr. respectively, which is correspondingly short by 88.18% and 39.69 % vis-à-vis the projected funding of Rs. 5000 Cr each year. The Ministry have reasoned that adverse resource position during the previous years did not permit desired level of funds being transferred to RRSK from internal resources. As a corrective measure, the Zonal Railways have

been asked to prioritize their works and incur expenditure as per priority and availability of resources so that sufficient funds to important safety works are ensured. In view of the fact that a target of Rs. One lakh crore has set with contributions from GBS and Internal Resources by 2022-23, it becomes imperative on the part of Railways to generate internal revenue to an appreciable extent so that important and critical safety related works under RRSK are carried out as per projections.

Reply of the Government

Measures towards generation of more internal resources:

Maximization of internal resource generation is attempted by containing the revenue expenditure to the barest minimum and optimizing Railways' revenue receipts. Railways' efforts towards this are however hamstrung by inflexibility of a major part of revenue expenditure, periodic slowing down of the core sector of the economy, stiff competition from other competitive modes like road and airlines and implementation of periodic pay commissions. About 92% of Railways' total receipts come from Passenger and Goods earnings. As such, these two segments have all along been the focus area for revenue mobilization. Further, in the larger social and national interest, Railways undertake certain uneconomic operations to provide affordable transport facilities and to facilitate the movement of essential commodities meant for mass consumption. Losses incurred on this account amounting over Rs. 30,000 crore impinge upon the viability of Indian Railway system and its capacity to generate adequate internal resources. Notwithstanding the above, various steps taken/being taken for maximizing internal resource generation are:

- Targeting progressively higher volume of passenger and freight traffic,
- Periodic rationalization of both freight and passenger tariffs and fares,
- Periodic adjustments of various charges incidental to passenger and freight,
- Exploration of non-fare revenue from commercial exploitation of surplus Railway land, land monetization, advertisement on Railway premises/assets etc,
- Constant endeavour by Railways to effect economy in expenditure,
- Rigorous monitoring of expenditure with reference to the monthly budget proportions,
- Priority allotment of funds to last mile projects for early completion so that benefits of past investment could be reaped,
- Focused investment for capacity enhancement/removal of bottlenecks in works like New Lines, Gauge Conversion, Doubling Electrification and MTP,
- Construction of dedicated freight corridors for enhanced freight carrying capacity for releasing line capacity for enhancement passenger traffic etc.

Recommendation (Para No. 7)

The Committee note that an appropriation of Rs.6990 Cr. was estimated at the 2018-19 BE level to Capital Fund which was later reduced at the RE stage to just Rs. 14 Cr. and finally no appropriation to Capital Fund could be made. During 2017-18 also, no fund could be spared for Capital Fund due to decline in Net Revenue. The Committee thus, observe that for the last two consecutive years, the entire lease charges are being paid from the Budgetary Support. The Committee therefore, recommend that the railways should strive hard to augment the resource generation for ensuring sizeable net revenue so that the appropriation to Capital Fund is resumed from 2019-20 onwards.

Reply of the Government

Impact of implementation of 7th Central Pay Commission recommendations on working expenses continued during 2017-18 and 2018-19 while the earnings had a modest/normal growth. The adverse impact of all these on internal resource position led to payment of the entire principal component of lease charges from Budgetary Support. It may be appreciated that being mandatory in nature, the payment of lease charges has to be made from Budgetary Support till the internal resource position improves.

Anticipating improvement in internal resource position in 2019-20, provision for part payment of principal component of lease charges amounting to Rs. 3,000 cr from Capital Fund has been made in BE. However, given the low growth in traffic earnings in the current year so far, especially in the freight segment, the position would be reviewed at the RE stage.

Railways have been continuously taking measures to contain revenue expenditure to the barest minimum level and increase the pace of traffic earnings. While trying to increase the traffic volume and earnings, Railways have been confronting stiff competition from other competitive modes of transport like road and low cost airlines. The current slowdown in the core sector of the economy has also aggravated the traffic performance of Railways. Railways have however regularly been reviewing the trends and taking various short-term/ long-term measures in relevant areas for maximization of revenue so that adequate surplus could be generated for supplementing capital expenditure.

