

3

**STANDING COMMITTEE
ON RAILWAYS
(1998-99)**

TWELFTH LOK SABHA

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**DEMANDS FOR GRANTS
(1999-2000)**

THIRD REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1999/Chaitra, 1921 (Saka)

**CORRIGENDA
TO
THE THIRD REPORT OF 12TH LOK SABHA
STANDING COMMITTEE ON RAILWAYS**

<i>Page</i>	<i>Para</i>	<i>Line</i>	<i>For</i>	<i>Read</i>
05	-	05	11,22,87	11,12,87
05	-	07	36,63,80	36,68,80
10	-	08	1,54	1,50
10	15	04	Rs. 41,95,73 Lakh	Rs. 419.23 Lakh
15	17	01	Rs. 212.50 crore	Rs. 212.51 crore
18	18	01	Rs. 280.85 crore	Rs. 280.84 crore
27	-	01	thsaund	thousand
32	23	04	Rs. 4433.48 lakh	Rs. 4423.48 lakh
32	23	04	Rs. 968.23 lakh	Rs. 966.23 lakh
32	23	05	Rs. 3307.80 lakh	Rs. 3305.80 lakh
35	24	01	Rs. 199.47 crore	Rs. 199.48 crore
49	40	(a) (iv)	Vth	V
59	73	04	Matals	Metals
60	75	-	(R.D.S.O.) 4.00	(R.D.S.O.)
60	-	6	3,03,00	4.00
		under Col. 2		
60	-	6	1,30,00	3,03,00
		under Col. 3		
60	-	6	4,13,21	1,30,00
		under Col. 4		
60	-	6	2,65,05	4,13,21
		under Col. 5		
60	-	6	-	2,65,05
		under Col. 6		
61	75	08	179,39,68	179,39,08
61	75	15	-	331,64,16
		under Col. 4		
61	75	15	331,64,16	207,51,66
		under Col. 5		
61	75	15	207,51,66	952,40,01
		under Col. 6		
61	75	15	-	2610,50,24
		Add: Total		
98	143	16	through	though
100	147	03	realy	really
106	161(a)	01	are	as
107	162	08	Projects,	Project.
107	162	08	budgetary	Budgetary
115	171	03	decleared	declared
117	173(c)	15	faudalistic	feudalistic
117	173(c)	19	amanities	amenities
117	173(d)	01	Co-ordination/ Communication	co-ordinations/ communication
118	174(a)	17	suitable	suitably
119	176(a)	03	sence	sense
123	03	02	held	hold

THIRD REPORT
STANDING COMMITTEE ON RAILWAYS
(1998-99)

(TWELFTH LOK SABHA)

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

DEMANDS FOR GRANTS
(1999-2000)

Presented to Lok Sabha on 22-4-1999

Laid in Rajya Sabha on 19-4-1999



LOK SABHA SECRETARIAT
NEW DELHI

April, 1999/Chaitra, 1921 (Saka)

C.R. No. 03

Price : Rs. 56.00

PA ENT LIBRARY
Central tions
Acc. No. 10.1292 (5)
Date.....

225.3657P

N 8.3.4

© 1999 By LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Ninth Edition) and Printed by Jainco Art India, 13/10, W.E.A., Saraswati Marg, Karol Bagh, New Delhi-110 005.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)

PART I

Report	1
Recommendations/Observations	98

PART II

Minutes of the sittings of the Standing Committee on Railways (1998-99) held on

11.3.1999	121
30.3.1999	124
31.3.1999	127
08.4.1999	130

**COMPOSITION OF THE STANDING COMMITTEE
ON RAILWAYS (1998-99)**

Kumari Mamata Banerjee — Chairperson

MEMBERS

Lok Sabha

2. Shri Jagdambi Prasad Yadav
3. Shri Ritlal Prasad Verma
4. Smt. Thakkur Jayaben Bharat Kumar
5. Shri Sohan Potai
6. Dr. Laxminarayan Pandey
7. Shri Jagannath Singh
8. Shri M.A. Kharabela Swain
9. Shri Kishan Lal Diler
10. Shri Pankaj Choudhary
11. Shri Ram Pal Singh
- *12. Smt. Panabaka Lakshmi
13. Shri A. Sai Prathap
14. Shri Rajo Singh
15. Shri N.J. Rathwa
16. Shri Dinsha J. Patel
17. Shri Ashok Namdeorao Mohol
18. Shri Bhajan Lal
19. Shri A.B.A. Ghani Khan Chowdhury
- **20. Shri Moinul Hassan Ahamed
21. Shri Paras Nath Yadav
22. Shri Kanchi Panneersavalam

*Nominated in place of Shri Manikrao Hodlya Gavit, M.P. *vide* Bulletin Part II dated 8 June, 1998.

**Nominated in place of Shri Basudeb Acharia, M.P. *vide* Bulletin Part-II dated 9 June, 1998.

23. Shri Taslimuddin
24. Shri Hari Kewal Prasad
25. Shri K.P. Naidu
26. Dr. Prasanna Patasani
27. Shri V.V. Raghavan
28. Smt. Satwinder Kaur Dhaliwal
29. Shri Ram Vilas Paswan
30. Shri T.R. Baalu

Rajya Sabha

31. Shri Sitaram Kesri
- *32. Vacant
33. Shri Karnendu Bhattacharjee
34. Shri Satyanarayana Dronamraju
35. Shri Gopalsinh G. Solanki
36. Prof. Ram Bakhsh Singh Varma
37. Chowdhary Chunni Lal
38. Dr. Chandrakala Pandey
- **39. Shri G.K. Moopnar
40. Maulana Obaidullah Khan Azmi
41. Shri Naresh Yadav
42. Shri S. Niraikulathan
43. Shri V.P. Duraisamy
44. Shri Anil Sharma
45. Shri Barjinder Singh Hamdard

SECRETARIAT

- | | | |
|-----------------------|---|-----------------------------|
| 1. Dr. A.K. Pandey | — | <i>Additional Secretary</i> |
| 2. Shri John Joseph | — | <i>Joint Secretary</i> |
| 3. Shri R.C. Gupta | — | <i>Deputy Secretary</i> |
| 4. Shri S.N. Dargan | — | <i>Under Secretary</i> |
| 5. Shri O.P. Shokeen | — | <i>Committee Officer</i> |
| 6. Shri U.C. Bhardwaj | — | <i>Reporting Officer</i> |

*Shri S.S. Surjewala retired *w.e.f.* 01 August, 1998.

**Shri Solipeta Ramachandra Reddy resigned *w.e.f.* 16 July, 1998 and Shri G.K. Moopnar nominated *vide* Bulletin Part II dated 11 August, 1998.

INTRODUCTION

1, the Chairperson of Standing Committee on Railways (1998-99) having been authorised by the Committee to present the Report on their behalf, present this Third Report of the Standing Committee on Railways (1998-99) on 'Demands for Grants (1999-2000)' of the Ministry of Railways.

2. The Committee took evidence of the representatives of the Ministry of Railways in connection with examination of the Demands for Grants, 1999-2000 on 11.3.1999, 30.3.1999 and 31.3.1999. The Committee also took evidence of the officials of the Ministry of Finance and the Planning Commission on 31.3.1999.

3. The Report was considered and adopted by the Committee at their sitting held on 8th April, 1999. The Minutes of the sittings held on 11th, 30th, 31st March and 8th April, 1999 form Part II of the Report.

4. The Committee wish to express their thanks to the officers of the Ministry of Railways (Railway Board), Ministry of Finance and the Planning Commission for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (1999-2000) and sharing with them their views concerning the matter during the evidence.

5. The Committee would also like to place on record their appreciation for the valuable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
8 April, 1999

18 Chaitra, 1921 (Saka)

MAMATA BANERJEE,
Chairperson,
Standing Committee on Railways.

PART I

REPORT

Introductory

The Indian Railways, the nation's life line and one of the largest systems in the world under a single management, traverse through vast length and breadth of the nation serving 6,986 stations covering 62,495 route kilometres comprising broad gauge (43,083 Kms.) meter gauge (15,805 Kms.) and narrow gauge (3607 Kms.). Being energy efficient and eco-friendly, Railways continue to occupy their dominant position, in carrying bulk of the freight and long distance passenger traffic. As compared to the road transport, the railways have a number of intrinsic advantages. They are five to six times more energy efficient, four times more efficient in land use and significantly superior from the standpoints of environmental impact and safety. Indian Railways, therefore, rightly occupy the pride of place in the growth and development of the nation.

