

5

**STANDING COMMITTEE
ON RAILWAYS
(1996-97)**

ELEVENTH LOK SABHA

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**RE-ORGANISATION OF ZONAL OFFICES
IN INDIAN RAILWAYS**

FIFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

3657R

March, 1997/Phalgun, 1918 (Saka)

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(RAILWAY BOARD)

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IN INDIAN RAILWAYS

Presented to Lok Sabha on 19.03.1997

Laid in Rajya Sabha on 19.03.1997



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NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE ON RAILWAYS
(1996-97)

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ram Naik
3. Shri Jagdambi Prasad Yadav
4. Shri Satya Deo Singh
5. Shri Anand Ratna Maurya
6. Shri Dhirendra Agarwal
7. Shri Ashok Sharma
8. Dr. Sahebrao S. Bagul
9. Dr. Ramvilas Vedanti
10. Shri Priya Ranjan Das Munsi
11. Shri Ashok Gehlot
12. Shri Nandi Yellaiah
13. Shri K.P. Singh Deo
14. Km. Sushila Tiriya
15. Shri Imchalembe
16. Shri V.M. Sudheeran
17. Shri Qamarul Islam
18. Shri Chun Chun Prasad Yadav
19. Shri Raja Rangappa Naik
20. Shri P. Theertharaman
21. Shri Ram Singh Shakya
22. Shri K. Parasuraman
23. Shri K.P. Naidu

24. Shri Narayan G. Athawalay
25. Shri Sukhlal Khushwah
26. Shri Ram Bahadur Singh
- *27. Shri Dinsha J. Patel
28. Dr. Prabin Chandra Sarma
29. Shri E. Ahamed
30. Shri S. Bangarappa

Rajya Sabha

31. Shri Dronam Raju Satyana Rayana
32. Vacant**
33. Shri Balbir Singh
34. Shri W. Angou Singh
35. Shri Shivajirao Giridhar Patil
36. Shri Gopalsinh G. Solanki
37. Dr. Ishwar Chandra Gupta
38. Smt. Malti Sharma
39. Shri Nagmani
40. Shri Rahas Bihari Barik
41. Dr. (Smt.) Chandrakala Pandey
42. Shri S. Niraikulathan
43. Shri K.M. Saifullah
44. Shri Tridib Chowdhuri
45. Maulana Habibur Rahman Nomani

SECRETARIAT

- | | |
|-------------------------|-------------------------------|
| 1. Shri S.N. Mishra | — <i>Additional Secretary</i> |
| 2. Smt. Roli Srivastava | — <i>Joint Secretary</i> |
| 3. Shri R.C. Gupta | — <i>Deputy Secretary</i> |
| 4. Shri O.P. Shokeen | — <i>Committee Officer</i> |

*Nominated on 02.12.1996 *vice* Shri Basant Singh Khalsa, who expired on 21.10.1996.

**Shri S.S. Surjewala ceased to be the member of the Committee w.e.f. 22.08.1996.

INTRODUCTION

1, the Chairman of Standing Committee on Railways (1996-97) having been authorised by the Committee to submit the Report on their behalf, present this Fifth Report on "Re-organisation of Zonal Offices in Indian Railways".

2. The Standing Committee on Railways took evidence of the representatives of Ministry of Railways (Railway Board) on 3 September 1996 and 24 January 1997 in connection with the examination of the subject. The Committee also took evidence of Shri T.S.R. Subramanian, Cabinet Secretary on 27 February 1997. The Committee wish to express their thanks to the Cabinet Secretary and the Officers of Ministry of Railways for sharing with them their views concerning the issues which came up for discussion during evidence.

3. In order to seek clarification on various issues involved, the Committee took evidence of Shri M.S. Gujral Dr. Y.P. Anand and Shri Ashok Bhatnagar, former Chairmen, Railway Board on 24th September 1996 and of Shri R.D. Kitson, former Chairman, Shri A.V. Poullose, former Financial Commissioner and Shri R.C. Acharia, former Member (Mechanical), Railway Board on 6 November 1996 on the subject. The Committee also express their thanks to these non-official witnesses for appearing before the Committee and sharing their views with them on the subject.

4. The Report was considered and adopted by the Standing Committee on Railways at their sitting held on 13 March, 1997.

NEW DELHI;
13 March, 1997
22 Phalguna, 1918 (Saka)

BASUDEB ACHARIA,
Chairman,
Standing Committee on Railways.

PART I

REPORT

Introductory

When India became independent there were a large number of government-owned and company-owned railway systems operating in the country. During 1951-52, the 42 railway systems in operation were grouped into six major railway zones *viz.* Eastern, Central, Northern, North-Eastern, Southern and Western Railways. In 1955, another railway zone namely South-Eastern Railway was created. Northeast-Frontier Railway was carved out of the then North-Eastern Railway in 1958 on strategic, operational and administrative considerations. The last Railway *i.e.* South-Central Railway was created in 1966 to give relief to the then Central and Southern Railways.

2. The Indian Railways was divided into following nine zones till recently when six new zones were announced:—

S.No.	Railway	Year of formation	Route Kms. (31.3.96)	Location of Head- quarter
1.	Central	1951	7047	Mumbai
2.	Eastern	1952	4318	Calcutta
3.	Northern	1952	11004	New Delhi
4.	North-Eastern	1952	5107	Gorakhpur
5.	Northeast- Frontier	1958	3816	Maligaon (Guwahati)
6.	Southern	1951	7049	Chennai
7.	South-Central	1966	7203	Secunderabad
8.	South-Eastern	1955	7351	Calcutta
9.	Western	1951	10020	Mumbai

3. The background history of formation of the above zones is as under:—

(1) Central Railway:

This Railway was formed on 5 November 1951 by merging the following Railway systems into a unified one:—

- (a) The Great Indian Peninsula Railways.
- (b) The Nizam's State Railways.
- (c) The Dholpur State Railway.
- (d) The Scindia State Railway.

Subsequently, in 1951, the Barsi Light Railway, owned and worked by the Barsi Light Railway Company Ltd., incorporated in England, after its purchase by the Government of India on 1 June 1954, was also merged with the Central Railway.

(2) Eastern Railway:

Eastern Railway came into existence on 14 April 1952, by integration of the following Railway systems:—

- (a) The Sealdah, Howrah, Asansol, Danapore divisions and the Dhanbad Transportation division of the East Indian Railway.
- (b) The Bengal Nagpur Railway.

(3) Northern Railway:—

Northern Railway was formed on 14 April 1952, by amalgamating the following systems:—

- (a) The East Punjab Railway.
- (b) The Jodhpur Railway (excepting Marwar-Phulad section which was merged with the Western Railway).
- (c) The Bikaner Railway.
- (d) The Lucknow, Moradabad and Allahabad divisions of the East Indian Railway.

- (e) The Delhi-Rewari-Fazilka section (from 11 May 1952, prior to which it was worked by the Western Railway).

(4) North Eastern Railway:

This Railway was formed on 14 April, 1952 by regrouping into a single unified system the following Railways:—

- (a) The Oudh Tirhut Railway.
- (b) The Assam Railway (including the Cooch Behar State Railway), and the Katakhal-Lala Bazar and Chaparmukh-Silghat Railways, which were being worked by the Assam Railway.
- (c) The Fatehgarh District *i.e.* Kanpur-Anwarganj-Achnera section of the Bombay Baroda and Central India Railway.

The Tezpur-Balipara Light Railway, a narrow-gauge line, owned and operated by the Tezpur-Balipara Tramway Company was taken over by the Government with effect from 1 September, 1952 and merged with the North Eastern Railway. A portion of this narrow-gauge system, from Tezpur to Rangapara North, was subsequently converted into metre gauge.

(5) Southern Railway:

This railway was formed on 14 April, 1951 by merging the following Railway systems:—

- (a) The Madras and Southern Mahratta Railway.
- (b) The South Indian Railway.
- (c) The Mysore State Railway.

(6) Western Railway:

Western Railway was formed on 5 November 1951, by re-grouping the following Railways into a single unified system:—

- (a) The Bombay, Baroda and Central India Railway.
- (b) The Saurashtra Railway.

(c) The Rajasthan State Railway.

(d) The Jaipur State Railway.

(e) The Cutch State Railway.

The Delhi-Rewari-Fazilka and the Kanpur-Achnera sections of the Western Railway were later merged with the Northern Railway and the North Eastern Railways respectively but the Marwar-Phulad section of the Jodhpur Railway was merged with the Western Railway.

(7) South Eastern Railway:

It was found that Eastern Railway was so unwieldy and had such heavy workload that its management as a single Unit was not feasible. It was accordingly decided to divide this railway into two Zonal Railways. The former Bengal-Nagpur Railway was formed on 1 August 1955, into the present South Eastern zone and the residual portion of the then Eastern Railway into the present Eastern Zone.

(8) Northeast Frontier Railway:

The next Railway split up was the then Northeastern Railway. With effect from 15 January 1958, this Railway was bifurcated, partly on administrative and partly on strategic considerations into two separate Zones. The former Assam railway (including the Cooch Behar State Railway) and the Katakhal-Lalabazar and Chaparmukh-Silghat Railways, together with the Tezpur-Balipara Light Railway were formed into the present Northeast Frontier Railway. The residual portions of the old North Eastern Railway were constituted into the present North Eastern Railway.

(9) South Central Railway:

The workload of Central and Southern Railways had also become very heavy. It was, therefore, decided to reorganise these two Railways into three Railways. Accordingly South Central Railway was formed, on 2 October 1966, by taking out Secunderabad and Sholapur Divisions from Central Railway and Vijayawada and Hubli Divisions from Southern Railway and merging them into a separate zone. In August 1967, the Daunt-Pune section of Central Railway was also transferred to this Railway. Subsequently, in October 1977, Sholapur division, excluding Wadi-Raichur section, was transferred back to Central

Railway: but Guntakal division of Southern Railway, excluding Renigunta-Arkonam section, was merged with this Railway. In April 1981 Purna-Khandwa section of Central Railway was also transferred to South Central Railway. The South Central Railway is thus the youngest of the nine Zonal Railways.

Railways Reforms Committee (1981-84)

4. After three and a half decade of comprehensive review of the working of the Indian Railways made by the Indian Railways Enquiry Committee, 1947 under the Chairmanship of Pt. Kunzru, need was again felt in 1981 to review the whole gamut of working of Indian Railways. Consequently, a high-powered Railway Reforms Committee (RRC) was constituted in May 1981 under the Chairmanship of Shri B.D. Pandey. Composition of the Committee is given in Annexure-I.