Recommendation (Para No. 8)

The Committee note that from the year 2015-16 to 2018-19 i.e. consecutively for four years, the reasons for downward revision of Gross Traffic Receipts (GTR) are the same viz. (i) Drop in

originating passengers – in non-suburban segment in RE vis-à-vis BE and drop in average passenger lead in actuals vis-à-vis RE (ii) Trend of lesser average freight lead in RE vis-à-vis BE and less loading in Actuals vis-à-vis RE (iii) Low growth in other coaching earnings (iv) Non-materialisation of revenue target from land monetization. It implies that the corrective measures taken by the Railways have not had the desired impact. It is a matter of concern that on the one hand Railways are facing stiff competition from the low cost airlines and road transport and on the other hand, they resort to ill-conceived ideas like flexi fare scheme. However, with the discontinuation of the flexi fare scheme w.e.f. 15.03.2019, the Committee trust that much damage control has been done. The Committee desire that a thorough and comprehensive review of the passenger tariff system including Railway's Social Service obligations be undertaken so as to put in place more prudent and robust measures to arrest the consistent decline in Gross Traffic Receipts.

Reply of the Government

Indian Railways is committed to offer affordable transportation solution to the poorest section of the society and therefore, the passenger fares have traditionally been kept at low level particularly for second class ordinary and suburban passengers. Indian Railways carries out certain transport activities which are uneconomic in nature and are carried out in the larger interest of the country. The tariff policy on Indian Railways has traditionally been one of restraint with regard to increase in passenger fare.

The last fare revision was carried out in 2014-15.

Recently Indian Railway has revised the basic passenger fare with following features:-

- 01 paisa per kilometer increased in ordinary non-AC classes in Non-suburban
- 02 paisa per kilometer increased in Mail/Express Non-AC classes in Non- Suburban
- 04 paisa per kilometer increased in AC classes in Non-suburban
- No increase in passenger fare of Suburban
- No increase in season tickets (both suburban & Non-Suburban)

Indian Railways in the larger social and national interest, undertakes certain uneconomic operations in transportation to provide affordable transport facilities to poorer sections of society and to facilitate the movement of essential commodities meant for mass consumption. Losses incurred on this account fall under Social Service Obligation of IR. The main elements of Social Service Obligation in IR are losses relating to:

- Essential Commodities carried below cost;
- Concession in passenger fares;

- Losses on EMU Suburban Services;
- Operation of Uneconomic Branch & New Lines opened for Traffic during the last 15 years;
- Operation of Strategic Lines;
- Pricing of passenger fares below cost.

As part of the Railway's Social Service Obligation, certain essential commodities of mass consumption like fruits and vegetables, salt, charcoal, bamboos etc. are carried below cost of operation in order to contain their market prices. As a welfare measure, Indian Railway extend concessions in passenger fares to more than 50 categories. Concessions are also extended to (i) Military traffic (ii) Postal traffic (iii) Transportation of registered newspapers & magazines etc. and (iv) Traffic to the North East. IR also steps in to provide emergency relief by transporting materials like food, water, fodder etc. to areas affected by natural disasters like drought, cyclone, earthquake etc. Lag in the rise of passenger fares with respect to inflationary pressures prevalent in the economy has contributed to EMU Suburban losses.

Despite concerted efforts to enhance earnings on branch lines, most of such lines remain commercially unviable. The Railway Reforms Committee recommended closure of 40 such lines but due to stiff public resistance and opposition of State Governments towards withdrawal of such services, only 15 lines have been closed permanently by the Railways.

The losses accruing to IR on account of operation of Strategic lines, serve the strategic needs of Defence and Paramilitary forces. Some of the projects have been taken up as National Projects from strategic point of view in the North East region. Indian Railways is maintaining these services essentially for strategic reasons despite steep operating losses.

