

The question is:

"That Clauses 2 to 4 stand part of the Bill"

17.47 hrs.

The motion was adopted

SUPPLEMENTARY DEMAND FOR
GRANT (RAILWAYS), 1992-93 AND
DEMANDS FOR EXCESS GRANTS
(RAILWAYS), 1988-89.

Clauses 2 to 4 were added to the Bill.

MR. CHAIRMAN: The question is:

[English]

"That clause 1, the Enacting Formula and the long Title stand part of the Bill."

MR. CHAIRMAN: Now the House will take up item No. 11 and 12 together.

The motion was adopted

Motions moved:-

Clause 1, the Enacting Formula and the long Title were added to the Bill

- (i) "That the supplementary sum not exceeding the amount shown in the third column of the Order Paper be granted to the President of India out of the Consolidated Fund to defray the charges that will come in course of payment during the year ending the 31st day of March, 1993, in respect of the head of Demand entered in the second column thereof - Demand No. 16."

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
RAMESHWAR THAKUR): I beg to move:

"That the Bill be passed"

MR. CHAIRMAN: The questions:

"That the Bill be passed"

The motion was adopted.

- (ii) "That the respective excess sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President of India out of the Consolidated Fund of India to make good the excess on the respective grants during the year ended on the 31st day of March, 1989, in respect of the following Demands entered in the second column thereof;

17.46 hrs.

BUSINESS ADVISORY COMMITTEE

Nineteenth Report

[English]

DR. LAXMINARAYAN PANDYA
(Mandsaur): Sir, I beg to present the 19th

Demand Nos. 10, 13 and 16 "

Supplementary Demand for Grant (Railways) for 1992-93 submitted to the Vote of Lok Sabha.

No of Demand.	Name of Demand	Amount of Demand for Grant submitted to the Vote of the House.
1	2	3
	Assets-Acquisition, construction and Replacement.	Rs

Demands for Excess Grants (Railways) for 1988-89 submitted to the Vote of Lok Sabha

(Vide List Business for)

<i>No. of Demand.</i>	<i>Name of Demand</i>	<i>Amount of Demand Submitted to the Vote of the House.</i>
<i>1</i>	<i>2</i>	<i>3</i>
		<i>Rs.</i>
10.	Operating Expenses -Fuel	3,82,74,306
13	.Provident Fund, Pension and other Retirement Benefits.	93,30,34,414
16.	Assets - Acquisition, Construction and Replacement	
	Other expenditure	
	Railway Funds	7,32,34,305

[Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Chairman, Sir, now the House is going to have a discussion on the Demands for Excess Grants and Demands for Supplementary Grants of Railways and both will be discussed together. So far the Demands for Excess Grants is concerned the recommendations of the P.A.C. made in the 19th Report are going to be implemented.

It has been clearly stated by the Public Accounts Committee that what is being done by Ministry of Railways, is not good and perhaps some of the recommendations made in the previous report were also not implemented. I would like to quote from 3 of the report presented on 29th April.

[English]

Sir, I quote from the report:

" The Public Accounts Committee have repeatedly exhorted the Ministries in the past to enforce

strict exchequer control and impart financial discipline amongst their Departments so as to regulate the expenditure in accordance with the budgetary allocations. Nevertheless, financial discipline has remained a distant goal.

The Committee note that during the year under review that is 1988-89 the excess expenditure was of the order of Rs. 367.98 crores under 26 grants as against Rs. 304.15 crores under 21 grants during the preceding year that is 1987-88. Incidentally the Committee observe that during the past decade (1979-89) there was a period (1981-82 to 1984-85) when the excess expenditure registered a declining trend from Rs. 462.69 crores in 1981-82 to as low as Rs. 64.87 crores in 1984-85 but unfortunately this trend got reversed in 1985-86 when the excess expenditure touched a figure of Rs. 441.72 crores. Since then there

has been no significant improvement in the situation. The Committee view this situation with concern".

Sir, the Committee continue to mention, and I quote:

" An analysis of the reasons for excess expenditure during 1988-89, which have been discussed in some details in the succeeding paragraphs of this Report, indicate that the lack of proper monitoring of the progress of expenditure, timely review of the financial requirements and failure to assess properly the requirement of additional funds have resulted in the excess expenditure".

[Translation]

This is the report of the Public Accounts Committee. That report has also been quoted by you along with these demands that the Public Accounts Committee has recommended that it should be regularised. It has brought in far regularisation only after that.

Mr. Chairman, Sir, it is immaterial as to how much money is involved in it or how much money is being demanded, or how much adjustment is there, the question is that the Ministry in its functioning, did not bother about following the rules and no precaution was taken. That is why the Public Accounts committee has stated expressing its displeasure that whatever has been done is not right and that due precaution should be taken.