5. The Railway Reforms Committee, with specific term of reference to examine the need for re-organisation of the zonal railways, creation of additional Zones and Divisions keeping in view the various demands therefor on the basis of acceptable methodology of assessing the workload of various management units had worked out the specific workload indices taking into account various parameters as per the following chart:

Route/running track kilometrage, manpower and composite workload indices of Indian Railways for 1982-83

Railway Zone	Existing No. of Divisions	Route kms.	Running track kms.	Strength of Manpower (in lakhs)	Composite Workload Index
Central	7*	6.371	9.479	2.12	244
Eastern	7*	4.238	6.523	2.23	218
Northern	8*	10.975	12.939	2.34	259
North Eastern	5	5.163	6.142	1.02	103
Northeast	3	3.580	3.603	0.86	86
Frontier					
Southern	7	6.701	7.661	1.37	150
South Central	5	7.023	8.206	1.25	147
South Eastern	7	7.041	9.801	2.02	232
Western	8	10.293	11.843	2.08	247

*Including Bhopal, Malda and Ambala Divisions in case of Central, Eastern and Northern Railways respectively.

6. After taking into account workload indices shown above that Committee had recommended the following time phasing for the formation of these new Zones:—

1. Phase one: North Western and East Central Railways. Out of these, the importance of East Central Railway should assume relatively greater urgency.
2. Phase two: North Central Railway.
3. Phase three: South Western Railway, to be considered later.

7. However, these recommendations were not implemented for about 12 years. When the Committee wanted to know the compelling reasons and factors which led to non implementation of the recommendations made by the Railway Reforms Committee in 1984 till now, the Ministry of Railways stated:—

“In 1985, the Board, while accepting in principle the RRC’s recommendations for the formation of North-Western and East-Central Zones, had stressed the need for specific allotment of funds by the Planning Commission and the Ministry of Finance for this purpose. However, in view of the significant changes taking place on the railways like gauge conversions, coming up of Konkan Railway, new traffic patterns and increase in volume of traffic which more than doubled up since 1966 when the last zone was created, the railways could not delay the re-organisation any longer.”

8. When asked whether funds were allocated for the purpose by the Planning Commission and the Ministry of Finance, the Chairman *inter-alia* stated:—

“...the then Board deliberated on the matter and because of the resource constraint they did not favour the creation of the new zones.”

9. When further asked whether the Railways is still facing the resource crunch, the Chairman, Railway Board stated:—

“Resource constraint is still there. But according to the workload the last zone was formed in 1966. After eighteen years there has

been so much increase in the workload. The Railway Reforms Committee, which was headed by very eminent people, felt the necessity for creation of four more zones from 1984. In 1984-85 we had 173 billion tonnes kilometer of transport output.

The transport output is measured in terms of billion tonnes kilometer. From 173 btk it went up to 271 btk and this year we are expecting it to reach a figure of 280 btk. Apart from the fact that a natural growth had taken place over a period of thirty years, because of the liberalisation, in the last one or two years the growth has been quite stupendous. Therefore, it was felt that unless we increase the number of divisions, and the number of divisions will consequently lead to the increase in the number of zones, we may not be able to operate as effectively and as efficiently as I would like to operate. So, the resource constraint is there. That is why we have given the implementation period as five years. When we prepared the note for the Cabinet, we said that the implementation period for the creation of the new zones will be five years. Financial constraint is still there. But seeing the abnormal and very heavy increase in the traffic level both passenger and freight, we took the decision. We went to the Cabinet in 1995 also. The Cabinet had then deferred the decision. In 1996 also we again went to the Cabinet and the Cabinet approved the proposal."

10. During evidence of the Cabinet Secretary when the Committee wanted to know that since 1984 how many times the proposal of Ministry of Railways for creation of new zones has come to the Cabinet for approval and for how many zones, he informed the Committee:

"As per the records that we have scrutinised, the matter came up for the first time for discussion in the Cabinet in July, 1995 and at that meeting held on the 28th July, 1995, where there was a proposal for the creation of four new zones—North-Western at Jaipur, South-Western at Bangalore, East Central at Jabalpur and North-Central at Allahabad, the Cabinet decided to postpone the consideration of the note. Thereafter, the same Note was considered in the Cabinet meeting of the 1st August, 1995."

11. When further asked whether the proposal of creation of four zones was approved by the Cabinet or it was deferred, the Cabinet Secretary stated:

"It was after three days. It was postponed. Why, it is not clear to me. At the meeting on the 1st August, 1995 the Cabinet considered the same Note and took a decision to defer the matter. In this Cabinet Note a mention was made of the Railway Reforms Committee of 1984.

He further stated:

"This matter was then considered at the Cabinet meeting held on the 12th July, 1996. The proposal now was for the creation of six new Railway Zones, North-Western at Jaipur, South-Western at Bangalore, East Central at Jabalpur, North-Central at Allahabad, East Coast at Bhubaneswar, and East-Central at Hazipur. The Cabinet considered that Note of the Ministry of Railways circulated. While approving the proposal contained therein to create six Railway Zones, they were authorised to make suitable re-adjustments in the territorial jurisdictions of the zones. This was the decision that is there in the record."

12. When asked about the reasons for deferment of the proposal in August 1995, the Cabinet Secretary informed:—

"The grounds are not mentioned there. As per the usual practice the reasons are not given for decisions taken by the Cabinet. Only the decisions are recorded. The normal practice was only to record the decision, that it was deferred."

13. When asked whether any reasons were given for the creation of new zones, the Cabinet Secretary stated:

"No sir. A *suo motu* paper had come. It had annexed to it gists of the reports of the Railway Reforms Committee as well as the Advisory Committee. It had come as a proposal. This was examined by the Cabinet and a decision was given.

Asked about the recommendations of Advisory Committee submitted to the Cabinet, he stated:

"The gist which was annexed had recommended creation of four new zones and the Cabinet note has recommended creation of six new zones."

Proposal for creation of additional zones

14. Keeping in view the long outstanding demands and aspirations of people, the Minister of Railways has announced in his Budget speech (1996-97) creation of new additional six Zonal Offices at Allahabad, Jaipur, Bangalore, Hajipur, Jabalpur and Bhubaneswar. While announcing the creation of the above new Zones the Minister of Railways could not anticipate that he was indirectly inviting more demands which might be genuine for creation of new Zones in other areas from various quarters viz. different States. Members of Parliament. Members of Legislative bodies, different Organisations, individuals. When asked how the Ministry of Railways would tackle the situation, they stated:

“The criteria for creation of Zones and Divisions are the factors like size, workload, accessibility, traffic patterns and other operating/administrative requirements etc. consistent with the needs of economy and efficiency.

The demands and aspirations of the people are dove-tailed within the well laid down parameters for setting up of zones/divisions and cannot be considered in isolation.”

15. When the Committee wanted to know as to when the Railways thought that the existing 9 zones were not capable to carry the freight and passenger traffic and there should be more zones, the Chairman, Railway Board, during evidence, informed the Committee as under:

“The last railway zone, that is, the South-Central Railway, was formed in 1966. At that time we loaded about 162 million tonnes of traffic, and in 1995-96 we loaded 390.56 million tonnes of traffic. In 1966, we cleared about 200 crore passengers whereas last year the number of passengers cleared was a little more than 400 crore. The South-Central Railway, which was formed in 1966, was the ninth railway zone. After that, many Committees went into the working of the Railways and, from time to time they also studied the question of formation of additional zones and additional divisions. The Railway Reforms Committee which was there in 1984, submitted in its report, the justification for four new zones. This was done in 1984. In the Railway Board also, this question was been coming up ever since 1984. After the Railway Reforms Committee wanted that the Railways should create four more

zones, the question was raised again and again. The question was raised in the Parliament also. Then in 1994 we formed an Advisors' Committee. That Committee went into this question and they also recommended the setting up of four more zones."

16. When asked whether at any point of time since 1984 after the recommendation of 4 new Zones in phased manner, any action was taken by the Ministry of Railways in this regard, the Chairman, Railway Board stated:

"It is not that action was not taken. This was considered a number of times. It was considered in 1984, 1985 and then between 1985 and 1990, a number of deliberations were held. A question was asked in Lok Sabha in 1991 on this issue. The Railway Board also deliberated on this issue in September, 1991. Between 1992 and 1994, again questions were asked in Parliament on this issue."

17. The former Railway Minister made only a reference in his Budget Speech in 1995 about the creation of few additional Zones and for the purpose of re-organisation of railways an Advisors, Committee was appointed which submitted their Report. He further stated that the Ministry of Railways was considering that Report. When the Committee wanted to know as to what is the concrete action taken by the Ministry of Railways in this regard, Chairman, Railway Board stated:

"It is not that the Ministry of Railways have not taken any concrete action. In July, 1995, the Ministry of Railways have prepared a Cabinet Note for the reorganisation of the Railways and creation of new zones. In August, 1995 it was discussed in the Cabinet meeting and the decision was deferred. So, it is not that the Ministry of Railways was not taking any action on this issue."

18. When the Committee further wanted to know whether the proposal was for creation of six Zones, the Chairman, Railway Board informed that the proposal was for four Zones at that time.

19. Asked when the decision was taken to increase it from 4 to 6 and what was the justification for the same, Chairman, Railway Board stated:

"It was decided in the current year."

He further stated:

"The decision is not taken at one particular moment. Now, this decision will remain valid for another 25 to 30 years. We have seen a tremendous increase in the Railways in the last year."

20. When asked what exactly is required to manage a Zone in a very good form, the Chairman Railway Board stated:

"We see it in terms of the workload. The ideal workload is 200 units. That is seen taken into consideration all the parameters like the passenger traffic, the freight traffic, the accessibility, administrative availability and the number of staff. So many things are taken into consideration. At present, most of the Zones have much more than 200 units workload. For example, the Central Railway's workload was assessed as 322. The workload of Eastern Railway was 245; of the Northern Railway, 322; of the South Central Railway, 236; of the South Eastern Railway, 289 and of the Western Railway, 279. So, the workload of most of the Railway Zone is much higher than the ideal workload which we want to have."