IR being the major transport carrier of the country bears a Social Service Obligation owing to the nature of the services it is committed to offer affordable transportation solution to the poorest section of the society. This essential feature of IR contributes not only to promoting economic and industrial growth but also in providing certain services below their cost of operation in the interest of common men. Railways therefore have to fine tune between the need to maintain its financial viability and its commitments to society at large. This places certain curbs on the commercial freedom of IR in the matter of pricing and elimination of uneconomic operation and services. The resultant losses accruing to IR on account of fares below cost of operation.

As regarding Land monetization, Zonal Railways and Rail Land Development Authority (RLDA) have been directed for taking necessary action on the Committee vide this Ministry's letter No. 2018/LML-II/6/3 dated 20.12.2019 (**enclosed as ANNEXURE-I (Page No. 34-36)**)

Comments of the Committee

(Please see recommendation para No. 11 of Chapter-I)

Recommendation (Para No. 9)

The Committee note that the net revenue of Railway declined below 50% during 2016-17 and 2018-19 reportedly due to less earning and residual effects of 7th Pay Commission. The Committee are not convinced with the reasonings as during the years 2012-13, 2013-14 and 2015-16 when there was no after effects of Pay Commission, the net earnings were no better and were revised 20% to 30% downwards which also could not be achieved. The Committee, therefore, recommend that the procedure of estimation as well as the resource planning should be overhauled so that the targets set by the Railways could be achieved and the earnings are improved to cater to the requirements of Railways.

Reply of the Government

Net Revenue is the excess of railway receipts over expenditure. This increases or decreases at various budgetary stages during a year depending upon the volume of receipts and expenditure assessed in each stage.

Regarding procedure of estimations, it is stated that the BE target of working expenses and receipts are basically estimates which are assessed much before the commencement of the financial year. The traffic receipts are assessed taking into consideration the traffic plan as also other tariff and non-tariff measures undertaken / to be undertaken during the year and are usually kept at a reasonably challenging level so as to encourage the entire set up to achieve it by mobilizing itself. The working expenses on the other hand are assessed based on the anticipated price escalation and increase in activity. Further follow up action for achieving the target are also taken. As the year progresses, based on the trend and post budgetary developments, these estimates are reviewed much realistically and are increase or decreased. However, Hon'ble Committee's recommendation for more realistic budgetary estimation is noted for guidance.

As regards resource planning is concerned, Railways have constantly been taking cost cutting and revenue enhancing measures. Revenue enhancing measures, inter alia, include targeting progressively higher traffic throughput, effective marketing strategies to capture more and more traffic, creation of additional capacity and optimum utilization of the existing rail infrastructure, enhancement in productivity and efficiency, improvement of passenger interface, periodic rationalization of fare and freight rates and focus on increasing the share of non-fare revenue sources in Railways' earnings. Expenditure control measures include strict economy and austerity

measures, improved man-power planning, better asset utilization, inventory management and optimizing fuel consumption etc.

Recommendation (Para No. 10)

The Committee are deeply concerned to find that the operating ratio of Indian Railways reached an all time high of 98.4 in 2017-18, though it marginally came down to 97.29 in 2018-19. The operating ratio is estimated at 95 during 2019-20. Sharp rise in staff cost due to implementation of the 7th CPC coupled with drop in goods and passenger earning, increase in ongoing working expenses and pensions etc., have been added as the primary factors for increase in operating ratio. The Ministry themselves have admitted that the operating ratio in a year should be considered reasonable if it ensures adequate Net Revenue to cater to Railways' CAPEX needs from internal resources after meeting its revenue expenditure that is precisely why the Committee are emphasizing the absolute need for augmenting the internal resource generation by the Indian Railways. Needless to reiterate, the Ministry ought to make all out efforts to rationalize expenditure and constantly endeavour towards capacity improvement and upgradation which would result in substantial internal revenue generation, thus containing the Operating Ratio to a reasonable extent.