2. The Indian Railways own a fleet of 2,63,981 wagons (units), 34,728 coaches and 7,206 locomotives. With this fleet the Railways manage to run 11,000 trains (including 7,500 passenger trains) and carries approximately 1.18 million tonnes of freight traffic and 12 million passengers daily.

3. The Indian Railway system comprises nine Zonal Railways namely; Central, Eastern, Northern, North Eastern, Northeast Frontier, Southern, South Central, South Eastern and Western.

4. With a view to providing more reliable and effective service to the nation and also for the smooth functioning of the railways, six new Zones are being set up at Bhubaneswar, Allahabad, Hajipur, Jaipur, Bangalore, and Jabalpur. The infrastructure for each Zone is being created. Another new Zone at Bilaspur has also been approved and is being set up.

5. Railways are looked upon sometimes as a commercial organisation and sometimes as a vehicle of social justice. The Latter part requires not only to make investment which are unremunerative

or loss making but also to provide subsidised services, mostly in the passenger segment and to some extent by carrying essential commodities below cost. At the same time it is also considered an instrument for development of backward areas.

6. The massive investment needed has, however, not materialised due to dwindling share of the capital being received from the General Exchequer and also because of inherent limitations of the Railways to generate resources internally. This has forced the Railways to resort to costly market borrowings.

7. Despite the resource scarcity, Railways have made rapid strides in the areas of development of indigenous capacity for rolling stock manufacture, extension of electric traction to cover 21% of the network, gauge conversion and doubling of lines, introduction of Mass Rapid Transit systems in metropolitan areas, construction of bridges which are engineering marvels across major rivers like Ganges, Godavari and Brahmaputra and linking the North Eastern Region with the rest of the country. Various steps have been taken to improve the passenger services namely introduction of high speed Rajdhani/Shatabdi Express trains for fast travelling and extension of computerised passenger reservation facilities for the convenience of the passengers.

8. The Railway Budget for the year 1999-2000 has been presented by the Railway Minister on 25.2.1999.

9. The Revenue receipts of the Railways consist of earnings from passenger traffic, other coaching earning (which include parcels and luggage), earnings from goods traffic and sundry other earnings like rent, catering receipts, interest and maintenance charges from outside bodies, etc. There are also other miscellaneous receipts like receipts of Railway Recruitment Board from sale of application forms and examination fees, etc., and Government's share of surplus profits which includes receipts from subsidised Railway companies in which the Government has no capital interest. The subsidy from the General Revenues in respect of dividend reliefs forms part of miscellaneous receipts. The total of all these items makes up the total receipts of the Railways. The portion of the earnings which is due to the Railways during the financial year but has not actually been realised is held in a 'Suspense' account.

10. The expenditure incurred by the Railways is on Revenue account and on Works account. The Revenue account consists of

Ordinary Working Expenses incurred by the various Departments on the Railways in their day to day working, other miscellaneous expenditure like the expenditure on Railway Board, Audit, Surveys and other miscellaneous establishments and payments as regulated by contracts to worked lines which are not owned by the Railways and are either worked by the Indian railways or companies concerned. The Revenue Account also includes appropriation to the Depreciation Reserve Fund, the Pension Fund and Dividend paid by the Railways to the General Revenues.

11. Works expenditure is financed from Capital borrowed from the General Revenues and also by internal resources, viz, Capital Fund, Depreciation Reserve Fund, Development Fund and Revenue (The cost of unremunerative operating improvements and works other than passenger amenities costing below certain financial limits are charged to Revenue). The overall annual budgetary support of the General Finances of Government of India to the Railways consists of the Capital loans and the sums temporarily loaned to meet the deficiency, if any, in the Development Fund. A part of the investment in Railway assets, covered by the Railway Plans, is also made by the Indian Railway Finance Corporation which raises funds through market borrowings.

Demands for Grants, 1999-2000

12. There are the following 16 Demands for Grants—Demands 1 to 15 dealing with Revenue Expenses, Appropriations to the Funds and Dividend payment and Demand 16 dealing with Works Expenditure:—

No. of Demands	Name of Demands
1	2
1.	Railway Board.
2.	Miscellaneous Expenditure (General).
3.	General Superintendence and Services on Railways.
4.	Repairs and Maintenance of Permanent Way and Works.
5.	Repairs and Maintenance of Motive Power.

1	2
6.	Repairs and Maintenance of Carriages and Wagons.
7.	Repairs and Maintenance of Plant and Equipment.
8.	Operating Expenses — Rolling Stock and Equipment.
9.	Operating Expenses — Traffic.
10.	Operating Expenses — Fuel.
11.	Staff Welfare and Amenities.
12.	Miscellaneous Working Expenses.
13.	Provident Fund, Pension and other Retirement Benefits.
14.	Appropriation to Funds.
15.	Payment of Dividend to General Revenues.
16.	Assets — Acquisition, Construction and Replacement.

Demand No. 01

Railway Board

Voted : Rupees thirty nine crore forty-five lakh.

(Thousands of Rupees)			
Actuals 1997-98	Budget Estimate 1998-99	Details	Budget Estimate 1999-2000
6,69,99	7,31,90	Pay of Group 'A' & 'B' Establishment	6,00,00
10,18,22	11,43,40	Pay of Group 'C' & 'D' Establishment	11,39,37
15,73,12	17,93,50	Others Charges	22,05,63
32,61,33	36,63,80	Total Voted	39,45,00

13. The Budget Estimate 1999-2000 exceeds the Revised Estimates 1998-99 by Rs. 2.76 crore. This increase is mainly due to incremental effect on Allowances and more demand in Contingent and Other Expenses.

Demand No. 02

Miscellaneous Expenditure (General)

Voted: Rupees one hundred and ninety six crores fifty-five lakh

(In thousands of rupees)

Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
6,73,12	7,22,57		7,26,02	8,25,86
...	...	(a) Surveys
42,12,79	47,05,00		47,96,71	50,72,19
...	...	(b) Research, Design & Standards Organisation		
58,57,77	65,15,78		71,38,06	78,12,72
...		(c) Expenditure on Miscellaneous Establishment		...
31,46,11	35,18,40		36,92,00	39,54,00

1	2	3	4	5
		(d) Reimbursement of Cost of Statutory Railway Audit	<i>Charged</i>	...
21,79	20,40		: Voted	22,62
...	...	(e) Payments of Worked Lines, Subsidised Companies	<i>Charged</i>	...
18,51,99	18,61,06		: Voted	19,67,61
		(f) Miscellaneous Charges	<i>Charged</i>	...
157,63,57	173,43,21		: Voted	184,89,00
		Total	<i>Charged</i>	196,55,00

14. The Budget Estimate (gross) for 1999-2000 under this Demand exceeds the Revised Estimates 1998-99 by Rs. 11.66 crore. The increase is mainly due to additional demand for incremental effect on salaries, allowances, contingent and other expenses.

Demand No. 03

General Superintendence and Services on Railways

Voted: Rupees one thousand four hundred and twenty-six crore eighty-four lakh fifty thousand

Charged : Rupees one lakh fifty thousand

(In thousands of rupees)					
Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000	
1	2	3	4	5	8
		100			
75,43,19 94	89,51,17 ...	General Management Including General Management Services.	89,90,06 ...	97,12,60 ...	
		200			
301,28,64 49	350,61,06 ...	Financial Management	342,83,14 10	376,00,65 ...	

1	2	3	4	5
		300		
191,71,44	213,89,61	Personnel Management.	Voted	239,41,01
...	1,00		<i>Charged</i>	1,00
		400		
205,60,86	233,65,78	Materials Management	Voted	244,28,72
...	...		<i>Charged</i>	...
		500		
104,33,49	113,18,26	Way and works	Voted	129,43,70
16	...	Management	<i>Charged</i>	...
		600		
63,42,14	71,88,54	Rolling Stock	Voted	82,29,74
...	...	Management	<i>Charged</i>	...
		700		
43,92,72	50,56,75	Electrical Management	Voted	57,09,11
...	...		<i>Charged</i>	...