21. When the Committee wanted to know whether it was only a proposal or the Zones would be coming up within stipulated time. Chairman, Railway Board stated as under:

"In the note which was presented to the Cabinet, we have showed that zone formation would take about sixty months. It cannot happen in one day. It takes five years. If the foundation stone is laid in 1996, the zone, let us say, would come up by 2000. I would submit before the Hon. Committee that some day a start has to be made.

If you would permit me. I would say what are the things that have to be taken into consideration in a zone. We have to find the land, a hospital has to come up, a stadium has to come up, the zonal office has to come up, water supply has to be there and there are so many other factors. We cannot completely uproot our staff. We have to give an option to the staff whether they want to go from one zone to another or not. It is a very very tortuous process.

We take about three to four years to form a division. Today, we are starting on these six zones. I do not know, may be for another thirty years there might not be any such plan. I would request the

Hon. Members to understand this. All the Hon. Members have better knowledge than me about the States. Hon. Members would know how many districts were there in 1966 in their States and how many are there in 1996; how many States were there in 1966 may be 15 or 16 and how many have been created till now. I am submitting before this august Committee in all seriousness and humility that I feel that the Railways were overburdened and I am very grateful to the present Ministry that at least now they have looked into this and given us a decision. We have been waiting for this decision for a long time. These six zones have been cleared now. I certainly feel that this would be in the interest of the Railways."

22. The announcement of creation of six new zones in one go raises doubts in the minds of the people. In 1984, the Railway Reforms Committee recommended 3 Zones with addition of one more but the same could not be implemented for about 12 years. In August, 1995 also, the Cabinet did not take a decision even for creation of four Zones. So, the suddenness in announcing the creation of six new Zones raises questions. When asked about the dramatic change in the position that justified creation of these six Zones, the Chairman, Railway Board stated:

"This point was discussed in the last one month. The discussions were going on. A Cabinet note goes after a prolonged discussion and a lot of effort goes to it. The decision was taken in July, 1996. It is only a coincidence that it has been decided in one month's time."

23. When specifically asked whether creation of more Zones would increase efficiency in different fields of Railways, the Chairman stated:

"I have given a categorical reply that there will be improvement in the operational efficiency, administrative efficiency and financial efficiency of the Railways. I have repeated this not once but ten times. I again say that there will be improvement in the efficiency of the Railways by the creation of these zones."

Provisions made in Budget documents

24. In the Budget document for the year 1995-96 in the Pink Book (Works Machinery and Rolling Stock Programme of Railways for 1995-96) Part II as per Appendix the following Item No. 218-a was

added at page No. 3.2.13 under New Works of Northern Railway:

(In thousands of rupees)

Page No.	Item No.	Particulars of works	Anticipated cost	Provision for 1995-96	Balance to complete
3.2.13	218-a	Re-organisation of zones and divisions			
		Cap.	150,00,00		150,00,00
		DF(3)	100,00,00	1,00	99,99,00

25. In his Budget speech for the year 1996-97, the Railway Minister has announced creation of new six additional zones. In the Budget documents of 1996-97 in the Pink Book (Part-II) for the year 1996-97 (Works, Machinery and Rolling Stock Programme of Railways for 1996-97) following provision has been made at item number 304 under 'Other Specified Works' of Northern Railways:

(In thousands of rupees)

Item	Particulars	Allocation	Anticipated cost	Outlay expected to end of 1995-96	Outlay proposed for 1996-97	Balance to complete work
304	Reorganisation of zones & Divisions	DF(3)	100,00,00	1,00	1,51,00	98,48,00
		C. Fund	150,00,00	...	40,00	149,60,00

26. On perusal of Railway Budget documents for the years 1997-98 it has been found that outlay expected to end of 1996-97 and proposed outlay for 1997-98 for the new zones would be as under:

(Rs. in lakhs)

	Zone	Outlay expected to end of 1996-97	Outlay proposed for 1997-98
1.	Hajipur	290.58	523.62
2.	Allahabad	220.28	523.59
3.	Bhubaneswar	150.00	523.59
4.	Bangalore	146.87	523.59
5.	Jaipur	146.87	523.59
6.	Jabalpur	45.52	523.59
	Total	1000.12	3141.51

27. When specifically asked the reasons for showing the amount under Northern Railway Head only and the reasons for its non inclusion in the Summary Part I of Works, Machinery and Rolling Stock Programme. (1996-97), the Ministry of Railways stated as under:

"Whenever a work is spread over areas belonging to more than one Zonal Railway, it is shown under any one of the railways. Accordingly, the work of the reorganisation of Zones/Divisions had been shown under one of the Railways (i.e. Northern Railway) to facilitate preliminary booking of expenditure. As soon as the Zones/Divisions begin to take shape, the work will be transferred to the concerned Railways as 'Works in Progress'."

The Ministry further intimated:

"Since this work has been approved in the Railway Budget 1995-96 vide item No. 218-A, this does not appear in the summary (Part-I) of Works, Machinery and Rolling Stock Programmes of Railway Budget (1996-97). Part-I of Works, Machinery and Rolling Stock Programmes of Railways' includes brief justification for important new works only proposed in the Budget. The provisions for Works-in-Progress (i.e. the works included in previous year) is included in Part-II. The work of re-organisation has therefore been appropriately included in Part-II of Works, Machinery and Rolling Stock Programme."

Report of Advisors' Committee

28. The Ministry of Railways have informed the Committee that the Advisors' Committee had gone into the question of re-organisation/re-grouping of the existing zones and divisions. When asked about (i) the composition of the Advisory Committee, (ii) the terms of reference of the Committee, (iii) whether the Planning Commission and Ministry of Finance were associated with the Committee, and (iv) when was the Committee constituted and submitted their report, the Ministry of Railways stated as under:

(i) The composition of the Advisors' Committee was as under:

Adviser (Planning), Railway Board.	Convenor
Adviser (TT), Railway Board.	Member
Adviser (Budget), Railway Board.	Member
Executive Director/E&R.- Railway Board	Member Secretary

(ii) Terms of Reference

The Study Group was required to analyse the impact of Project Unigauge and the construction of Konkan Railway, etc. on traffic flows and on the territorial jurisdiction of zones and divisions. It was to review the criteria for re-organisation of Zones and Divisions and on the basis of the criteria so reviewed and adopted to recommend reorganisation proposals. The Committee was also asked to assess the estimated financial requirements and suggest a programme for implementation.

- (iii) It was an internal departmental study, Planning Commission and Ministry of Finance were not co-opted as members of this Study.

However, Adviser (Planning) was the Convenor of this group and Adviser Finance (Budget) was also a member of this Committee.

- (iv) The Advisors' Committee was constituted in May, 94 and submitted its Report in Dec., 94.

29. When the Committee wanted to have a copy of the Report submitted by the Advisors' Committee on creation of new Zones and action taken thereon the Ministry of Railways have in their written reply intimated that the Advisors' Committee Report is a secret official document. However, the highlights of the Committee's Report furnished by the Ministry are as under:

(a) Creation of Four New Zones:

(i) North-Western	HQ	Jaipur
(ii) South-Western	HQ	Bangalore
(iii) East-Central	HQ	Jabalpur
(iv) North-Central	HQ	Allahabad

(b) Creation of Six New Divisions:

(i) Ahmedabad	W.	Rly.
(ii) Agra	N.C.	Rly.
(iii) Guntur	S.C.	Rly.
(iv) Ranchi	S.E.	Rly.
(v) Singrauli	N.C.	Rly.
(vi) Raipur	E.C.	Rly.

(c) Further, the need for some territorial re-adjustments between the existing zones and divisions has also been recommended. Notable amongst these are the transfer of (i) Pune-Miraj-Kolhapur section from SC to C Railway, (ii) transfer of Bhiwani-Rohtak from Delhi to Bikaner division, (iii) Tughlakabad-Palwal section of Jhansi division and Delhi Rewari section of Bikaner division to be added to Delhi division, (iv) Bachchwara-Muzzaffarpur of Sonapur division to Samastipur division etc.

(d) Cost (approx.)

(i) New Zone	Rs. 40 Cr.
(ii) New Division	Rs. 15 Cr.

Staff : Zones 1000 (approx) Divisions 400 (approx.)

Paperless Office, no/very few posts to be created.

30. When asked about the concept of Paperless Office, the Ministry of Railways stated as under:

"The concept of paperless office refers to improve office procedures with minimum paper work through use of modern office aids like personal computers, faxes, LAN etc. which would result in reduced manpower costs and increased staff productivity."

Justification for Creation of new additional Zones

31. The Ministry of Railways have intimated that the new six additional zonal offices would be as follows:

	New Zone	Code	Hqrs.
1.	North-Central Railway	(NCR)	Allahabad
2.	North-Western Railway	(NWR)	Jaipur
3.	South-Western Railway	(SWR)	Bangalore
4.	East-Central Railway	(ECR)	Hajipur
5.	West-Central Railway	(WCR)	Jabalpur
6.	East-Coast Railway	(ECOR)	Bhubaneswar

32. After the new additional zones and divisions the tentative re-grouping of Railways would be as under:

1	2	3	4
CR MUMBAI (SHIVAJI TERMINUS)	BHUSAWAL MUMBAI NAGPUR SOLAPUR NANDED*** PUNE**	WR MUMBAI	VADODARA MUMBAI RATLAM RAJKOT BHAVNAGAR AHMEDABAD**
ER CALCUTTA	SEALDAH HOWRAH ASANSOL DHANBAD MUGHAL SARAI	NCR ALLAHABAD*	JHANSI ALLAHABAD SINGRAULI** AGRA**
NR DELHI	DELHI FIROZEPUR MORADABAD LUCKNOW AMBALA	NWR JAIPUR*	JODHPUR BIKANER KOTA AJMER JAIPUR
NER GORAKHPUR	IZATNAGAR LUCKNOW VARANASI	ECOR BHUBANESWAR*	KHURDA WALTAIR SAMBALPUR

*New Zones

** New Divisions

*** Being Set up

1	2	3	4
NFR MALIGAON	KATIHAR ALIPURDUAR LUMDING TINSUKIA RANGIYA**	SWR BANGALORE*	GUNTAKAL MYSORE BANGALORE HUBLI
SR MADRAS	CHENNAI PALGHAT MADURAI TRICHY TRIVANDRUM	ECR HAJIPUR*	DANAPUR MALDA SONEPUR SAMASTIPUR
SCR SECUNDRABAD	SECUNDRABAD HYDERABAD VIJAYWADA GUNTUR**	WCR JABALPUR*	NAGPUR JABALPUR BHOPAL RAIPUR**
SER CALCUTTA	CHAKRADHARPUR ADRA KHARAGPUR BILASPUR RANCHI**		

*New Zones

** New Divisions

*** Being Set up

33. When asked about the justification for each zone, the Ministry of Railways have in their written reply stated as under:

"New Zones/Divisions are set up keeping in view the factors like size, workload and accessibility, traffic patterns and other operating/administrative requirements etc. consistent with the needs of economy and efficiency.