Reply of the Government

Railways have on a continuous basis taking measures to contain working expenses to the barest minimum and enhance earnings. Railways' efforts in this regard are however hamstrung by inflexibility of a major part of revenue expenditure, periodic slowing down of the core sector of the economy, stiff competition from other competitive modes like road and airlines and implementation of periodic pay commissions. However, in the medium and long run, with thrust on capacity improvement works like Dedicated Freight Corridor, doubling/quadrupling and electrification etc, it is expected that the traffic throughput would substantially grow. Further with gradual introduction of passenger and freight incentives, exploration of non-fare revenue sources, and rationalisation of expenditure, it is expected that traffic earnings vis-à-vis the total working expenses will get a boost which would help improve the operating ratio to a reasonable level.

Recommendation (Para No. 11)

The Committee appreciate that the average per day commissioning of new lines, gauge conversion and doubling projects have increased to 9.85 km in 2018-19 from 4.1 km during 2004. The Committee further note that achievement in commissioning of new lines has been 3035 km against the projected target of 1727 km during 2014 to 2019. The Committee take note of the

commendable work done by the Railways in the recent years and desire that the momentum may be maintained unabated so that similar appreciable performance is exhibited in the coming years too.

However, in some places, slow pace of commissioning of new Railway Lines have been attributed to delay in land acquisition and forest clearance, shifting of infringing utilities (both underground and over ground), statutory clearances from various authorities, encountering unforeseen conditions like earthquake, flooding, excessive rains, strikes of labour, court orders etc. As commissioning of new lines is vital to the expansion and modernization of Railway network, the Committee impress upon the Ministry to consistently take up the matters of timely land acquisition and forest clearance with the State Governments concerned so that there is seamless progress of commissioning of new lines.

Reply of the Government

Due importance is given by Indian Railways to all New Lines, Doubling & Gauge Conversion projects.

Since, New Line projects needs acquisition of new land (which is quite time consuming), hence takes time in completion. Also completion of such projects depends on various factors like quick land acquisition by State Government, forest clearance by officials of forest department, shifting of infringing utilities (both underground and over ground), statutory clearances from various authorities, geological and topographical conditions of area, law and order situation in the area of project site, number of working months in a year for particular project site due to climatic condition, encountering unforeseen conditions like earthquake, flooding, excessive rains, strikes of labour, orders of Hon'ble Courts, situation and conditions of working agencies/contractors etc. All these factors varies from project to project & site to site and affect the completion time and cost of the project.

In the overall interest of the nation and to ensure that projects are completed in time without cost overrun, lot of monitoring is done in Railways at various levels (field level, divisional level, zonal level and Board level) and regular meetings are held with the officials of State Government and concerned authorities to resolve the pending issues that are obstructing the progress of projects.

To ensure that projects are completed even before time, Railway has adopted the concept of incentives to the contractor in the form of bonus clause in contracts which will further enhance the pace of execution of projects.

In view of above, all out cooperation of all stakeholders is very very essential for successful and timely completion of such projects. Nevertheless, all out sincere efforts will continue to be made by Indian Railways.

Recommendation (Para No. 12)

The Committee note that though the achievement of Railways in procurement of Coaches and Locomotives is upto the mark, in the case of Wagons, there have been shortfalls in achieving the targets. The Committee learn that there is only one Railway owned PSU (M/s Braithwaite) through which only a part of the requirement of wagons is fulfilled whereas wagons are mostly procured from Private Wagon Builders through the process of open tender. The Committee are also aware that the wagon requirements and utilisation depend upon various factors like commodity flows, speed of freight train, available locomotives, maintenance requirement etc. Since the work of Dedicated Freight Corridor is in full swing and once it becomes operational, there would be high demand of wagons for carrying additional freight traffic, the Committee recommend that the overall requirement of wagons including for DFC be assessed prudently so as to take corrective measures in advance for requisite procurement of wagons and their optimal utilization.

Reply of the Government

The assessment of wagon requirement, including the requirement after commissioning of DFCs would be done accordingly.