1	2	3	4	5
32,71,60	38,62,38	800 Signal and Telecommunication Management	Voted 38,93,10 <i>Charged</i> ...	41,27,91 ...
124,06,14	139,13,45	900 Traffic Management	Voted 146,62,09 <i>Charged</i> ...	159,91,06 50
1142,50,22	1301,07,00	Total (100 to 900)	Voted 1320,53,00 <i>Charged</i> 1,00	1426,84,50 1,54

10

15. The Budget Estimates of Rs. 1426.86 crore under this demand reflects an increase of Rs. 106.32 crore over the Revised Estimates. This comprises an increase of Rs. 106.31 crore under Voted portion to provide for payment of Dearness Allowances (Rs. 13606.29 Lakh), HRA and Other Allowances. (Rs. 527.50 Lakh) Contingent Expenses (Rs. 693.44 Lakh), partly offset by decrease under Salaries and Other miscellaneous factors (Rs. 41,95,73 Lakh), and an increase of Rs. 0.50 Lakh under charged appropriation due to more payments anticipated in satisfaction of Court decrees.

Demand No. 04

Repairs and Maintenance of Permanent Way and Works

Voted: Rupees two thousand eight hundred and eighty-five crore seventy-nine lakh nine thousand

Charged : Rupees five lakh ninety thousand

(In thousands of rupees)

Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
		100		
195,55,22	230,89,79	Establishment in	224,12,17	245,70,46
...	1,00	Offices	1,58	20
		200		
1559,04,66	1757,63,64	Maintenance of	1705,00,40	1924,32,03
5,08	59	Permanent Way	19,38	3,70

1	2	3	4	5
		300		
71,33,40	83,62,73	Maintenance of Bridge Work and Tunnels including Road Over/Under Bridges.	Voted Charged	81,69,83 ...
		400		97,88,71 ...
238,90,77	267,00,11	Maintenance of Service Buildings (Other than Staff Quarters and Welfare Buildings).	Voted Charged	270,08,27 50
66	...			306,68,17 2,00
		500		
128,73,47	154,70,82	Water Supply, Sanitation and Roads (Other than Colonies, Staff Quarters and Welfare Buildings).	Voted Charged	139,21,73 50
...	...			160,72,66 ...
		600		
		Other Repairs and Maintenance	Voted Charged	34,58,95 ...
30,41,89	35,81,36			38,79,60 ...

1	2	3	4	5
		700		
74,83,70	78,40,04	Special Repairs	Voted	111,67,40
1,29	...	Pertaining to Breaches, Accidents etc. Including Special Revenue Works.	Charged	...
2298,83,11	2608,08,99	Total (100 to 700)	Voted	2885,79,09
7,03	1,50		Charged	5,90

16. The Budget Estimates of Rs. 2885.85 crore under this Demand reflects an increase of Rs. 346.15 crore over the Revised Estimates comprising an increase of Rs. 346.31 crore under 'Voted' portion to provide for payment of Dearness Allowance (Rs. 24102.38 lakh), HRA and other Allowances (Rs. 458.11 lakh), cost of Materials (Rs. 2008.60 lakh), Contractual Payments (Rs. 11523.92 lakh) and other Miscellaneous Factors (Rs. 525.46 lakh); partly offset by decrease in salaries and other Staff Costs (Rs. 3988.02 lakh); and Rs. 16.06 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 05

Repairs and Maintenance of Motive Power

Voted: Rupees one thousand five hundred and eighty crore nineteen lakh fifty-one thousand

Charged : Rupees one lakh

(In thousands of rupees)

Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
121,63,35	140,93,66	100 Establishment in Offices	143,98,71	160,31,12
		
22,83,65	21,14,60	200 Steam Locomotives	13,06,50	13,21,01
		

1	2	3	4	5
		300		
750,66,92	825,07,95 2,00	Diesel Locomotives	Voted <i>Charged</i>	794,66,15 1,00 897,77,73 1,00
		500		
396,00,35	439,51,50	Electric Locomotives	Voted <i>Charged</i>	423,60,60 ... 518,10,01 ...
		600		
-9,83,92	-13,82,68	Rail Cars, Ferry Steamers and Other Maintenance Expenses.	Voted <i>Charged</i>	-7,62,85 ... -9,20,36 ...
1281,30,35	1412,85,03 2,00	Total (100 to 600)	Voted <i>Charged</i>	1367,69,11 1,00 1580,19,51 1,00

17. The Budget Estimates of Rs. 1580.21 crore under this Demand reflects an increase of Rs. 212.50 crore over the Revised Estimates entirely under 'Voted' portion to provide for payment of Dearness Allowance (Rs. 6198.26 lakh), HRA and Other Allowances (Rs. 192.12 lakh), other Staff Costs (Rs. 245.44 lakh). Increased Maintenance Activity (Rs. 9305.78 lakh), Contractual Payments (Rs. 2298.76 lakh), transfer of Debit/Credit (Rs. 3258.92 lakh); partly offset by decrease in other Miscellaneous Factors (Rs. 248.88 lakh)

Demand No. 06

Repairs and Maintenance of Carriages and Wagons

Voted: Rupees two thousand nine hundred and ten crore ninety-three lakh eight thousand

Charged : Rupees one lakh twenty five thousand

(In thousands of rupees)

Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
		100		
158,07,34	174,31,13 15	Establishment in Offices	182,97,44	201,13,65
		200		
			Voted Charged	
870,05,36	946,56,50	Carriages.	960,91,89	1057,89,64
			Voted Charged	

1	2	3	4	5
		300		
795,28,41	818,31,05	Wagons	Voted <i>Charged</i>	850,55,87 942,93,41
		400		
215,21,75	251,80,48	Electrical Multiple Unit Coaches.	Voted <i>Charged</i>	255,89,35 280,26,95
		500		
356,34,76	393,56,51 1,10	Electrical General Services-train Lighting, Fans, and Air-conditioning.	Voted <i>Charged</i>	404,45,72 453,46,86 1,25 1,25
		600		
-18,66,79	-26,92,21	Miscellaneous Repairs and Maintenance Expenses.	Voted <i>Charged</i>	-25,35,84 -26,91,70

1	2	3	4	5
..		700-Diesel Multiple Unit Coaches	Voted <i>Charged</i>	2,14,27
2376,30,83	2557,63,46	Total (100 to 600)	Voted <i>Charged</i>	2910,93,08
	1,25		1,25	1,25

18. The Budget Estimates of Rs. 2910.94 crore under this Demand reflects an increase of Rs. 280.85 crore over the Revised Estimates entirely under 'Voted' portion to provide for payment of Dearness Allowance (Rs. 10875.20 lakh), HRA and Other Allowances (Rs. 342.66 lakh), other Staff Costs (Rs. 939.03 lakh). Increased Maintenance Activity (Rs. 12613.57 lakh), Contractual Payments (Rs. 544.17 lakh), Transfer of Debit/Credit (Rs. 3146.04 lakh); partly offset by decrease in other Miscellaneous Factors (Rs. 376.00 lakh).

Demand No. 07

Repairs and Maintenance of Plant and Equipment

Voted: Rupees one thousand five hundred and six crore ninety-eight lakh ninety-four thousand

(In thousands of rupees)

Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
147,50,24	161,94,63	100		
		Establishment in Offices	Voted <i>Charged</i>	177,31,15
63,75,25	81,59,78	200		
		Plant and Equipment Way and Works.	Voted <i>Charged</i>	91,68,89
		300		
127,14,06	145,76,49	Plant and Equipment Mechanical	Voted <i>Charged</i>	159,32,87

1	2	3		4	5
		400			
371,88,32	420,19,43 1,00	Plant and Equipment Electrical	Voted <i>Charged</i>	418,23,50	475,64,88
		500			
299,90,24	338,45,80	Plant and Equipment Signalling	Voted <i>Charged</i>	326,09,89	360,99,46
		600			
145,19,59	164,52,35	Plant and Equipment Telecommunication	Voted <i>Charged</i>	167,96,16	181,53,11
		700			
18,10,61	7,05,51	Rental to P & T For Signalling and Telecommunication Circuits	Voted <i>Charged</i>	19,48,72	19,68,61

1	2	3	4	5
		800		
28,35,10	37,13,60	Other Plant and Equipment-General and Traffic Departments.	Voted Charged	40,79,97
1201,83,41	1366,67,59 1,00	Total (100 to 800)	Voted Charged	1506,98,94

19. The Budget Estimates of Rs. 1506.99 crore under this Demand reflects an increase of Rs. 145.36 crore over the Revised Estimates entirely under 'Voted' portion to provide for payment of Dearness Allowance (Rs. 10465.81 lakh), HRA and Other Allowances (Rs. 229.31 lakh), Increased Maintenance Activity (Rs. 4218.05 lakh), Contractual Payments (Rs. 1156.15 lakh), Transfer of Debit/Credit (Rs. 450.72 lakh), Other Miscellaneous Factors (Rs. 175.32 lakh; partly offset by decrease in salaries and Other Staff Costs (Rs. 2159.72 Lakh).