Justification for creation of six zones is given below:

(1) North-Western Railway—Jaipur

- (i) NR and WR have very heavy workload and need relief.
- (ii) The geographical sprawls of NR (11000 Kms.) and WR (9700 Kms.) is very large.
- (iii) The accessibility of the NR Headquarter from Divisional Headquarter is 7.3 hr. which is low: after reorganization it will improve to 3.7 hr.
- (iv) RRC had recommended Ajmer as Headquarter of the proposed NWR and it was at that time the hub of MG

activities. Jaipur is more central and with gauge conversion and changed traffic pattern and need for closer coordination. Jaipur had been recommended by the Advisors' Committee.

(v) It is a very important tourist centre.

(2) North-Central—Allahabad.

- (i) The workload of NR, CR and ER is very heavy and needs to be reduced.
- (ii) Geographical sprawls of NR (11000 Km.) CR (7100 Km.) and ER (4600 Km.) are very large.
- (iii) The accessibility of NR (7.3 hr.) and CR (11.2 hr.) is low.
- (iv) Allahabad is central to the other three constituent divisions i.e. Agra, Jhansi and Singrauli and the accessibility of the proposed zone will be 6 hours which is reasonable.

(3) West-Central Railway—Jabalpur

- (i) The workload of CR and SE is very high.
- (ii) The geographical sprawls of CR (7100 Km.) and SE (7100 Km.) are very large.
- (iii) The accessibility of CR (11.2 hr.) and SE (9.3 hr.) is also very low.
- (iv) RRC and Advisors' Committee had also recommended setting up of a zonal office at Jabalpur.

(4) South-Western Railway—Bangalore

- (i) The workload of SC Railway is high and needs relief.
- (ii) The geographical sprawls of both SR and SCR are in the range of 7000 to 7200 km.
- (iii) The accessibility of Southern Railway is poor (7 hrs.).
- (iv) With Konkan Railway and large scale gauge conversions and other projects coming up in the area, there was a need for an additional zone by bifurcation of SC and SR.
- (v) RRC and Advisors' Committee also recommended setting up of a Zonal Headquarter at Bangalore.

(5) East-Central Railway—Hajipur

- (i) Workload of ER is very heavy and needs relief.
- (ii) Geographical sprawls of NF (5200 Km.) and ER (4600 Km.) are also substantial.
- (iii) Need for development of backward regions of Bihar and the persistent demands or a zone in Bihar.
- (iv) Adequate availability of railway land.

(6) East-Coast Railway—Bhubaneswar

- (i) Workload of SER is very high and needs relief.
- (ii) The accessibility of SER (9 hr.) is low.
- (iii) Geographical sprawls of SER (7200 Km.) is very large and needs to be truncated.
- (iv) A number of railway projects are coming up in the region and there is a need for opening up of underdeveloped areas.
- (v) There had also been persistent demands for a zonal office in the region.

34. During evidence of non-official witnesses when enquired whether there was any need for more additional zones and what would be the impact of creation of new zones on the Railways, a former Chairman, Railway Board submitted as under:

“I am of the considered and balanced opinion that there is absolutely no need for the creation of any new zone in the Indian Railways. I have no doubt in my mind about this. The basic reason for this opinion is that in Railways the functioning unit is really a division. That is what runs the system. While there may be need, with the Konkan Railways coming through and conversion from metergauge to broadgauge, to reorganise the boundaries of division, the creation of new zones is out of question in my opinion.

You have mentioned about the implication. When you create a new zone, you are not adding to any additional facility for the travelling public or for the people who transport goods.

Money is spent mostly on administrative work, for the construction of houses and offices which will benefit some railway staff, additional capacity at higher levels of management etc. but the travelling public get no special benefit at all. The people who transport their goods get no special benefit at all. What is important, in my opinion is the passenger and the person who transports his goods and nothing else is necessary."

35. When further asked whether more divisions are required instead of more zones, he submitted:

"It is important to understand what is meant by becoming unmanageable. Every aspect of the Indian Railways is more than totally manageable because the management unit is the Division. The Division is ideally suited to reach out and understand the situation regarding the demands to create or escalate facilities, and get it done on the basis of policy. The Divisions may need little reorganisation because of the conversions that are going on at the moment. But reorganisation of zones is not necessary."

36. During evidence one of the Members of the Committee observed that the Railways is a very useful mode of transport for the common people. Therefore, it should be improved, and its efficiency must be increased. However, at present Railway system is not giving good results. When former Chairman, Railway Board asked to give his comments, he stated:

"I would like to very emphatically state that the Railways has a number of inefficient areas. The hon. Member is right. There is no doubt that any system can improve to a vast extent, but that improvement does not come by creating new zones. Why do you not have new lines in certain areas that need new lines? Where is the money for creating zones? In a centrally administered organisation like Railways, funds must come. Where did they come from? They come from tickets, freight rates and perhaps from the commercial exploitation of land. But the fact remains that by creating a zone, you are not going to create new lines. For doing that, you need funds and money. There are plans and plans for new schemes and for new lines. There is no dearth of planning to improve the performance of the Railways. If you want to improve, put the money into new lines, rolling stock. Do not put the money in zones."

He further stated:

"In addition to the normal cost of inflation, you will find enhancement in the cost. If I want to purchase something which today costs at Rs. 10, but at the time of purchasing it. It may become Rs. 20. You see what type of people are going to be recruited in a Zonal Headquarter. They are mainly officers, General Manager but labour force is not involved."

37. When specific comments were sought about the requirement of more zones—a former Financial Commissioner, Railway Board stated before the Committee:

"In fact, the railway service is something which have economies of scale and therefore coordination is needed. Creation of more zones means more problems in coordination. Interchange of trains time-tabling etc. all sorts of problems are there. I am not opposed to the creation of zones as such. But depending upon the need we can have one or two. But a detailed examination has to be done. I do not think that it was done.

That detailed examination was done 10 or 12 years back. The situation has changed, operation patterns have changed. Now we are running end to end trains. The operating patterns have changed. Technological inputs have come in. We have now telecommunications facilities which will enable management from a long distance. A re-examination is needed to see if additional zones are required. Three months' back I had some information that this was to be put up to the Cabinet. But the Cabinet held it up saying that they would examine it later. But all of a sudden a decision followed. I am not questioning the need. One or two Zones may be necessary but not in this manner."

He further stated:

"The first question to be answered is, are the Railways a mere public utility concern? That question needs to be answered. The Railways have to be given a clear demarcation between social responsibilities and commercial responsibilities. The Railways should undertake some social responsibilities particularly in a country like India, but not on a large scale. But you have to have some arrangement for discharging these responsibilities and the input from the general revenues has come down. The Railways

cannot put up the rates. They cannot economise. With these two fundamental possibilities, that is, if they are able to work out the rates every year leaving out a concession for passengers who cannot afford, some sort of a substitution can be done but not beyond a limit. The goods traffic is certainly bearing much more than what it can with stability. I personally feel that we need not have gone the whole hog to do this thing."

38. When the Committee wanted to know the views of another former Chairman, Railway Board on the proposal of re-organisation of zones in Indian Railways and whether this proposal had come up during his tenure, he deposed before the Committee during evidence:

"During my tenure as Member and Chairman of the Railway Board, this question of re-organization of zones was raised. The then Hon. Minister did think that we need a zone at Bangalore."

39. When asked whether it was only for one Zone or more, he replied that there was a slight problem there. He stated:

"When the Railway Reforms Committee gave its recommendations, it recommended four zones first at Ajmer and Jabalpur and in the second phase at Allahabad and to be considered later at Bangalore. Naturally if anybody has to propose Bangalore, he has to propose for all the four. That proposal did come up. Somehow, the Railway Board stood against it. Somehow we wanted the Hon. Minister to understand that we were not worried about that (the number of Zones), the issue was not of increase in traffic, the issue was that of workload. If the number of locomotives is now less as compared to the one in the 80s. or that of wagons is less, or there is gauge conversion. I find there is a reason for having less number of zones. Now the bottlenecks are eliminated and the flow is much easier. If the headquarters could be reached earlier in seven hours, now it could be reached in five hours. Therefore, all these arguments would work in favour of not at all increasing any zone. My own personal view is, there may be a need for a division depending upon a very big commercial centre in the area or an industry coming up. But there cannot be any reason at all for having another zone in the Indian railways. The financial position has gone down where it was converted to smaller zones."

40. There is an opinion that if the area and the route kilometers of a Zonal Railway is reduced, that Railway becomes more efficient.

When the Committee wanted to know his comments on the above notion, he replied:

“The North-Eastern Railways cannot be called an efficient railways. Efficient railways are the ones which are having heavy traffic, which have large systems, like the Northern Railway. South Eastern Railway, Central Railway and Western Railway.”

He further stated:

“We have got the Central Railway and the Western Railway. Much of the latter is in metre-gauge. These are the railways which are sustaining the Indian Railway system. That is how, the passengers and the people who load the freight are able to get lower rates. If smaller zones are there, the rates are bound to go up. There has never been a felt need for another zone. Even when the RRC gave its recommendations, we could have come up with four posts of General Managers. But we did not do that because we felt that there was no need for that. So there is no felt need in the system. We all know that the cost of having more zones will be underestimated. Nobody will indicate all the costs. These costs will have to be paid by the users. They will not be paid by those who have asked for the zones? Secondly, what is the cost benefit? Which must be worked out. With more Zones Indian Railways will be spending more on buildings, more on officers and staff, rather than on trains, signalling, better truckage etc. We have no problem in carrying on with nine zones and now they are thinking of having fifteen zones. What for? There cannot be any one good reason in favour of the proposal. It will also increase the problems of coordination by the Railway Board. Zone is an administrative unit and a division is an operative unit. Coordination among Zones is done by Railway Board. Right now, there is no felt need within the system.”