Recommendation (Para No. 13)

The Committee note that the overall vacancies in Railways as on 1 st Sept., 2019 are 4045 (Indian Railway Services); viz. 2920 in Group A; and 1123 in Group B; besides 2,99,489 vacancies in Group C & D. The Committee further note that the Railways have already initiated the process of filling up of these vacancies which is at different stages of completion. In view of the fact that the Railways would require adequate staff commensurate to network expansion, the Committee urge the Ministry to expedite the recruitment process, especially in Group 'C' and 'D' posts which are critical posts in terms of safety and manning of rail network. Since the recruitment process is a continuous and time consuming process, the Committee, also desire that Zone- wise O&M Study may simultaneously be conducted for assessment of further requirement of manpower in Indian Railways.

Reply of the Government

Committee is already aware that the recruitment has initiated for filling up of various Group 'C' vacancies (including Level-1) including various safety-related vacancies.

It is mentioned that during the last two years i.e. 2018 & 2019, 07 Centralized Employment Notifications (CENs) have been published for filling up of a total of **2,83,674 vacancies** of various Group 'C' posts (including Level-1). The brief details are as under-

- i. CEN No. 01/2018 issued on 03.02.2018 for **64,371** (enhanced) vacancies {Asst. Loco Pilot (ALP)- 27,795 & Technician- 36,576} of ALP and Technician. Recruitment is completed. As on 22.12.2019, Panels of **46,624 (ALP- 24,422 & Technician- 22,202)** have been supplied to Indenting Railways. Rest of the panels are likely to be supplied by January-2020.
- ii. CEN No. 02/2018 issued on 10.02.2018 for **63,202** (enhanced) vacancies of Level-1 posts. Recruitment is completed. As on 11.11.2019, Panels of **54,013** have been supplied to Indenting Railways.
- iii. CEN No. 03/2018 issued on 28.12.2018 for **13,538** (enhanced) vacancies of various categories of Jr. Engineer & others. Recruitment is completed. As on 22.12.2019, Panels of **1243** have been supplied to Indenting Railways. Rest of the panels are likely to be supplied by January-2020.
- iv. CEN No. 01/2019 issued on 01.03.2019 for **35,208** combined vacancies of various Non Technical Popular Categories (NTPC) – Graduate level (viz. Commercial Apprentice, Asst. Station Master, Goods Guard, Sr. Commercial-cum-Ticket Clerk, etc.) and Under Graduate level posts (viz. Commercial cum Ticket Clerk, Jr. Clerk cum Typist, Accounts Clerk cum Typist, Trains Clerk, etc.). CBT is yet to be conducted.
- v. CEN No. 02/2019 issued on 04.03.2019 for **1923** (modified) vacancies of various Para-Medical categories (viz. Staff Nurse, Pharmacist, Lab Attendant, etc.). Recruitment is completed. As on 22.12.2019, Panels of **1529** have been supplied to Indenting Railways.
- vi. CEN No. 03/2019 issued on 08.03.2019 for **1663** (modified) vacancies for various Isolated & Ministerial categories (viz. Stenographers, Translators, Teachers, Catering Law Assistant, Scientific Supervisors, Librarian, etc.). CBT is yet to be conducted.
- vii. CEN No. RRC-01/2019 issued on 12.03.2019 for **1,03,769** vacancies for various Level-1 posts. CBT is yet to be conducted.

As on 01.09.2019, Sanctioned strength was 15,05,451 on-roll strength was 12,10,258 and vacancy was 2,95,193.

The assessment of requirement of manpower in Indian Railways is conducted and reviewed keeping in view the changes in work practices in various fields, introduction of new technologies in

the field of transportation and outsourcing of certain activities based on Railway's requirement. The norms and yardsticks of manpower is reviewed from time to time and vacancies are filled by various RRBs and RRCs following the laid down procedure.

Recommendation (Para No. 14)

The Committee note that the working hours of Railway servants are regulated as per statutory provisions of the Railway Act, 1989 and the Railway Servants (Hours of Work & Period of Rest) Rules, 2005. According to these provisions, the Railway servants are classified as 'Intensive', 'Continuous' and 'Essentially Intermittent'. Zonal Railway Administrations prepare the duty rosters keeping in view administrative and operational requirements. The Committee have been informed that in emergent situations, the Railway servants are required to work beyond the rostered hours of work for which they are suitably compensated. The Committee would, however, like to caution that utmost care be taken and due diligence exercised while deploying people beyond the rostered work hours in safety related departments so as to avoid any mishaps and untoward incidents.