Demand No. 08

Operating Expenses—Rolling Stock and Equipment

Voted: Rupees two thousand five hundred and sixty-four crore thirty-one lakh seven thousand

Charged : Rupees seven lakh

(In thousands of rupees)

Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
		100		
11,89,70	24,29,62	Steam Locomotives	11,98,17	14,44,42
36	...		48	...
		200		
683,38,77	962,84,05	Diesel Locomotives	930,84,33	945,67,56
...	7,00		6,17	7,00

1	2	3	4	5
		300		
292,24,06 1	422,67,46 ...	Electric Locomotives	Voted <i>Charged</i>	413,26,19 394,57,61
		400		
40,97,33	58,85,68	Electric Multiple Unit Coaches	Voted <i>Charged</i>	56,93,91 53,48,46
		500		
341,67,25	358,07,44	Carriages and Wagons	Voted <i>Charged</i>	392,47,89 35 463,37,52 ...
		600		
564,13,40 2,36	562,86,89 ...	Traction (Other than Rolling Stock) and General Electrical Services	Voted <i>Charged</i>	602.68,37 664,34,70

1	2	3	4	5
22,88,19	28,24,59	700		
—	—	Signalling and Telecommunication	Voted Charged	25,39,41 — 28,08,72
		800		
30,57	43,91	Ferry Services and Rail Cars	Voted Charged	30,55 — 32,08
1957,49,27	2418,29,64	Total (100 to 800)	Voted Charged	2433,88,82 7,00 2564,31,07
2,73	7,00			7,00

24

20. The Budget Estimates of Rs. 2564.38 crore under this Demand reflects an increase of Rs. 130.42 crore over the Revised Estimates entirely under 'Voted' portion to provide for payment of Dearness Allowance (Rs. 12606.44 lakh), HRA and Other Allowances (Rs. 302.29 lakh), Cost of Material (Rs. 7306.61 lakhs), Contractual Payments (Rs. 5886.39 lakh), other Miscellaneous Factors (Rs. 309.93 lakh); partly offset by decrease in salaries (Rs. 3235.61 lakh), Running Allowance (Rs. 9107.17 lakh) and Other Staff Costs (Rs. 1026.63 lakh).

Demand No. 09

Operating Expenses—Traffic

Voted: Rupees five thousand five hundred and fifty-one crore one lakh thirty-eight thousands

Charged: Rupees three lakh

(In thousands of rupees)				
Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
		100		
18,93,33	18,12,41	Establishment In Offices	22,02,79	22,50,45
—	—		—	—
		200		
		Station Operations	1844,87,01	1972,65,50
1638,51,79	1802,30,68		4,00	3,00
73,29	4,00			

1	2	3	4	5
		300		
138,52,69	157,36,08	Yard Operations	Voted	172,57,21
—	—		<i>Charged</i>	—
		400		
5,90,42	7,90,70	Transshipment and Repacking Operations	Voted	6,32,91
—	—		<i>Charged</i>	—
		500		26
		Trains Operations	Voted	682,45,10
489,13,28	701,78,07		<i>Charged</i>	—
1,24	2,00			2,00
		600		
		Safety	Voted	5,47,79
2,88,34	4,13,44		<i>Charged</i>	—
—	—			4,62,99
				—

1	2	3	4	5
		700		
1967,24,52	2392,57,58	Other Miscellaneous Expenses	Voted Charged	2689,87,22
—	—			—
4261,14,37	5084,18,96	Total (100 to 700)	Voted Charged	5551,01,38
74,53	6,00			3,00

21. The Budget Estimates of Rs. 5551.04 crore under this Demand reflects an increase of Rs. 486.20 crore over the Revised Estimates. This comprises an increase of Rs. 486.22 lakhs under 'Voted' portion to provide for payment of Dearness Allowances (Rs. 25651.26 lakh), HRA and Other Allowances (Rs. 339.16 lakh), Cost of Material (Rs. 352.61 lakh), Contractual Payments (Rs. 653.41 lakh), Lease/Hire charges to Indian Railway Finance Corporation (Rs. 27800.00 lakh), Lease charges under OYW and BOLT schemes (Rs. 6627.91 lakh), other Miscellaneous Factors (Rs. 1509.75 lakh), partly offset by decrease in salaries (Rs. 9179.14 lakh), Running Allowance (Rs. 3551.67 lakh) and Other Staff Costs (Rs. 1580.43 lakh) and 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees (Rs. 3.00 lakh).

Demand No. 10

Operating Expenses - Fuel

Voted: Rupees five thousand one hundred and forty eight crore, twelve lakh eleven thousand

Charged: Rupees two lakh

(In thousands of rupees)

Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
		100		
9,60,24	9,68,35	Steam Traction	7,17,53	7,69,47
—	—		1,50	—
		200		
1870,43,40	2019,97,31	Diesel Traction	1885,13,28	1938,96,01
—	2,00		2,00	2,00

1	2	3	4	5
		300		
2787,01,15	3060,09,82	Electric Traction	Voted Charged	3201,46,63
—	—		—	—
4667,04,79	5089,75,48	Total (100 to 300)	Voted Charged	5148,12,11
—	2,00		3,50	2,00

22. The Budget Estimates of Rs. 5148.14 crore under this Demand reflects an increase of Rs. 310.09 crore over the Revised Estimates comprising an increase of Rs. 310.11 crore under 'Voted' portion to provide for higher Staff Costs (Rs. 205.68 lakh) and more expenditure on fuel due to increase in traffic prices under Diesel Traction (Rs. 5228.99 lakh) and Electric Traction (Rs. 25575.92 lakh); partly offset by a reduction of Rs. 1.50 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 11

Staff Welfare and Amenities

Voted: Rupees one thousand one hundred and thirty-one crore twenty-three lakh thirty-nine thousand

Charged: Rupees three lakh twenty thousand

(In thousands of rupees)

Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
		100		
63,94,86	76,45,15	Educational Facilities	76,13,30	80,77,62
			—	—
		200		
292,79,93	347,11,68 1,00	Medical Services	356,60,77 2,70	387,52,80 2,70

1	2	3	4	5
		300		
134,88,92 10	148,56,93	Health and Welfare Services	Voted <i>Charged</i>	163,92,97 50
		400		
14,40,42	15,50,06	Canteen and Other Staff Amenities	Voted <i>Charged</i>	16,41,32 —
		500		
362,36,42 29	410,97,14	Residential and Welfare Buildings—Repairs and Maintenance	Voted <i>Charged</i>	482,37,69 —
		600		
24 —	4,60 —	Miscellaneous Expenses	Voted <i>Charged</i>	20,99 —

1	2	3	4	5
868,40,79	998,65,56	Total (100 to 600)	Voted	1131,23,39
39	1,00		Charged	3,20
				6,87

23. The Budget Estimates of Rs. 1131.27 crore under this Demand reflects an increase of Rs. 118.78 crore over the Revised Estimates comprising an increase of Rs. 118.82 crore under 'Voted' portion to provide for payment of Dearness Allowance (Rs. 7006.87 lakh), HRA and Other Allowances (Rs. 562.58 lakh), Cost of Materials (Rs. 2228.31 lakh) Contractual Payments (Rs. 4433.48 lakh), other Miscellaneous Factors (Rs. 968.23 lakh); partly offset by decrease in salaries and Other Staff Costs (Rs. 3307.80 lakh), and 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees (Rs. 3.67 lakh).