41. When the Committee wanted to know the comments of one of the former Chairman, Railway Board on this subject during evidence, he replied as under:

“Sir, I will deal with this whole issue by dealing with certain aspects separately.

During my tenure as Chairman, we had a panel in Delhi to go into the issue of not only the existing system of evaluation of

workload but also we carried out a detailed exercise of what would be the particular implication to the financial position, the financial viability of it and all. Certain points have been made by my seniors about workload.

In the present environment the workload is entirely a different subject from what it used to be in the 80s or 70s. We normally would not like to consider the workload from the point of view of physical activity as such. I give you a small example of the anomalies.

What goes behind running a train is one part of physical activity. What we did consider was what would be the workload on the management organization whether you run one train or twenty trains on the same section. It is a highly debatable issue. It is not directly proportionate that if you run twenty trains, the workload increases by twenty times.

Technology and the volume of traffic handled are two things which normally go together, in order that they may be handled efficiently, effectively and with the purpose of deliver in a quality of service for which the investments have been made in the system. In other words, the system must deliver what it is required to deliver.

Therefore, the major issue when we look at administrative units, is how effective that unit is likely to be as far as functional effectiveness of the organization is concerned. Does it provide a cutting edge or it proliferates the problems? This was one particular aspect which was one of the basic principles behind which this exercise was conducted, the idea being we did have four major railways on the system, which by virtue of their geographical spread were certainly not such that it would be considered a very effective administrative unit.

I am talking of Railways like Central, Western, Northern and South-Eastern Railways. Effectiveness of field supervision, effectiveness of monitoring the work is what their administrative unit would normally carry out. Therefore, during my tenure in the Board also, we had a very detailed presentation. I asked, 'What could be the system and what effect would it have?' But basically the intention or the entire thrust of the entire exercise was that we

should confine the geographical spread of the administrative units in a manner that directness of approach is higher as well as effectiveness of all the administrators who are otherwise located in Headquarters could be bettered. In other words, the thing was that, if the General Manager (Western Railway) had to come to a place like Bayana, he may take about not less than 18 hours.

I go back to history a little bit. when we took over the system since the same was also brought out by a senior colleague of mine—we inherited from the British after Independence, whatever was there. The BCCI had its headquarters at Bombay and there we have got western Railway Headquarters: we had BNR headquartered at Calcutta and it became South-Eastern Railway Headquarters. At that stage nobody thought about configuring the Zone. In the early 50s. Northern Railways was created. South-Eastern was created. North Eastern Zone was created and later, South-Central was created. After that, as Mr. Anand has said, about thirty years or so, not only has the system remained static. but even the total route element has almost remained the same. Hardly about two or three per cent has been added and the system has been continuously carrying additional traffic to the extent that today the traffic is about five times more than what it was. Certainly, from the point of view of workload, this would not be a matter that we should perpetuate in the system. The whole issue has to be looked at from two points and two aspects: the effectiveness and also of the quality of the management.

At the end of twentieth century, the environment is not the same as it used to be fifteen years or twenty years ago. One particular issue with which I have been very conscious is that, with the reduction in the budgetary support today, the development of railways is more and more directly funded by its users. It is not as if some funds are coming from else where and you spend it in a particular plan. But today almost 80 per cent of Indian Railways development Plans are funded by revenue generated by Indian Railways. And such revenue is generated only through fare and freight which are directly paid for by the users. Therefore, in today's position we should not ignore this particular aspect and we should be more conscious about the fact that the system is more responsive and accountable to its users than what it was in 1980s or 1960s or 1950s. So, the issue now is different."

42. When asked whether more Zones were needed and whether these were justifiable at this point of time when the budgetary support is less and resource crunch is there, he submitted:

"It is a question of timing whether we are taking this decision now or whether we are taking it later. It is also axiomatic that an administrative unit directly cannot generate resources and what an administrative unit can do by better supervision and monitoring is that it can bring about an increase in the efficiency levels and that the increase in the efficiency levels could perhaps help create transport capacity to the extent that the investments needed may be less and therefore there would be less burden on the budgetary support. This is the basic argument. If you increase efficiency by better supervision and monitoring, then for the transport capacity you require much less investment level. If you lower investment then you can look at the developments of Railways on a lower key. But presently as it is seen there is a very severe resource crunch. Funds are being raised through market borrowing or through private participation and whether the Railways would be able to raise that volume of resources through private participation is a matter which is debatable and is difficult.

Our experience in the last few years has been that induction of private participation in the Railways is not an easy task. The Railways have been falling short of their anticipation as to what should be the private funding in Railway development projects—like for wagons, for capacity generation or for construction of railway lines or for creation of physical capacity—has not been to the extent that we thought. It is because of very long gestation periods, exclusivity, vertical integration and all those things. There are certain constraints due to which private participation is not there.

It is the situation not only in India, it is the situation all over the world. Private participation comes after a very great deal of thought. Therefore, I do not say that whether today or in future with the present environment, the Railways will be in that particular position. They will be able to fund their plans, development plans totally out of the resources generated by themselves. It will take them some more time before they complete the task of modernization. This is one task where the Railways have not yet really become serious. In attempting to do so because

of resource crunch or whatever resources were there, they were spent on rehabilitation of the system, they were spent on generation of capacity and to match the traffic demands. But the situation of modernisation was still left as a priority. They require proper funds. I do not think that at least in the next decade, the process of modernisation is really adequate and completed. That one can really thought of and the situation by which you can generate enough resources to meet your own development process. That would be my view. But looking at that particular aspect, which I earlier mentioned in my presentation that the system does need, it cannot be that the system can be allowed to run on the heritage of as much as 50 years. If we put it little more lightly that this could be the first step as far as modernisation or reorganisation is concerned. We cannot live with the same organisation for ever. I have got only this particular argument to support. We have to bring in the modernisation. In this regard timing is of course there.

Since all such decisions would imply investment and also would imply whether it will help development as such or not, it has to be a decision of the Government as approved through an exercise which will have to be done from the point of view of viability and desirability and the timing of the investment. We have such institutions in our country. We have a Planning Commission. It decides what should be the scope of overall development of the country. It decides what will be the sectorial policy. Therefore, if this administrative unit is needed it should come as a part of the overall planning for the country. Along with that, the financial aspects of it should be done."

Inauguration of new Zonal Offices

43. The Standing Committee on Railways had decided at their first sitting held on 13 August 1996 to examine the proposal for creation of additional new zones and the Ministry of Railways was accordingly informed *vide* Lok Sabha Secretariat O.M. No. 11/1/SCR/96 on 13 August 1996 (Annexure-II).

44. On enquiry about the inauguration of new Zonal Offices, the Ministry of Railways informed as under:

"Inaugural functions for 6 zonal headquarters have since been held as under:

- (i) Bhubaneswar on 8.8.96
- (ii) Allahabad on 28.8.96
- (iii) Hajipur on 8.9.96
- (iv) Jaipur on 17.10.96
- (v) Bangalore on 1.11.96 and
- (vi) Jabalpur on 8.12.96.

45. When asked whether a decision has been taken about forming six new zones, the Chairman, Railway Board during evidence stated:—

“...As I said, a lot of representations are still being received about what should be the jurisdiction of a particular zone, whether such and such Division should be included in it or it should be excluded, etc. We are still deliberating on that.

He further stated:

We are taking all that into consideration and only after we come to a firm conclusion on this, we can say that this will be in this zone or in this division etc. That is why, we have not made any firm decision.”

46. Keeping in view this fluid situation it would be very difficult for the Ministry of Railways to be quite sure of the expenditure to be incurred on creation of new zones since the expenditure also depends on the jurisdiction of the zones. Thereupon the Chairman, Railway Board stated:—

“We have decided about the creation of new zones, the problem is only with regard to the jurisdiction,

He further stated:

It will vary only very insignificantly or marginally. There will not be much variation in the expenditure. The difference will be very very marginal. After all, the number of divisions and the number of zones would remain the same. We have also inaugurated them: the headquarters of the zones are also fixed. If one area is not in one particular zone or division, it would form part of the

other. So, the difference in the cost would be only very very marginal."

47. One of the members of the Committee pointed out that it is rather shocking that the inauguration of the zonal offices have been taken place without any planning of any division or demarcation or anything of that kind. For clarification the Chairman, Railway Board stated:

"There is no doubt about the formation of the zones or the place where the zone will be opened. It is only about Jurisdictions that I am taking about."

He further stated:

Zones have already been inaugurated and firmly established. There is no question of any change now. This has been approved by the Cabinet and once a thing is approved by the Cabinet, it is very difficult to change."

48. When attention of the Ministry of Railways was drawn towards Chapter 2 Section 3 of the Indian Railway Act of 1989, which provides— "The Central Government may, for the purpose of the efficient administration of the Government railways, by notification, constitute such railways into as many Zonal Railways as it may deem fit and specify in such notification the names and headquarters of such Zonal Railways and the areas in respect of which they shall exercise jurisdiction". Member (Engineering) stated that the notification has not been issued. Thereupon it was pointed out that in the absence of the notification the Ministry of Railways cannot do any work regarding creation of new zones, the Chairman, Railway Board stated:

"We can do the preliminary work. I have to locate whether the work has been done. The purchasing agreement has to be processed. If land has to be cleared free of cost from the State Government that has to be processed. Similarly, staff option had to be obtained. They have preliminary reports about the new zones from the OSDs."

49. It was pointed out that the Committee thus should take that the zones have not been created. When asked, how the zones have been inaugurated and the post of OSDs created, without notification the Chairman, Railway Board stated.

"We have created the posts of OSDs with the approval of the Cabinet. Another paper went to the Government. In the beginning he is called OSD and it has been decided that after some time he will be designated as General Manager."

To clarify the position further, the Member (Engineering) stated:

"The Central Government's function also is to define its jurisdictions and issue the gazette notification. My submission is that the Parliament through the Railway Budget and the Cabinet have decided in principle to divide the Indian Railways not in nine zones but in fifteen zones. Legally today only nine zones are in operation. As far as Railways Claim Tribunals are concerned, they are functioning in nine zones. So, what has been decided is only an administrative action. We have Officer on Special Duties at these places. Their functions have been defined by the Parliament like what would be the land requirement, what would be the divisions of assets, etc. So, administrative decision has been taken through the Parliament by the Cabinet. The zones are not really functional. That gazette notification need not be in one go and it can be in several attempts. That is a matter of detail.