Reply of the Government

The Recommendation No. 14 of the 2nd Report of the Standing Committee on 'Demands for Grants (2019-20) of the Ministry of Railways' regarding working hours of Railways has been communicated to the Railways for strict compliance. A copy of the letter No. 2019/E(LL)/HER/14 dated 02.01.2020 (**enclosed as ANNEXURE-II (Page No. 36)**)

Recommendation (Para No. 15)

The Committee note that a High Power Committee was constituted in the year 2011 to examine, review and recommend daily/weekly duty hours and rest at Headquarters and outstation for the running staff in all categories of trains; to review list of safety categories on the Railways and recommend daily/weekly duty hours and weekly off for the staff in safety categories; monetary compensation for work beyond duty hours/breach of rest in exigencies of service for running staff/staff in safety categories etc. As per the terms of reference, the above said committee was constituted for a period of one year and submitted its report in August, 2013 containing 89 recommendations in all out of which 59 recommendations have been found to be implementable. The Committee find that after passage of more than 06 years, the implementable recommendations are in various stages of implementation. Since the recommendations of the Expert Committee have a direct bearing on workers' health as well as on safety of Railways, the Committee exhort the Ministry to expedite their implementation in the interest of the large workforce as also to safeguard the safety of Indian Railways.

Reply of the Government

After detailed deliberation with various stakeholders, the committee submitted its report in August 2013 containing recommendations on various aspects related with the issue. Status of these recommendations presently is as under:

Finalised	:	59
No action required	:	21
Under examination	:	09
Total	:	89

Recommendation (Para No. 16)

The Committee note that the expenditure on account of Training/HRD in Indian Railways is hovering around 50-60% of the allocated funds during the recent years. The Committee are aware that the Railways are going through a transition period to match with the latest technological upgradations at par with the International Standards. In the given scenario, it becomes absolutely imperative on the part of the Railways to train the existing staff with the latest technological knowhow. Moreover, the diverse kind of work handled by the Railways require periodical training of their staff. The Committee, therefore, urge that maximum number of employees be imparted training so that allocated funds for training/HRD are utilised fully in the interest of safety and earnings of the Railways.

Reply of the Government

Indian Railways (IR) has over 13 lacs workforce employed in approximately 500 job categories. During 2018-19, about more than 4.5 lacs Railway employees have been imparted training on Indian Railways which roughly works out to approximately 30% of total staff strength. Further, a 5-day on-job training or classroom training was given to all 13 lacs employees of Indian Railway under Project Saksham.

To ensure integrated skill development of IR personnel, it has been decided to develop and upgrade our training centres with basic infrastructure and training aids which shall cater to the training needs of the Indian Railways officials/staff and will ensure proper utilization of the training fund.

Recommendation (Para No. 17)

The Committee note that as on date, the Railways owns about 4.78 lakh hectares of land. About 90% of land is under Railways' operational and allied usages such as laying of new lines, doubling, gauge conversions, track, stations, workshops, staff colonies etc. Out of the total Railway land, 821.46 hectare (0.17%) is under encroachment. The Committee further note that for prevention/removal of encroachments, Railways carry out regular surveys and take action for their removal. The Committee opine that since vacant land is always prone to repeated encroachment the Indian Railways need to make uninterrupted efforts to prevent and remove encroachment of vacant land so as to utilize such land for additional revenue generation.

AND

Recommendation (Para No. 18)

The Committee note that until the year 2012, when the Expert Group for Modernisation of Indian Railways submitted its report, there was no centralised system for maintaining the land records/holding of Railways. The Committee appreciate that on the recommendation of the Expert Group, Railways have developed 'Land Management Module', which will go a long way in keeping a centralized record of Railway land for gainful utilization. The Committee desire the Ministry to ensure that Rail Land Development Authority (RLDA) which was constituted in the year 2006 for development of vacant railway land, continue to generate substantial non-tariff revenue for the Indian Railways by commercially developing such vacant land.