Demand No. 12

Miscellaneous Working Expenses -

Voted: Rupees one thousand four hundred and twenty-seven crore fifteen lakh, ninety-four thousand

Charged: Rupees seventeen crore twelve lakh eighty nine thousand

(In thousands of Rupees)

Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
		100		
490,78,98 4,45	655,86,64 9,25	Security	642,07,16 5,50	75108,15 5,50
226,24,89 6,99,99	192,91,08 10,05,42	Compensation Claims	176,00,96 14,07,99	205,37,80 11,10,49
		300		
7,44,63 32	8,01,39 50,00	Workmens' and Other Compensation Claims	8,24,30 50,95	10,78,12 50,00

1	2	3	4	5
		400		
189,36,13	194,79,98	Catering	Voted	224,74,46
37	—		<i>Charged</i>	—
		500		
51,03,81	70,22,44	Cost of Training of	Voted	80,46,98
—	—	Staff	<i>Charged</i>	50
		600		34
107,21,53	120,94,79	Other Expenses	Voted	131,46,80
3,23	—		<i>Charged</i>	—
		700		
38,18	25,85	Hospitality and	Voted	32,30
—	—	Entertainment Expenses	<i>Charged</i>	—

1	2	3	4	5
1072,48,15	1243,02,17	Total 100 to 700	Voted	1200,96,12
7,08,36	10,64,67		Charged	14,64,94
				1404,24,61
—25,47,65	16,57,20	Total Suspense	Voted	22,91,33
3,72,03	5,70,40		Charged	6,46,40
				5,46,40
1047,00,50	1259,59,37	Total	Voted	1223,70,00
10,80,39	16,35,07		Charged	21,11,34
				1427,15,94
				17,12,89

35

24. The Budget Estimates of Rs. 1444.29 crore under this Demand reflects an increase of Rs. 199.47 crore over the Revised Estimates comprising an increase of Rs. 203.46 crore under 'Voted' portion to provide for payment of Dearness Allowance (Rs. 6774.26 lakh), HRA and Other Allowances (Rs. 383.51 lakh), Cost of Materials (Rs. 1448.18 lakh) Contractual Payments (Rs. 349.91 lakh), Payments to Order Police (Rs. 3580.74 lakhs). Compensation Claims—Goods (Rs. 1675.43 lakh) other Miscellaneous Factors (Rs. 6785.13 lakh); partly offset by a reduction under Other Staff Costs (Rs. 651.22 lakh), and Rs. 398.45 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 13

Provident Fund, Pension & Other Retirement Benefits

Voted: Rupees three thousand three hundred and thirteen crore ninety-six lakh, ninety-one thousand

Charged : Rupees seventy seven lakh nineteen thousand

(In thousands of rupees)

Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
		100 —		
2045,75,84 4	1289,78,33 4	Superannuation and Retiring Pension	2065,50,73 4	2202,54,84 4
		200 —		
406,91,52 —	167,00,00 —	Commuted Pension	579,94,76 —	148,72,86 —

1	2	3	4	5
		300 —		
56,98	86,40	Ex-Gratia Pension	73,29	72,04
—	—		—	—
		400 —		
569,21,60	594,79,00	Family Pension.	631,70,16	611,62,87
32,89	38,38		35,85	35,95
		500 —		
382,15,96	129,00,00	Death-Cum-Retirement Gratuity	436,96,22	225,92,95
—	—		—	—
		600 —		
108,04,77	119,89,88	Other Allowances, Other Pension and Other Expenses.	115,90,26	112,04,55
32,43	49,14		1,55,17	41,20
3512,66,67	2301,33,61	Total - (100-600)	3830,75,42	3301,60,11
65,36	87,56		1,91,06	77,19

1	2	3	4	5
		700 —		
10,80,03	12,35,71	Gratuities and Special Contribution to Provident Fund.	Voted	12,31,36
32	—		Charged	—
		800 —		
-19,45	11,89	Contributions to Provident Fund.	Voted	544
—	—		Charged	—
10,60,58	12,47,60	Total (700 & 800)	Voted	12,36,80
32	—		Charged	—
3523,27,25	2313,81,21	Total	Voted	3313,96,91
65,68	87,56		Charged	77,19

25. The Budget Estimates of Rs. 3314.74 crore is less than the Revised Estimates by Rs. 529.88 crore comprising of a reduction of Rs. 528.74 crore under 'Voted' portion and Rs. 113.87 lakh under 'Charged' appropriation. The decrease in 'Voted' portion is anticipated due to non-recurrence of arrear payments arising out of the implementation of recommendations of V Central Pay Commission. The reduction under 'Charged' appropriation is due to less payments arising out of court decrees.

Demand No. 14—Railways
Appropriation To Funds

Voted: Rupees six thousand and ninety-six crore sixty-five lakh.

(In thousands of rupees)				
Actuals 1997-98	Budget Estimate 1998-99	Minor Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1904,00,00	2473,00,00	Appropriation to Railway Depreciation Reserve Fund	1600,00,00	1589,00,00
3377,00,00	2228,00,00	Appropriation to Railway Pension Fund	3435,00,00	2964,00,00
345,33,63	475,00,00	Appropriation to Railway Development Fund	426,00,00	600,00,00
1189,89,07	1180,86,43	Appropriation to Capital Fund-Railways	193,39,00	943,65,00
6816,22,70	6356,86,43	Total	5654,39,00	6096,65,00

26. This Demand is for appropriation from Revenue to the various Railway Funds as under:—

- (a) Appropriation to Depreciation Reserve Fund is being made in accordance with the recommendations of the Railway Convention Committee (R.C.C.).

- (b) Appropriation to Pension Fund is being made having regard to the recommendations of the R.C.C. In assessment of this amount, due consideration is given to such factors as the estimated higher withdrawals from the Fund, liberalisation of pension benefits, etc.
- (c) Development Fund is credited with such appropriation out of the Revenue excess after payment of Dividend as may be voted by Parliament.
- (d) Appropriation to the Capital Fund, created w.e.f. 1992-93, is being made keeping in view the Plan requirement for building up the Railway infrastructure out of the internal resources.

Demand No. 15—Railways

Dividend to General Revenues, Repayment of Loans Taken From General Revenues and Amortization over Capitalization

Voted: Rupees one thousand nine hundred and fourteen crore eight lakh.

(In thousands of rupees)				
Actuals 1997-98	Budget Estimate 1998-99	Minor Heads & Sub-Heads of Demand	Revised Estimate 1998-99	Budget Estimate 1999-2000
1	2	3	4	5
1489,20,73	1777,26,00	Dividend to General Revenues	1751,70,00	1914,08,00
..		Repayment of Deferred Dividend liability in respect of the period 1978-79 onwards
		Repayment of loans for Development Fund taken from General Revenues and interest thereon		..
		Repayment of loan for Revenue Reserve Fund taken from General Revenue and interest thereon		

1	2	3	4	5
		Repayment of Deferred Dividend liability in respect of the period prior to 1978-79		
..		Payment towards Amortization of Over-capitalization		
1489,20,73	1777,26,00	Total	1751,70,00	1914,08,00
		<i>Credits or Recoveries</i>		
1489,20,73	1777,26,00	Net	1751,70,00	1914,08,00

27. The Budget Estimates for 1998-99 of Dividend payable to General Revenue was Rs. 1777.26 crore. The Revised Estimates of Rs. 1751.70 crore involving a decree of Rs. 25.56 crore is based on the latest available estimates of Capital-at-Charge.

28. The Dividend liability to General Revenues for 1999-2000 is estimated at Rs. 1914.08 crore involving an increase of Rs. 162.38 crore over the Revised Estimates of Rs. 1751.70 crore for 1998-99. The increase is due to increase in Capital-at-Charge.

29. The Railway Budget in brief is as under:

Actuals 1997-98	Budget 1998-99	Description	Revised 1998-99	Budget 1999-2000
1	2	3	4	5
28589.03	31472.00	(a) Gross Traffic Receipts	30416.16	33311.00
20605.03	23720.00	(b) Ordinary Working Expenses	23375.00	25740.00
1904.00	2473.00	(c) Appropriation to Depreciation Reserve Fund	1600.00	1589.00
3367.00	2218.00	(d) Appropriation to Pension Fund	3425.00	2954.00
25876.03	28411.00	(e) Total Working expenses (b) + (c) + (d)	28400.00	30283.00
2713.00	3061.00	(f) Net Traffic Receipts (a) - (e)	2016.16	3028.00
311.43	372.12	(g) Net Miscellaneous Receipts	354.93	429.73
3024.43	3433.12	(h) Net Revenue (f) + (g)	2371.09	3457.73

₹

1	2	3	4	5
1489.21	1777.26	(i) Dividend Payment due to General Revenue	1751.70	1914.08
		(j) Payment of Deferred Dividend		
1535.22	1655.86	(k) Excess/Shortfall (h) - (i) - (j)	619.39	1543.65
345.33	475.00	(l) Appropriation to Railway Development Fund	426.00	600.00
		(i) Repayment of loan and interest		4
345.33	475.00	(ii) Development Works	426.00	600.00
1189.89	1180.86	(m) Appropriation to Capital Fund Railways	193.39	943.65
90.9%	91.2%	(n) Operating Ratio	94.3%	91.6%
8.9%	9.3%	(o) Ratio of Net Revenue to Capital-at-Charge and investment from Capital Fund	6.4%	8.6%