Recommendations/Observations

50. The Committee, after announcement of creation of new six zones by the Minister of Railways in his Budget Speech (1996-97) on 16 July, 1996 decided to take up the subject 'Re-organisation of Zonal offices in Indian Railways' at their first sitting held on 13 August, 1996 for detailed examination. The Ministry of Railways was also accordingly informed on the same day, But the Committee are surprised to find that the Ministry of Railways did not wait for the outcome of examination of the subject by the Committee and instead went ahead for inauguration of all the Zonal Offices. The Committee take strong exception to this attitude of the Ministry towards the importance of the working of the Committee. The Ministry of Railways should have waited for the outcome of examination of the subject by this Committee.

51. In 1981 need was felt to review the whole gamut of the working of the Indian Railways and consequently a very high powered Expert Committee (Railway Reforms Committee) was constituted for the purpose. This Committee submitted its voluminous

Report in 1984. The Committee had *inter alia* after working out a detailed indices of workload taking into account various parameters such as size, accessibility, traffic burden, operating/administrative requirements consistent with the needs of economy and efficiency, recommended for creation of 4 zones in a phased manner *i.e.* in Phase I East Central Railway and North Western Railway; in Phase II North Central Railway and in Phase III South Western Railway (to be considered later). Though the recommendations of the Committee were accepted in principle by the Ministry of Railways but the same could not be implemented due to resource constraint as stated by the Ministry of Railways for about 12 years nor they sought the Cabinet's approval. When the Ministry was asked whether they are not facing resource crunch at present they informed the Committee that the resource constraint is still there. The Committee thus note that the ground put forward by the Ministry of Railways not to implement the recommendations of RRC does not hold force on the face of the fact that the Government have announced six new zones in one go though they are still facing resource crunch. The Committee therefore take very serious note of the rigid bureaucratic approach of Railway Board in not implementing the recommendations of RRC even in a phased manner since 1984.

52. The Committee note that as per 'Key to the Budget Documents' Part I (Summary) of Works. Machinery and Rolling Stock Programmes of Railways includes brief justification of important 'New Works' proposed in the Budget. The Committee find that an outlay of Rs. 250 crores for the purpose of re-organisation of Zones and Divisions *vide* item No.2 18-A of Railways Budget (1995-96) under head 'New Works' of Northern Railway was got approved by the Ministry of Railways and Rupees one Lakh was provided to be incurred during that year. Similarly a provision of Rs. 190 lac was also made *vide* item No. 304 of Railway Budget (1996-97) under head 'Other Specified Works' of Northern Railway to be incurred in 1996-97, However on perusal of Railway Budget documents for 1997-98. The Committee find that an outlay, during 1996-97, of Rs. 1000.12 lac against the provision of Rs. 190 lac is expected to be incurred on re-organisation of Zonal Offices. The Committee fail to understand why the brief justification for the expenditure of Rs. One Lakh in 1995-96 and for Rs. 190 lac in 1996-97 (expected outlay of Rs. 1000.12 lac during 1996-97) could not find place in Part I (Summary) of Works. Machinery and Rolling Stock Programmes of the Railways in their Budgets for the years 1995-96 and 1996-97. In other words it

is not clarified in Part I (Summary) that the amount provided in Budget would be incurred on schools, hospitals, buildings or on any other works. The Committee cannot but conclude that this is a grave lapse on the part of the Ministry of Railways as a consequence of misleading feature of the Railway budget documents. The Committee therefore seek clarification duly vetted by Audit from the Ministry of Railways.

53. An Advisors' Committee of the Ministry of Railways was constituted in May, 1994 to examine the proposal of re-organisation of Zones and Divisions. It was an internal Committee of Ministry of Railways. Even the Planning Commission and the Ministry of Finance were not associated with the Committee. This Committee submitted its Report in December 1994. When the Ministry of Railways was asked to supply a copy of the Report to facilitate the Committee to examine the subject in detail, the same was not supplied on the pretext of its being secret in nature. As the Ministry of Railways has been implementing the recommendations made by the Advisory Committee, the Committee are of the opinion that this very vital Report does not strictly fall in the category of secret documents. The Committee therefore note with serious concern that the Ministry of Railways have prevented the detailed examination of the subject by not supplying the copy of this vital Report.

54. The Committee further note that as stated by the Railway Ministry and corroborated by the Cabinet Secretary, on the basis of recommendations of the Advisors' Committee, a proposal for creation of four zones was sent in July, 1995 to the Cabinet. The proposal was deferred by the Cabinet in August, 1995. However after the formation of new Government at the Centre, the Ministry of Railways have again gone to the Cabinet in July, 1996 for creation of not only four zones as recommended by RRC and Advisors' Committee as stated by the Ministry of Railways but for six new zones. The Committee are surprised to find that on the one hand, the recommendations of the Railway Reforms Committee (a Committee of Experts) made after in-depth study in 1984 for creation of four new zones even in a phased manner were not implemented till recently due to resource constraint and on the other, the Government surprisingly decided the creation of six new zones. The Committee feel that the decision for creation of six new zones in one go may have serious impact on the present Railway system.

55. The Committee are of the opinion that the basic objective of the Railways, being a Public Utility Service and being dependent on public funds must primarily be to serve the public. Thus every scheme must serve the primary objectives. Certainly, the creation of a new zone, in this modern era where communication and information technology has advanced tremendously, and where delegation of powers, responsibility and authority to Divisions has proportionately increased, may not merit consideration in such a manner. Therefore, the Committee recommend that creation of new Zones, should be taken up in a phased manner and that too on the basis of workload, better operational efficiency and effective financial and administrative management.

56. The Committee further recommend that new Zonal Headquarters should be created as model headquarters taking into account the available state-of-the-art technologies in the field of information technology, management information systems and communication technologies. Thereafter existing zones should also be considered for modernisation on similar lines in a phased manner for better operational efficiency and effective financial and administrative management.

NEW DELHI;
13 March, 1997

23 Phalguna, 1918 (Saka)

BASUDEB ACHARIA,
Chairman,
Standing Committee on Railways.

ANNEXURE I

Chairman : Shri B.D. Pande

- Members :
1. Prof. Ravi J. Matthai. Indian Institute of Management. Ahmedabad.
 2. Shri Russi Mody, Vice-Chairman & Managing Director, TISCO.
 3. Justice H.C.P. Tripathi, Former Judge, Allahabad High Court.
 4. Dr. Manmohan Singh, Member Planning Commission.
 5. Shri M.S. Gujral, Chairman. Railway Board.

Secretary : Dr. S.K. Ray, an IRTS Officer of Indian Railways.

Under Government Notification No. ERB-I/81/21f 41f dated December 5, 1981. Shri V.P. Sawhney. Former Member, Staff, Railway Board, also joined the Committee as a Member, Shri M.S. Gujral had resigned.

Shri B.D. Pande, took over as Governor of West Bengal on September 12, 1981. On his resignation in March 1982. Shri H.C. Sarin was appointed as Chairman of the Committee, *Vide* Government Resolution No. ERBI/81f/21/41 dated March 9, 1982. Shri Sarin took over as Chairman on March 11, 1982.

ANNEXURE II

**MOST IMMEDIATE
BY SPECIAL MESSENGER**

**LOK SABHA SECRETARIAT
(STANDING COMMITTEE ON RAILWAYS)**

Telegrams LOK SABHA NEW DELHI
Telex 3 66'55 LSS IN

**PARLIAMENT HOUSE ANNEXE
NEW DELHI-110001**

No. 11/1/SCR/96

13 August, 1996

OFFICE MEMORANDUM

**SUBJECT : Examination of the subjects (i) Budgetary Supports to
Railways & (ii) Re-organisation of Railway Zonal Offices
by Standing Committee on Railways.**

The undersigned is directed to state that the Standing Committee on Railways have decided to examine the following subjects relating to Railways :—

- (i) Budgetary support to Railways ;**
- (ii) Re-organisation of Railway Zonal Offices**

2. The Ministry of Railways are requested that 60 copies each of the Hindi & English versions of the preliminary material relating to the above subjects may kindly be furnished to this Secretariat urgently latest by 16 August, 1996.

Sd/-

**(ANITA JAIN),
ASSISTANT DIRECTOR,
TEL. NO. 3034157.**

**The Ministry of Railways (Railway Board),
(Shri C.L. Kaw, Chairman)
Rail Bhawan
New Delhi.**

PART II

**MINUTES OF THE FIRST; FOURTH; SIXTH; SEVENTH;
NINTH; THIRTEENTH; FOURTEENTH; FIFTEENTH;
SIXTEENTH AND TWENTIETH SITTING OF THE
STANDING COMMITTEE ON RAILWAYS HELD
ON 13.8.96; 03.09.96; 24.09.96; 24.10.96; 06.11.96;
17.12.96; 31.12.96; 24.1.97; 27.2.97;
AND 13.3.97 RESPECTIVELY**

MINUTES OF THE FIRST SITTING OF THE STANDING COMMITTEE ON RAILWAYS (1996-97)

The Committee sat on Tuesday, the 13 August 1996 from 1100 hrs. to 1230 hrs. in Private Dining Hall, Parliament House Annexe, New Delhi.

PRESENT

Lok Sabha

Shri Basudeb Acharia — *Chairman*

2. Shri Ram Naik
3. Shri Jagdambi Prasad Yadav
4. Shri Satyadev Singh
5. Shri Anand Ratna Maurya
6. Shri Dharendra Agarwal
7. Dr. Ramvilas Vedanti
8. Shri Priya Ranjan Das Munshi
9. Shri Nandi Yellaiah
10. Shri K.P. Singh Deo
11. Km. Susheela Tiriya
12. Shri V.M. Sudheran
13. Shri Chun Chun Prasad Yadav
14. Shri P. Theertharaman
15. Shri Ram Singh Shakya
16. Shri K. Parasuraman
17. Shri Kondapalli Pydiotallinaidu
18. Shri Sukh Lal Khushwah
19. Shri Ram Bahadur Singh
20. Dr. Prabin Chandra Sarma
21. Shri S. Bangarappa

Rajys Sabha

22. Shri W. Angou Singh
23. Shri Shivajirao Giridhar Patil
24. Shri Gopalsinh G. Solanki
25. Smt. Malti Sharma
26. Shri Rahasbihari Barik
27. Shrimati Chandra Kala Pandey
28. Shri S. Niraikulathan
29. Shri Saifulla

SECRETARIAT

1. Smt. Roli Srivastva — *Joint Secretary*
2. Shri R.C. Gupta — *Under Secretary*

2. At the outset the Chairman, welcomed the Members of the Committee and congratulated them on their nomination to Standing Committee on Railways. [***]

3. The Committee then took up selection of subjects for examination during 1996-97. They decided to take up the subjects—(i) [***] (ii) Reorganisation of Railway Zonal Offices on priority basis. The Committee also decided to take evidence [***] on 27.8.96 of Ministry of Railways in connection with examination of the subject—'Reorganization of Railway Zonal Offices'.