Reply of the Government

Zonal Railways and Rail Land Development Authority (RLDA) have been directed for taking necessary action on the recommendations of the Committee vide this Ministry's letter No.2018/LML-II/6/3 dated 20.12.2019. (**enclosed as ANNEXURE-I (Page No. 33-34)**).

CHAPTER – III

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

-NIL-

CHAPTER – IV

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

-NIL-

CHAPTER – V

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

-NIL-

New Delhi;
02 February, 2021
13 Magha, 1942 (Saka)

RADHA MOHAN SINGH
Chairperson
Standing Committee on Railways

Government of India
Ministry of Railways
(Railway Board)

No.2018/LM-II/6/3

New Delhi, dated 20.12.2019

**General Managers,
All Indian Railways.**

Sub: 2nd Report of the Standing Committee on Railways on "Demands for Grants (2019-20) of the Ministry of Railways.

Please find enclosed a copy of Standing Committee's recommendations (Point Nos.5, 17 and 18) from the 2nd Report of the Standing Committee on Railways on "Demands for Grants (2019-20) of the Ministry of Railways.

Railways may take necessary action on the recommendations of the Standing Committee on the above mentioned points.

DA: As above.


(Chander Shekhar)
Joint Director/L&A
Railway Board

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@
24/12

Government of India
Ministry of Railways
(Railway Board)

S. NO. 43

No.2018/LM-II/6/3

New Delhi, dated 20.12.2019


The Vice Chairman,
Rail Land Development Authority (RLDA),
Near Safdarjung Railway Station,
New Delhi-110 021.

Sub: 2nd Report of the Standing Committee on Railways on "Demands for Grants (2019-20) of the Ministry of Railways.

Please find enclosed a copy of Standing Committee's recommendation (Point No18) regarding generating of non-tariff revenue for the Indian Railways by commercially developing vacant land.

RLDA may take necessary action in this matter in co-ordination with Zonal Railways.

DA: As above.


(Chander Shekhar)
Joint Director/L&A
Railway Board

सहायक सचिव
24/12

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ANNEXURE-II
(Recommendation No. 14)

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
RAILWAY BOARD

No. 2019/E(LL)/HER/14

New Delhi, dated: 02-01-2020

The General Managers (P),
All Indian Railways

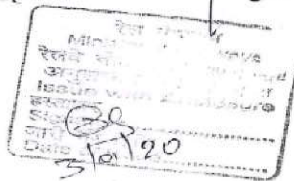
Sub: 2nd report of the Standing Committee on Railways on "Demands for Grants (2019-20) of the Ministry of Railways" regarding working hours of Railway servants (for Item No. 14).

Recommendation No. 14 of the 2nd report of the Standing Committee on Railways on "Demands for Grants (2019-20) of the Ministry of Railways" is reproduced below:

"The Committee note that the working hours of Railway servants are regulated as per statutory provisions of the Railway Act, 1989 and the Railway Servants (Hours of Work & Period of Rest) Rules, 2005. According to these provisions, the Railway servants are classified as 'Intensive', 'Continuous' and 'Essentially Intermittent'. Zonal Railway Administrations prepare the duty rosters keeping in view administrative and operational requirements. The Committee have been informed that in emergent situations, the Railway servants are required to work beyond the rostered hours of work for which they are suitably compensated. The Committee would, however, like to caution that utmost care be taken and due diligence exercised while deploying people beyond the rostered work hours in safety related departments so as to avoid any mishaps and untoward incidents".

2. The Railway administrations should take note of the above recommendation/observations of the Committee for strict compliance.
3. Please acknowledge receipt.