Traffic Receipts

30. The details of the Actuals 1997-98, Budget and Revised Estimates 1998-99 and Budget Estimates 1999-2000 of Gross Traffic Receipts are compared below:-

Details	(In crores of rupees)			
	Actuals 1997-98	Budget 1998-99	Revised 1998-99	Budget 1999-2000
Passenger—Upper Class	1311.64	1390.59	1459.30	1602.61
Passenger—Second Class	6261.54	6977.41	7056.70	7846.39
(a) Total passenger Earnings	7573.18	8368.00	8516.00	9449.00
(b) Other Coaching Earnings	586.17	638.00	650.00	691.00
(c) Goods Earnings	19866.38	21686.00	20390.16	22341.00
(d) Sundry Other Earnings	540.45	520.00	600.00	630.00
Total Earnings	28566.18	31212.00	30156.16	33111.00
(e) Suspense	22.85	260.00	260.00	200.00
(f) Gross Traffic Receipts	28589.03	31472.00	30416.16	33311.00

(a) Passenger Earnings

31. The Budget Estimates of Passenger Earnings for 1998-99 of Rs. 8368.00 crore is increased by Rs. 148.00 crore and the Revised Estimates placed at Rs. 8516.00 crore. Passenger Earnings for 1999-2000 have been estimated at Rs. 9449.00 crore based upon an anticipated growth of suburban and non-suburban passenger traffic and taking into account the proposed increase in fares.

(b) Other Coaching Earnings

32. Taking into account the trend of actual earnings during the course of the year 1998-99, the Revised Estimates of earnings from Other Coaching Traffic is fixed at Rs. 650.00 crore *i.e.*, Rs. 12.00 crore more than the Budget Estimates for the year. Other Coaching Earnings for 1999-2000 are estimated at Rs. 691.00 crore *i.e.*, Rs. 41.00 crore above the Revised Estimates of 1998-99 based upon anticipated growth in Parcel Traffic and proposed increase in Parcel rates.

(c) Goods Earnings

33. In view of poor traffic offering from the core sector the target of loading has been scaled down to 424 million tonnes as against 450 million tonnes envisaged in the Budget Estimates, 1998-99. Accordingly, the revised estimates for 1998-99 of goods earnings is fixed at Rs. 20390.16 crore, which is Rs. 1295.84 crore less than the Budget Estimates of Rs. 21686.00 crore. The goods earnings for 1999-2000 have been placed at Rs. 22341.00 crore, an increase of Rs. 1950.84 crore assuming an increase of 26 million tonnes originating revenue earnings freight traffic over the anticipated level of 424 million tonnes adopted for the Revised Estimates for 1998-99.

(d) Sundry Other Earnings

34. Taking into account the trend of actual earnings under this head during the course of the year, the Revised Estimates for 1998-99 is fixed at Rs. 600.00 crore *i.e.* Rs. 80 crore more than the Budget Estimates for the year. Sundry Other Earnings have been assessed at Rs. 630.00 crore in 1999-2000.

(e) Suspense

35. The target of clearance from 'Suspense' which represents unrealised traffic earnings, has been retained in the Revised Estimates,

1998-99 at Rs. 260.00 crore as anticipated in Budget Estimates, 1998-99. In the Budget Estimates 1999-2000 a clearance under this head has been kept at the level of Rs. 200.00 crore.

(f) Gross Traffic Receipts

36. The aggregate effect of the above mentioned factors is that the Gross Traffic Receipts for 1998-99 are revised to Rs. 30416.16 crore against the Budget Estimates of Rs. 31472.00 crore. The Budget Estimates of Gross Traffic Receipts for 1999-2000 comes to Rs. 33311.00 crore.

Working Expenses

37. The table below presents a comparative Study of actuals of the year 1997-98, Budget and Revised Estimates 1998-99 and Budget Estimates 1999-2000 of Working Expenses:—

(In crores of rupees)

Details		Actuals 1997-98	Budget 1998-99	Revised 1998-99	Budget 1999-2000
1		2	3	4	5
3 —	General Superintendence and Service on Railways	1142.52	1301.08	1320.54	1426.86
4 —	Repairs and Maintenance of Permanent ways and Works	2298.90	2608.11	2539.70	2885.85
5 —	Repairs and Maintenance of Motive Power	1281.30	1412.87	1367.70	1580.21
6 —	Repairs and Maintenance of Carriages and Wagons	2376.31	2557.65	2630.10	2910.94
7 —	Repairs and Maintenance of Plant and Equipment	1201.84	1366.69	1361.63	1506.99
8 —	Operating Expenses—Rolling Stock and Equipment	1957.52	2418.37	2433.96	2564.38
9 —	Operating Expenses—Traffic	4261.89	5084.25	5064.85	5551.04

1	2	3	4	5
10 — Operating Expenses—Fuel	4667.05	5089.77	4838.05	5148.14
11 — Staff Welfare and Amenities	868.41	998.67	1012.49	1131.27
12 — Miscellaneous Working Expenses	1057.81	1275.94	1244.81	1444.29
13 — Provident Fund, Pension and other Retirement Benefits	3523.90	2314.69	3844.62	3314.74
TOTAL	24637.45	26428.09	27658.45	29464.71
Credits or Recoveries	-523.80	-408.09	-453.45	-424.71
Deduct—Amount recouped from funds	-3508.62	-2300.00	-3830.00	-3300.00
NET	20605.03	23720.00	23375.00	25740.00
Appropriation to D.R.F	1904.00	2473.00	1600.00	1589.00
*Appropriation to Pension Fund	3367.00	2218.00	3425.00	2954.00

*Excludes Appropriation to Pension Fund for Miscellaneous Establishment.

Working Expenses—Revised Estimates 1998-99

38. The sanctioned Budget Grant for 1998-99 for ordinary Working Expense was Rs. 26428.09 crore (Gross). The Revised Estimates of Rs. 27658.45 crore (Gross) is more than the Budget Grant by Rs. 1230.36 crore. There has been savings in all the demands except Demand Nos. 3, 6, 8, 11 and 13. Credits in reduction of expenditure are estimated at Rs. 453.45 crore *i.e.* Rs. 45.36 crore more than the Budget. The amount recouped from Fund has been enhanced to Rs. 3830 crore over the Budget Grant of Rs. 2300 crore. The Revised Estimates of Net Working Expenses has, thus, been kept at Rs. 23375 crore, *i.e.* Rs. 345 crore less than the Budget. Increase of Rs. 1230.36 core in gross expenditure comprises of an increase of Rs. 1224.30 crore under 'Voted' portion, and Rs. 605.51 lakh under 'Charged' appropriation which is on account of more payments anticipated in satisfaction of court decrees.

39. As regards, the other items making up Total Working Expenses in the Revised Estimates, the Contribution to Depreciation Reserve Fund has been kept at Rs. 1600 crore *i.e.* Rs. 873 crore less than the Budget level, whereas appropriation to Pension Fund has been increased to Rs. 3425 crore from the Budget Level of Rs. 2218 crore.

Working Expenses—Budget Estimates 1999-2000

40. The Budget Estimates of Ordinary Working Expenses (Gross) for the year 1999-2000 has been placed at Rs. 29464.71 crore involving an increase of Rs. 1806.26 crore over the Revised Estimates of Rs. 27658.45 crore for 1998-99. Credits in reduction of expenditure are estimated at Rs. 424.71 crore, *i.e.* Rs. 28.74 crore less than the Revised Estimates. The amount recouped from Fund is estimated at Rs. 3300 crore. Taking together the credits and the amount recouped from Funds, the Net Working Expenses are estimated to be Rs. 25740 crore during 1999-2000 as against the Revised Estimates for 1998-99 of Rs. 23375 crore, an increase of Rs. 2365 crore. The increase in expenditure of Rs. 1806.26 crore (Gross) is mainly on account of:—

(a) Increase in staff costs (Rs. 266.40 crore) analysed as under:—

- (i) Payment of Dearness Allowance (Rs. 1175.13 crore)
- (ii) Wages on POH (Rs. 31.42 crore) HRA and Other Allowances (Rs. 34.22 crore).

Partly off-set by less requirement as under:

- (i) Salaries (Rs. 270.35 crore)
 - (ii) Running Allowance (Rs. 127.21 crore)
 - (iii) Travelling Expenses (Rs. 27.51 crore) and other staff costs (Rs. 19.42 crore) and
 - (iv) Pensionary charges to retired Railway employees due to non-occurrence of the arrear payments made in 1998-99 (RE) due to implementation of the recommendations of the Vth Central Pay Commission (Rs. 529.88 crore).
- (b) Increase in material and other costs on account of increase in prices, additional maintenance of assets, repairs and maintenance of rolling stock, electrical, signal and

telecommunication services, contractual payments, and increase in traffic (Rs. 768.52 crore).