4. [***]

The Committee then adjourned.

MINUTES OF THE FOURTH SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (1996-97)

The Committee sat on Tuesday, the 3rd September, 1996 from
1500 hours. to 1830 hours.

PRESENT

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ram Naik
3. Shri Jagdambi Prasad Yadav
4. Shri Dharendra Agarwal
5. Shri Ashok Sharma
6. Dr. Sahebrao Bagul
7. Shri Priya Ranjan Das Munshi
8. Shri K.P. Singh Deo
9. Shri Inchalemba
10. Shri V.M. Sudheran
11. Shri Chun Chun Prasad Yadav
12. Shri Raja Rangappa Naik
13. Shri P. Theertharaman
14. Shri K. Parasuraman
15. Shri Narayan Athavale
16. Dr. Prabin Chandra Sarma
17. Shri E. Ahamed
18. Shri S. Bangarappa

Rajya Sabha

19. Shri Satyanarayana Dronamraju
20. Shri W. Angou Singh
21. Shri Nagmani
22. Shrimati Chandra Kala Pandey
23. Shri S. Niraikulathan

SECRETARIAT

- Smt. Roli Srivastava — *Joint Secretary*
 Shri K.L. Narang — *Deputy Secretary*
 Shri O.P. Shokeen — *Committee Officer*

WITNESSES

- Shri C.L. Kaw — Chairman, Railway Board & Ex-Officio Principal Secy. to the Government of India.
- Shri V. Sivakumaran — Financial Commissioner (Railways) & Ex-Officio Secy. to the Government of India.
- Shri M. Ravindra — Member Engg. & Ex-Officio Secy. to the Government of India.
- Shri V. Santhanam — Member Electrical & Ex-Officio Secy. to the Government of India.
- Shri L.K. Sinha — Member Mechanical & Ex-Officio Secy. to the Government of India.
- Shri V.K. Aggarwal — Member Staff & Ex-Officio Secy. to the Government of India.

2. The Chairman welcomed the Chairman, Railway Board and his colleagues to the sitting of the Committee and invited their attention to provisions contained in Direction 58 of the Directions by the Speaker, Lok Sabha. Shri V.K. Aggarwal was congratulated on his taking over as Member (Staff) of the Railway Board on that day.

3. The Committee thereafter took evidence of the representatives of the Ministry of Railways (Railway Board) on the subject—'Re-organisation of Zonal Offices in Indian Railways'.

4. A verbatim record of the proceedings was kept.

(The witnesses then withdrew).

The Committee then adjourned.

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (1996-97)

The Committee sat on Tuesday, the 24th September 1996 from 1500 hrs. to 1700 hrs. in Committee Room 'E', Parliament House annexe, New Delhi.

PRESENT

Shri Basudeb Acharia — *Chairman*

MEMBERS

2. Shri Satya Deo Singh
3. Shri Anand Ratna Maurya
4. Dr. Sahebrao S. Bagul
5. Shri Priya Ranjan Das Munshi
6. Shri Ashok Gehlot
7. Shri Nandi Yelliah
8. Shri K.P. Singh Deo
9. Km. Sushila Tiriya
10. Shri V.M. Sudheeran
11. Shri Chun Chun Prasad Yadav
12. Shri Raja Rangappa Naik
13. Shri P. Theertharaman
14. Shri Ram Singh Shakya
15. Shri K. Parasuraman
16. Shri Narayan G. Athawalay
17. Shri Ram Bahadur Singh
18. Shri E. Ahamed
19. Shri S. Bangarappa

Rajya Sabha

20. Shri Dronam Raju Satyanarayana
21. Shri Balbir Singh
22. Dr. Ishwar Chandra Gupta
23. Shri Rahas Bihari Barik
24. Dr. Chandrakala Pandey
25. Shri S. Niraikulathan

SECRETARIAT

Shri R.C. Gupta — *Deputy Secretary*

WITNESSES

1. Shri M.S. Gujral, Ex-Chairman, Railway Board
2. Dr. Y.P. Anand, Ex-Chairman, Railway Board
3. Shri Ashok Bhatnager, Ex-Chairman, Railway Board

2. The Chairman welcomed the witnesses and invited their attention to provisions contained in Direction 58 of the Directions by the Speaker, Lok Sabha.

3. The Committee thereafter took evidence of the witnesses on the subject—'Re-organisation of Zonal Offices in Indian Railways'. The witnesses expressed their views on different points raised during the evidence relating to criteria, justification of creation of six new Zones at-a-stretch, non-implementation of the recommendations made by the Railway Reforms Committee in 1984, etc.

4. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SEVENTH SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (1996-97)

The Committee sat on Thursday, the 24th October, 1996 from 1500 hrs. to 1530 hrs. in Committee Room 'E'. Parliament House Annexe.

PRESENT

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jagdambi Prasad Yadav
3. Shri Satya Deo Singh
4. Shri Anand Ratna Maurya
5. Shri Dharendra Agarwal
6. Shri Ashok Sharma
7. Dr. Sahebrao S. Bagul
8. Dr. Ramvilas Vedanti
9. Shri Priya Ranjan Das Munsi
10. Km. Sushila Tiriya
11. Shri Qamarul Islam
12. Shri Chun Chun Prasad Yadav
13. Shri Raja Rangappa Naik
14. Shri Ram Singh Shakya
15. Shri K.P. Naidu
16. Shri Narayan G. Athawalay
17. Shri Ram Bahadur Singh
18. Dr. Prabin Chandra Sarma
19. Shri E. Ahamed

Rajya Sabha

20. Shri Balbir Singh
21. Shri W. Angou Singh
22. Shri Shivajirao Giridhar Patil
23. Shri Gopalsinh G. Solanki
24. Smt. Malti Sharma
25. Shri Nagmani
26. Dr. (Smt.) Chandrakala Pandey
27. Shri K.M. Saifullah

SECRETARIAT

1. Shri R.C. Gupta — *Deputy Secretary*
2. Shri O.P. Shokeen — *Committee Officer*

WITNESSES

1. Shri R.D. Kitson, Formar Chairman, Railway Board
2. Shri A.V. Paulose, Formar Financial Commissioner,
Railway Board
3. Shri R.C. Acharya, Former Member, Railway Board

2. The Chairman, Standing Committee on railways informed the Members of the Committee and the witnesses about the sad demise of Shri Basant Singh Khalsa, M.P. and member of the Committee in a road accident on 20th October 1996 and decided to postpone the sitting for 6 November 1996 at 1100 hours. Thereafter the following condolence resolution was passed :—

“The Standing Committee on Railways place on record their deep sense of shock and profound sorrow over the sad demise of Shri Basant Singh Khalsa in a road accident on 20 October 1996.

Shri Basant Singh Khalsa was a social worker and a religious missionary. Though it was a short span as Member of this Committee, he showed keen interest in deliberations and gave valuable suggestions on the matters that came up before the Committee.

We deeply mourn the loss of this friend and convey our heartfelt condolences to the Members of the bereaved family”.

3. The Members of the Committee then stood in silence for a short while.

The Committee then adjourned.

MINUTES OF THE NINTH SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (1996-97)

The Committee sat on Wednesday, the 6th November 1996 from 1100 hrs. to 1300 hrs. in Main Committee Room, Parliament House Annexe.

PRESENT

Shri Basudeb Acharia — *Chairman*

MEMBERS

2. Shri Jagdambi Prasad Yadav
3. Shri Satya Deo Singh
4. Shri Dharendra Agarwal
5. Dr. Sahebrao S. Bagul
6. Dr. Ramvilas Vedanti
7. Shri K.P. Singh Deo
8. Shri Chun Chun Prasad Yadav
9. Shri P. Theertharaman
10. Shri Ram Singh Shakya
11. Shri K. Parasuraman
12. Shri K.P. Naidu
13. Shri Narayan G. Athawalay
14. Shri Sukhlal Khushwah
15. Shri Ram Bahadur Singh
16. Dr. Prabin Chandra Sarma

Rajya Sabha

17. Shri W. Angou Singh
18. Smt. Malti Sharma
19. Dr. (Smt.) Chandrakala Pandey
20. Shri K.M. Saifullah

SECRETARIAT

1. Shri R.C. Gupta — *Deputy Secretary*
2. Shri O.P. Shokeen — *Committee Officer*

WITNESSES

- (1) Shri R.D. Kitson, Former Chairman, Railway Board
- (2) Shri A.V. Poullose, Former Financial Commissioner, Railway Board
- (3) Shri R.C. Acharya, Former Member (Mechanical), Railway Board

2. The Chairman welcomed the witnesses to the sitting and invited their attention to provisions contained in Direction 58 of the Directions by the Speaker, Lok Sabha.

3. The Committee thereafter took evidence of the witnesses on the subject on 'Re-organisation of Zonal Offices in Indian Railways'. Special emphasis was stressed on the justification of creation of new six Zones in one go.

4. The verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE THIRTEENTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (1996-97)

The Committee sat on Tuesday, the 17 December, 1996 from 1500 hrs. to 1530 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ram Naik
3. Shri Jagdambi Prasad Yadav
4. Shri Satya Deo Singh
5. Shri Ashok Sharma
6. Shri Imchalemba
7. Shri P. Theertharaman
8. Shri K. Parasuraman
9. Shri Narayan G. Athawalay
10. Shri Dinsha J. Patel
11. Dr. Prabin Chandra Sarma
12. Shri E. Ahamed

Rajya Sabha

13. Shri Shivajirao Giridhar Patil
14. Shri Gopalsinh G. Solanki
15. Smt. Malti Shrama

SECRETARIAT

1. Shri R.C. Gupta — *Deputy Secretary*
2. Smt. Anita Jain — *Assistant Director*
3. Shri O.P. Shokeen — *Committee Officer*

2. The Committee deferred consideration of Draft **5th Report on 'Re-organisation of Zonal Offices in Indian Railways' as the Members of Committee desired to have more time to study the Draft Report. The Committee agreed to consider and adopt the above Report on 31st December, 1996 and thereafter to present to the Speaker, Lok Sabha.