Pl. Issue



Manju
(Manju)
Director Estt. (G.L.)
Railway Board

MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2019-20)

The Committee met on Thursday, the 13th August, 2020 from 1500 hrs. to 1530 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Shri Radha Mohan Singh - Chairperson

MEMBERS

LOK SABHA

2. Shri T.R. Baalu
3. Smt. Ranjanben Bhatt
4. Smt. SangeetaKumari Singh Deo
5. Shri ArvindGanpatSawant
6. Shri Kaushalendra Kumar
7. Smt. Diya Kumari
8. Smt. JaskaurMeena
9. Shri AnubhavMohanty
10. Shri Mukesh Rajput
11. Shri SumedhanandSaraswati
12. Shri Gopal Jee Thakur

RAJYA SABHA

13. Shri Narhari Amin
14. Shri N. Gokulakrishnan
15. Prof. Manoj Kumar Jha
16. Shri Ashok Siddharth

SECRETARIAT

1. Shri Prasenjit Singh - Joint Secretary
2. Shri Arun K. Kaushik - Director
3. Shri Ram Lal Yadav - Addl. Director
4. Smt. ArchanaSrivastva - Deputy Secretary

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

1.	Shri Vinod Kumar Yadav	Chairman, Railway Board & Ex-officio Principal Secretary to the Government of India
2.	Ms. ManjulaRangarajan	Financial Commissioner (Railways) & Ex-officio Secretary to the Government of India
3.	Shri Pradeep Kumar	Member Engineering, Railway Board & Ex-officio Secretary to the Government of India
4.	Shri Rajesh Tiwari	Member (Traction), Railway Board & Ex-officio Secretary to the Government of India
5.	Shri P.C. Sharma	Member (Rolling Stock), Railway Board & Ex-officio Secretary to the Government of India

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee felicitated Shri Narhari Amin who had been newly nominated to the Committee. Thereafter, the Committee took up for consideration the draft Action Taken Report on the Action Taken by the Government on 'Demands for Grants (2019-20) of the Ministry of Railways' and adopted the same without any modification.

3. The Committee authorized the Chairperson to finalise and present the Report to the Parliament during the next Session.

4. XXXX XXXX XXXX

5. XXXX XXXX XXXX

6. XXXX XXXX XXXX

7. A verbatim record of the proceedings of the Committee has been kept.

The Committee then adjourned.

MINUTES OF THE SECOND SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2020-21)

The Committee sat on Wednesday, the 25th November, 2020 from 1500 hrs. to 1515 hrs. in Committee Room No. 2, Block-A, PHA Extension Building, New Delhi.

PRESENT

Shri Radha Mohan Singh - Chairperson

MEMBERS

LOK SABHA

2. Shri T. R. Baalu
3. Shri Kaushalendra Kumar
4. Shri Sunil Kumar Mondal
5. Shri Mukesh Rajput
6. Shri SumedhanandSaraswati
7. Shri ArvindGanpatSawant
8. Shri Gopal Jee Thakur

RAJYA SABHA

9. Ms. Saroj Pandey
10. Shri BashisthaNarain Singh

SECRETARIAT

1. Shri D.R. Mohanty - Addl. Director
2. Shri Ram Lal Yadav - Addl. Director

2. xxxx xxxx xxxx xxxx

3. Thereafter, the Committee took up for consideration the draft Report on Action taken by the Government on the recommendations/ observations of the Committee contained in their 2nd Report on "Demands for Grants (2019-20) of the Ministry of Railways" and 3rd Report on "Demands for Grants (2020-21) of the Ministry of Railways".

4. After some discussions, the Committee adopted the above-mentioned draft Reports without any modification.

5. The Committee then authorized the Chairperson to finalise the Reports and present the same to Parliament.

The Committee then adjourned.

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE 2ND REPORT
(17TH LOK SABHA) ON "DEMANDS FOR GRANTS (2019-20) OF THE MINISTRY OF RAILWAYS"**

Total number of Recommendations/Observations	18
(i) Recommendations/Observations which have been accepted by the Government –	
Para Nos. 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17 and 18	18
Percentage of total	100%
(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies –	
Para No. NIL	NIL
Percentage of total	00%
(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration –	
Para No. NIL	NIL
Percentage of total	00%
(iv) Recommendations/Observations in respect of which final replies are still awaited -	
Para No. NIL	NIL
Percentage of total	---