- (c) More expenditure on fuel arising from increase in traffic and prices of Diesel and Electricity tariff (Rs. 308.03 crore).
- (d) Lease/Hire charges to Indian Railway Finance Corporation (Rs. 278.00 crore) and under 'Own your Wagon' and BOLT Schemes (Rs. 66.28 crore).
- (e) Other miscellaneous factor (Rs. 124.39 crore); partly offset by less provision under Charged appropriation due to less payments anticipated in satisfaction of court decrees (Rs. 536.05 lakhs).

Miscellaneous Transactions

41. The following table compares the Actuals 1997-98, Budget and Revised Estimates 1998-99 and Budget Estimates 1999-2000 under Miscellaneous Transactions:—

(In crores of rupees)

Details	Actuals 1997-98	Budget 1998-99	Revised 1998-99	Budget 1999-2000
1	2	3	4	5
RECEIPTS				
(i) Receipts from Subsidised Companies	0.06	—	—	—
(ii) Railway Recruitment Boards	1.64	1.40	1.56	1.79
(iii) Other Misc. Receipts	6.97	7.05	6.72	7.94
(iv) Receipts from Surcharge on passenger	—	—	—	—
(v) Subsidy from General Revenues towards dividend relief and other concessions	536.53	627.86	618.03	709.80
TOTAL	545.20	636.31	626.31	719.53

	1	2	3	4	5
EXPENSES					
(i) Payment to worked lines		0.20	0.19	0.22	0.22
(ii) Subsidy		0.02	0.02	0.01	0.01
(iii) Surveys		6.73	7.22	7.26	8.26
(iv) Misc. Railway Expenditure		182.38	201.76	212.89	226.31
(v) Open Line Works Revenue		34.44	45.00	41.00	45.00
(vi) Appropriation to Accident Compensation, Safety and Passenger Amenities Fund		—	—	—	—
(vii) Appropriation to Pension Fund		10.00	10.00	10.00	10.00
TOTAL		233.77	264.19	271.38	289.80
Net Miscellaneous Receipts		311.43	372.12	354.93	429.73

42. Net Miscellaneous Receipts in the Revised Estimates have been placed at Rs. 354.93 crore against Budget Estimates of Rs. 372.12 crore.

43. The Budget Estimates for 1999-2000 of the Net Miscellaneous Receipts is estimated at Rs. 429.73 crore which provides for an increase of Rs. 74.80 crore over the Revised Estimated of 1998-99.

Freight Traffic 1997-98

(1) 1997-98

44. The traffic plan envisaged lifting of 430 million tonnes of originating revenue freight traffic and traffic output of 293 billion tonnes kilometres (BTKM) in 1997-98. The actual performance during 1997-98 has been 429.38 million tonnes originating traffic which was 20.36 million tonnes more than the performance in 1996-97. The traffic output was 284 BTKM as compared to 278 BTKM in 1996-97 and the Revised Estimate of 288 BTKM.

45. The traffic output could not meet the level anticipated in the Revised Estimate on account of drop in lead of traffic which has 662 against the anticipated level of 682.5 KM. Due to changes taking place in the economy the spatial gap between production and consumption centres has been narrowing resulting in the drop in lead traffic. The lead is also getting affected by such factors as imports, shortening of routes due to gauge conversion and gradual self-sufficiency being achieved by certain foodgrain deficit areas.

46. The average earnings increased from Rs. 16668.16 crore in 1996-97 to Rs. 19886.38 crore in 1997-98 registering an increase of 19.30%.

(ii) 1998-99

47. The target of 450 million tonnes with an average lead of 685 KM and a traffic output of 308 BTKM was originally fixed for the year 1998-99. However, due to lack of adequate demand materialising from the economy, particularly from the core sector, the revenue earning freight traffic has remained not only below the target but also below last year's performance. The drop has been pronounced in the movement of coal, particularly to the power sector, raw material to steel plants and finished steel, iron-ore for export, cement and foodgrains. Together with this, the average lead of traffic has also remained below the target.

(iii) 1999-2000

48. The targets and the projected level of revenue earnings traffic for the year 1999-2000 compared with that of 1998-99 are as under:

	1998-99 (RE)	1999-2000 (BE)
(a) For originating loading	424 MT	450 MT
(b) Lead	666 Kms.	671 Kms.
(c) Tonnes Kms.	282 BTKMs	302 BTKMs
(d) Earnings	Rs. 20390 crore	Rs. 22341 crore

Passenger Traffic

(i) 1997-98

49. The Budget Estimates for the year 1997-98 projected a traffic level of 4315 million passengers, 351 billion passenger kilometres and earning target of Rs. 7106 crore. The actual passenger traffic carried was Rs. 4418 million passengers and 381 billion passenger kilometres. The actual passenger earnings came to Rs. 7490 crore, showing an increase of 13% over the earnings in 1996-97.

(ii) 1998-99

50. The traffic plan for passengers for the year 1998-99 envisaged 4531 million passengers, 390 billion passenger kilometres and earnings of Rs. 8368 crore.

(iii) 1999-2000

51. Passenger traffic projections for 1999-2000 have been estimated as under:

	1998-99 (RE)	1999-2000 (BE)
(a) No. of passengers originating	4594 million	4824 million
(b) Passengers Kms	396 BPKMs	415 BPKMs
(c) Earnings	Rs. 8516 crore	Rs. 9449 crore

52. This represents a growth rate of 6.17% in terms of passenger kilometres in 1999-2000 over the 1998-99 Budget Estimates. This growth rate is substantially higher than the planned growth rate of 3% per annum in the IX Plan.

Parcel & Luggage Rates

53. In 1997-98 a surcharge of 12% was introduced on Parcels and Luggage carried by Super Fast trains.

54. During 1998-99 the Parcel and Luggage rates were increased by 5% at all distances w.e.f. 20.6.98. The rates of Magazines were

increased by 20% but withdrawn with effect from 21.7.98. However, there was no increase in the existing parcel rates of Newspapers.

Changes in Fares and Freight Rates

55. To meet the rising cost of inputs and the need for internal resource generation during 1997-98, the following changes in Tariff were made w.e.f. 1.4.97:-

The freight rates of all commodities were increased by 12% at all distances. However, the following commodities were exempted from this increase (i) Grains & Pulses (Div. A&B) (ii) Salt NOC (for human consumption) (iii) Oils Division E (Edible) (iv) hydrogenated oils, (v) Oils, vegetable refined Division B (Edible) (vi) Sugar, (vii) Fruit fresh & Vegetable NOC, (viii) Gur, Shakkar & Jaggery, (ix) Urea (included under chemical manures Division A), (x) Organic manure, (xi) Fodder other than oil cakes, (xii) Oil Seeds, (xiii) Kerosene, (xiv) LPG and (xv) Livestock.

56. There was no general increase in freight rates during the year 1998-99 except the following adjustments in the tariff of certain selected commodities:-

- (i) The taper of the freight rates (Trains Load and Wagon Load) of Coal, Cement and Iron or Steel were modified to reduce the freight burden on long distance traffic.
- (ii) The classification of iron ores, Ores Common NOC (Baryte and Alunite) Manganese Ore (Fines & Powders), Caustic Soda, Timber NOC, Rubber crude and Soda Ash were upgraded by one step and that of Gypsum (Lumps), Gypsum (Powder), Lime Stone & Dolomite were downgraded by one step.

57. There was no increase in 1997-98 in the fares of Second Class Ordinary, Second Class Mail/Express and Monthly & Quarterly Season tickets for Second Class and First Class. The fares of Sleeper Class Mail/Express and ordinary were increased by 5% at all distances. The

fares were increased by 10% at all distances in respect of AC First Class, AC 2-Tier Sleeper, AC 3-Tier Sleeper, AC Chair Car, First Class Mail/Express and Ordinary. The fares of Rajdhani and Shatabdi Express Trains including August Kranti Rajdhani Express were also increased by 10% at all distances.

58. During 1998-99, the fares for Second Class (ordinary) were increased ranging from Re. 1 per passenger to Rs. 5 per passenger in different distance slabs. The fares of Sleeper Class (Ordinary) and First Class (Ordinary) were increased ranging from Rs. 5 to Rs. 20 per passenger in different distance slabs. The fares of Second Class Monthly Season Tickets were increased by Rs. 5 to Rs. 15 per MST in different distance slabs. The Quarterly Season Tickets continued to be fixed at 2.7 times the fares of MST.