3. ****

The Committee then adjourned.

MINUTES OF THE FOURTEENTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (1996-97)

The Committee sat on Tuesday, the 31st December, 1996 from 1500 hrs. to 1700 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ram Naik
3. Shri Jagdambi Prasad Yadav
4. Shri Satya Deo Singh
5. Dr. Sahebrao S. Bagul
6. Shri Priya Ranjan Das Munsi
7. Shri Ashok Gehlot
8. Shri Nandi Yelliah
9. Shri K.P. Singh Deo
10. Shri Imchalemba
11. Shri Qamarul Islam
12. Shri Chun Chun Prasad Yadav
13. Shri P. Theertharaman
14. Shri Ram Singh Shakya
15. Shri K. Parasuraman
16. Shri K.P. Naidu
17. Shri Narayan G. Athawalay
18. Shri Sukhlal Khushwah
19. Shri Dinsha J. Patel
20. Dr. Prabin Chandra Sarma

21. Shri S. Bangarappa

Rajya Sabha

22. Shri Dronam Raju Satyana Rayana

23. Shri W. Angou Singh

24. Shri Malti Sharma

25. Shri Nagmani

26. Dr. (Smt.) Chandrakala Pandey

27. Shri S. Niraikulathan

SECRETARIAT

Smt. Roli Srivastava	—	<i>Joint Secretary</i>
Shri R.C. Gupta	—	<i>Deputy Secretary</i>
Smt. Anita Jain	—	<i>Assistant Director</i>
Shri O.P. Shokeen	—	<i>Committee Officer</i>

2. *** *** ***

3. *** *** ***

4. The Committee then took up for consideration the Draft Fifth Report on 'Re-organisation of Zonal Offices in Indian Railways'. The Committee, however, decided to take the evidence of the Cabinet Secretary and the Chairman, Railway Board for further clarification on some of the points on the subject on 22nd January, 1997.

5. *** *** ***

The Committee then adjourned.

MINUTES OF THE FIFTEENTH SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (1996-97)

The Committee sat on Friday, the 24th January, 1997 from 1500 hrs. to 1730 hrs. in Committee Room '62', Parliament House, New Delhi.

PRESENT

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jagdambi Prasad Yadav
3. Shri Satya Deo Singh
4. Dr. Sahebrao S. Bagul
5. Dr. Ramvilas Vedanti
6. Shri Priya Ranjan Das Munsi
7. Shri Nandi Yelliah
8. Shri K.P. Singh Deo
9. Shri V.M. Sudheeran
10. Shri Qamarul Islam
11. Shri Chun Chun Prasad Yadav
12. Shri Raja Rangappa Naik
13. Shri P. Theertharaman
14. Shri Ram Singh Shakya
15. Shri K. Parasuraman
16. Shri K.P. Naidu
17. Shri Narayan G. Athawalay
18. Shri Dinsha J. Patel
19. Dr. Prabin Chandra Sarma
20. Shri E. Ahamed
21. Shri S. Bangarappa

Rajya Sabha

22. Shri Dronam Raju Satyana Rayana
23. Shri W. Angou Singh
24. Smt. Malti Sharma
25. Shri Nagmani
26. Dr. (Smt.) Chandrakala Pandey
27. Shri S. Niraikulathan
28. Shri K.M. Saifullah
29. Maulana Habibur Rahman Nomani

SECRETARIAT

Smt. Roli Srivastava	—	<i>Joint Secretary</i>
Shri R.C. Gupta	—	<i>Deputy Secretary</i>
Shri O.P. Shokeen	—	<i>Committee Officer</i>

WITNESSES

(i) Cabinet Secretariat

- (a) Shri Deepak Dasgupta
Additional Secretary
- (b) Shri Dharendra Singh
Joint Secretary

(ii) Ministry of Railways (Railway Board)

- | | |
|-------------------------|---|
| (a) Shri C.L. Kaw | Chairman, Railway Board &
Ex-Officio Principal Secretary to
the Govt. of India. |
| (b) Shri V. Sivakumaran | Financial Commissioner (Railways)
& Ex-officio Secy. To the Govt.
of India. |
| (c) Shri M. Ravindra | Member Engg. & Ex-Officio
Secy. to the Government of India. |
| (d) Shri L.K. Sinha | Member Mechanical & Ex-Officio
Secy. to the Government of India. |
| (e) Shri V.K. Agarwal | Member Staff & Ex-Officio Secy.
to the Govt. of India. |

2. The Chairman welcomed the witnesses to the sitting of the Committee and invited their attention to the provisions contained in Direction 58 of the Directions by the Speaker, Lok Sabha.

3. However, due to absence of the Cabinet Secretary the Committee decided to take evidence of the Cabinet Secretary on the subject—'Re-organisation of Zonal Offices in Indian Railways' sometime later.

4. The Committee thereafter took the evidence of the representatives of the Ministry of Railways (Railway Board) on the subject.

5. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SIXTEENTH SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (1996-97)

The Committee sat on Thursday, the 27th February 1997 from 1500 hrs. to 1600 hr. in Committee Room '62', Parliament House, New Delhi

PRESENT

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Dr. Ramvilas Vedanti
3. Shri Ashok Gehlot
4. Shri K.P. Singh Deo
5. Shri Qamarul Islam
6. Shri K. Parasuraman
7. Shri K.P. Naidu
8. Shri Narayan G. Athawalay
9. Shri Sukhlal Khushwah
10. Shri Dinsha J. Patel
11. Shri E. Ahamed

Rajya Sabha

12. Shri W. Angou Singh
13. Shri Gopalsinh G. Solanki
14. Dr. Ishwar Chandra Gupta
15. Smt. Malti Sharma
16. Dr. (Smt.) Chandrakala Pandey
17. Shri S. Niraikulathan
18. Maulana Habibur Rahman Nomani

SECRETARIAT

1. Smt. Roli Srivastava — *Joint Secretary*
2. Shri R.C. Gupta — *Deputy Secretary*
3. Shri O.P. Shokeen — *Committee Officer*

WITNESSES

1. Shri T.S.R. Subramanian — *Cabinet Secretary*
2. Shri Dharendra Singh — *Joint Secretary*

2. The Chairman welcomed the witnesses to the sitting of the Committee and invited their attention to the provisions contained in Direction 58 of the Directions by the Speaker, Lok Sabha.

3. The Committee took the evidence of the Cabinet Secretary on the subject- 'Re-organisation of Zonal Offices in Indian Railways'.

4. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE TWENTIETH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (1996-97)

The Committee sat on Thursday, the 13 March 1997 from 1500 hrs. to 1700 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Badudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jagdambi Prasad Yadav
3. Dr. Sahebrao S. Bagul
4. Shri Priya Ranjan Das Munsi
5. Shri K.P. Singh Deo
6. Shri K. Parasuraman
7. Shri Narayan G. Athawalay
8. Shri Dinsha J. Patel
9. Dr. Prabin Chandra Sharma

Rajya Sabha

10. Shri Balbir Singh
11. Shri W. Angou Singh
12. Shri Gopalsinh G. Solanki
13. Dr. (Smt.) Chandrakala Pandey
14. Shri S. Niraikulathan
15. Maulana Habibur Rahman Nomani

SECRETARIAT

1. Smt. Roli Srivastava — *Joint Secretary*
2. Shri R.C. Gupata — *Deputy Secretary*
3. Shri O.P. Shokeen — *Committee Officer*

2. The Committee considered and adopted the Draft 5th Report on 'Re-organisation of Zonal Offices in Indian Railways' with amendments/modifications shown in Appendix.

3. The Committee authorized the Chairman to finalise the Report after making consequential changes arising out of factual verification by the Ministry of Railways and to present this Report to both the Houses of Parliament.

The Committee then adjourned.

APPENDIX

Amendements/Modifications made by Standing Committee on Railways in the Draft Report on 'Re-Organisation of Zonal Offices in Indian Railways

S. No.	Page No.	Para No.	Line	
01.	57	50	3	After (1996-97) Add on 16 July 1996
02.	58	51	3	After powered Add expert
03.	58	51	19	After 12 years Add nor they sought the Cabinet's approval.
04.	59	51		For 'of the fact that.....since 1984. Substitute of the fact that the Government have announced six new zones in one go though they are still facing resource crunch. The Committee therefore take very serious note of the rigid bureaucratic approach of Railway Board in not implementing the recommendations of RRC even in a phased manner since 1984.
05.	62	53	13	For the committee feel that the Read Report the Committee are of the opinion that this vital Report.

S. No.	Page No.	Para. No.	Line		
06.	62	53	Last Line	For Read	the copy of that Report. the copy of this vital Report.
07.	63	54		For para 54 Substitute	The Committee further note that as stated by the Railway Ministry and corroborated by the Cabinet Secretary, on the basis of recommendations of the Advisors' Committee, a proposal for creation of four zones was sent in July 1995 to the Cabinet. The proposal was deferred by the Cabinet in August 1995. However, after the formation of new Government at the Centre, the Ministry of Railways have again gone to the Cabinet in July 1996 for creation of not only four zones as recommended by RRC and Advisors' Committee as stated by the Ministry of Railways but for six new zones. The Committee are surprised to find that on the one hand, the recommendations of the Railway Reforms Committee (a Committee of Experts) made after in-depth study in 1984 for creation of four new zones even in a phased manner were not implemented till recently

S. No.	Page No.	Para No.	Line		
					due to resource constraint and on the other the Government surprisingly decided the creation of six new zones. The Committee feel that the decision for creation of six new zones in one go may have serious impact on the present Railway system.
08.	64	55	10	For Read	proportionately increasedindices proportionately increased, may not merit consideration in such a manner. Therefore, the Committee recommend that creation of new Zones, should be taken up in a phased manner and that too on the basis of workload, better operational efficiency and effective financial & administrative management.
09.	65	56	05	For Read	communication technologiesphased manner. communication technologies. Thereafter existing zones should also be considered for modernisation on similar basis in a phased manner for better operational efficiency and effective financial & administrative management.