Whatever has been stated in it for which the demand for Excess Grants for the year 1988-89 has been made are very minor things. For example, there are demands relate to Repairs and maintenance of Plant

Equipments, Operating Expenses Replacement, Traffic etc. Normally, it could have been prescribed as to how much amount is going to be spent or in respect of acquisition. Three years 1988-89, 1989-90, 1990-91 are over and now it has been brought while the Public Accounts Committee has given its conclusion in its report presented on 29th April that Ministry's function has not been proper.

I would like to submit that while replaying the debate the hon. Minister should also clarify the reasons for delay in work. He should also make it clear as to why there was no monitoring over the work.

So far as the matter of expenditure is concerned, it is not so that the work was not done according to the prescribed procedure. I do not want to raise this today. My colleague Shri Rajveer Singh would discuss it.

PROF. PREM DHUMAL (Hamirpur):
Mr. Chairman, Sir, there is no quorum in the House.

[English]

MR. CHAIRMAN: The bell is being rung

Now there is quorum. The hon. Member may continue his speech.

[Translation]

DR. LAXMINARAYAN PANDEYA: Mr. Chairman Sir, I was submitting that funds are misused on large scale in Railways. A lot can be said in regard to the prevailing condition of trains. A few days ago, a question concerning the purchase of locomotives was raised, it was a deal in which the Railway department put aside all the rules and regulations to purchase 30 locomotives worth crores of rupees. BHEL was the claimant for that contract; however its claim was rejected

[Dr. Laxminarayan Pandeya]

in the Indian Express dated 8th February..

to give it to ABB. I am unable to understand the reason behind it, Newspapers, of course, have published the details in regard to it, but I would not like to go into the details of those newspapers. However, the hurry with which the contract has been made is a matter of consideration. The officers who look after the financial matters of the Railway Ministry had pointed out that his contract should not be signed, the committee had also suggested the same and said that if at all the contract was to be given, it should be given to the first bidder, i.e. BHEL. In spite of this, the company was not given the contract. This creates suspicion and you cannot evade from it. And I have already submitted that then Finance Commissioner in Railways in his report dated 21.8.91 had ironed that it was in proper to give the contract to ABB. But despite that, locomotives were purchased from the same company. Different people expressed different views in regard to it; the news that is reported in the newspapers is more disturbing.

I would like to make a short reference to it, This is "Rajasthan Patrick" dated March 27, 1992. It States that " About one dozen Parliamentarians belonging to various political parties, in their letter written to the Hon. Prime Minister Shri P. V. Narasimharao have said that Indian Railways propose to purchase 30 electronic railway engines of Rs. 1100/- crores from a Swedish firm whereas an Indian Company BHEL was ready to supply these engines in just Rs. 560/- crores. In this letter, they have demanded that the Hon. Prime Minister should intervene and prevent the misuse of Government funds'. Even the Hon. Prime Minister was requested by a number of Members in this regard. However, the Railway Ministry does not seem to have any concern about it, they have no reply to it. Now, I would urge upon you through another newspaper. This is a new item that appeared

[English]

" It called for tenders three times during this period but did not allot the order immediately thereby allowing for protracted negotiations with those with higher bids. Third, ADB was not the lowest bidder in the first two tenders but suddenly became the lowest one in the third tender".

[Translation]

I would like to submit that besides giving reply to the observations made by Public Account Committee in respect of the Demands for Excess grants, the hon. Minister should also apprise the House with the facts in regard to the purchase of locomotives, the matter which has been the centre of discussion and controversy also in the concerned Ministry. The Ministry has clearly disapproved and contract and the hurry with which the work was accomplished is a matter of suspicion, it is not easy to get out of that suspicion. I would like the hon. Minister to apprise the House of all the facts in this regard.

I would like to draw the attention of the hon. Minister to another point. He has presented the Supplementary Demands for Grants along with the Additional Demands of Grants, and there is a reference to the gauge conversion on the last page i.e. page No. 3. What is the policy of the Railway department in regard to gauge conversion., does the Government propose to make the same type of gauge concession throughout the country and which regions have been excluded from it. If the Government has framed a policy in regard to these aspects, it may kindly present it in the House I feel that when the Railway Budget was passed and the Government was pressurised the hon.

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Minister just announced gauge conversion in certain specific areas. It is just like taking token grant of Rs. 1/- or Rs. 10/- or Rs. on lakhs in this connection. However, what will be the total amount of expenditure - has not been made clear in it. The hon. Minister may kindly clarify it.

Pandeya, the time of the House is up. The House is adjourned to meet again tomorrow the 6th August, 1992 at 11.00 A.M. Dr. Laxminarayan Pandeya will continue tomorrow.

18.00 hrs.

[English]

The Lok Sabha then adjourned till Eleven of the Clock on Thursday August 6 1992/ Saravana 15, 1914 (Saka)

MR. CHAIRMAN: Dr. Laxminarayan