59. Reservation Charges were increased by Rs. 5 in all classes, whereas supplementary charge for superfast trains was increased by 100%.

60. The fares of Rajdhani and Shatabdi Express trains were increased by 20% at all distances. The revision in fares were made effective from 20.6.1998.

61. In 1999-2000 a uniform increase of 4% on the freight rates of all commodities has been proposed. Minor adjustments in the classification for charge are also proposed to be made for Washed coal and Caustic Soda Liquor. The increase in each case is by one step only. A concession of 25% in the freight rate for traffic hauled for distances upto 50 Km. has been allowed.

62. It has also been decided to introduce a rationalisation that takes into account the difference in the levels of comfort as between sleeping accommodation and sitting accommodation, as also the superior comfort of travel in air-conditioned classes keeping the fares of Second Class Mail/Express as the base, the fares of other classes on Mail/Express trains are proposed to be rationalised as under:

Sleeper Class	1.55 times;
AC Chair Car	3 times;

AC 3-tier Sleeper	4.5 times;
First Class	5.25 times;
AC-2 tier Sleeper	7.2 times;
AC First Class	14.4 times

63. Likewise, in the ordinary passenger trains, the fares for Sleeper Class and First Class will be 1.55 times and 5.25 times respectively of the Second Class (Ordinary) Fare.

64. However, in case the existing fares of higher classes happen to be more than the fares that would be determined by this approach in some distance ranges, these are not being changed.

65. The fares of Rajdhani/Shatabdi Express trains are also proposed to be revised by making suitable adjustments in the existing fare structure.

66. The minimum distance for charge for travel in upper classes of Mail and Express trains is proposed to be revised to a uniform figure of 100 km. for all the upper classes.

67. The minimum distance for charge in the Sleeper Class, which is 200 km, will not hereafter apply to travel in certain sections where Railways have declared sleeper coaches to be unreserved on certain trains; normal sleeper Class fares only will be levied in such cases.

68. An increase of 4% is also proposed to be applied on all parcel and luggage scales.

69. These proposals will come into effect from 1.4.1999 and are expected to yield an additional revenue of Rs. 900 crore during the full year. This is made up of Rs. 700 crore from freight traffic and Rs. 200 crore from Coaching Traffic which includes Passengers, Parcel and Luggage.

Operating Ratio

70. The Operating Ratio of the Indian Railways as a whole and Zonal Railways for the year 1993-94 to 1999-2000 is shown as under:—

Indian Railways

	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96	Actuals 1996-97	Actuals 1997-98	Budget 1998-99	Revised 1998-99	Budget 1999-2000
% Operating Ratio	82.9	82.6	82.5	86.2	90.9	91.2	94.3	91.6
Central Railway	74.3	78.0	80.8	84.4	89.3	89.6	90.1	87.4
Eastern Railway	93.5	91.8	95.8	97.7	102.3	101.9	109.0	104.0
Northern Railway	81.7	83.3	80.5	83.6	91.4	89.5	92.6	88.6
North Eastern Railway	174.1	177.4	158.2	164.7	170.8	176.4	164.4	157.7
Northeast Frontier Railway	186.7	186.5	196.0	210.7	221.4	241.6	226.6	223.0
Southern Railway	110.6	109.5	105.6	107.0	111.8	109.7	114.5	110.8
South Central Railway	82.0	84.0	79.0	81.0	83.1	85.4	86.1	83.4
South Eastern Railway	65.2	62.8	63.9	68.7	71.1	71.7	77.0	77.7
Western Railway	67.8	64.9	64.7	69.5	74.6	74.7	76.6	74.4

Decline In Savings

71. Excess earnings over expenditure of the Railways for the years 1995-96, 1996-97, 1997-98 are as follows:—

1995-96	2870.63 crore
1996-97	2117.06 crore
1997-98	1535.22 crore

Land Management

72. Indian Railways own about 4.19 lakh hectares land which is mainly used for locating service and operational infrastructure such as

track, stations workshops, staff colonies, etc. The break-up of the land is as follows:—

	Area (in lakh hectares)
Track and structures including workshops, stations, staff colonies, etc.	3.33
Afforestation	0.35
Grow More Food Scheme	0.19
Commercial licensing	0.04
Other miscellaneous uses like pisciculture	0.01
Encroachment	0.02
Vacant land	0.25

Material Management

73. Expenditure on purchase of materials needed for operation, maintenance and production of rolling stock was of the order of Rs. 8,055 crore in 1997-98 as against Rs. 8,526 crore in 1996-97, showing a decrease of Rs. 471 crore. These purchases, however, do not include cost of ballast and materials supplied by the contractors for civil engineering works. The shares of imports and indigenous purchasing in the years 1996-97 and 1997-98 are as follows:—

	(Rs. in crores)					
	1996-97			1997-98		
	Indigenous	Imports	Total	Indigenous	Imports	Total
	1	2	3	4	5	6
Loco parts & fittings	1,057.43	149.08	1,206.51	1,135.10	144.08	1,279.18

	1	2	3	4	5	6
Carriage/Wagon parts & fittings	538.27	3.27	541.54	973.37	10.56	983.93
Track material	561.64		561.64	600.09	0.56	600.65
Metals	559.80	10.18	569.98	479.70	12.07	491.77
Fuel and lubricants	1,648.58	0.11	1,648.69	1,653.43	0.53	1,653.96
Electrical & S&T stores	499.97	2.46	502.43	558.23	4.02	562.25
Engg. stores	92.97	15.20	108.17	89.11	10.48	99.59
Acids, paints & varnishes	158.86	9.78	168.64	138.07	12.60	150.67
Stationary, fores, etc.	41.03	0.43	41.46	48.65	0.19	48.84
Others (including timber and complete units of rolling stock, i.e. bogies, wheel-sets, couplers, etc.)	3,029.37	147.88	3,177.25	2,088.38	96.14	2,184.52
Total	8,187.92	338.39	8526.31	7,764.13	291.23	8,055.36

Note :

1. The figures represent value of stores received during the year.
2. (a) Import content represents landed cost (after adding customs duty, etc.)
(b) Value of imported stores purchased in India is also included.

Allowances/Expenses

74. On critical examination of the budget provisions for the year 1999-2000, it has been found that a huge allocation of the order of

Rs. 2610,50,24,000 has been made for:

Overtime allowances	(Rs. 166,15,26,000)
Other allowances	(Rs. 952,79,15,000)
Contingent expenses	(Rs. 207,51,66,000)
Other expenses	(Rs. 952,40,01,000)
Travel expenses including air journey	(Rs. 331,64,16,000)

75. Details of expenditure (Demand-wise) can be seen as under:—

Overtime Allowance	Other Allowance	Travelling Expenses Incl. Air Travel Domestic	Contingent Expenses Foreign	Other Expenses
(2)	(3)	(4)	(5)	(6)
(In thousands of Rupees)				
Demand No. 1				
28,00	3,96,20	1,78,00	9,32,53	83,20
Demand No. 2 (Serveys)				
1,40	68,23	8,79	14,77	21,86
(R.D.S.O.)4,00				
3,03,00	1,30,00	4,13,21	2,65,05	
(Railway Recritment Board)				
41,93	4,92,68	2,72,95	20,06,88	7,96,59
Demand No. 3				
4,74,47	131,16,61	30,37,51	69,61,17	16,31,56
Demand No. 4				
3,49,85	133,95,54	73,62,79	14,10,15	18,08,18
Demand No. 5				
6,24,38	47,24,48	8,12,57	2,62,72	—16,35,05

(2)	(3)	(4)	(5)	(6)
Demand No. 6				
20,38,74	102,17,08	18,44,20	3,19,41	—25,57,60
Demand No. 7				
11,18,73	74,47,99	55,85,58	3,36,73	29,65,76
Demand No. 8				
45,28,93	107,12,55	14,28,00	7,86,87	40,44,50
Demand No. 9				
70,81,76	179,39,68	79,85,15	44,40,93	219,59,42
Demand No. 10				
3,28	1,94,25	34,62	45	119,94,56
Demand No. 11				
2,10,42	70,64,87	9,33,40	19,36,78	16,54,12
Demand No. 12				
1,09,37	92,06,59	35,50,60	9,29,06	522,07,86
166,15,26	952,79,15		331,64,16	207,51,66
			952,40,01	2610,50,24

Passenger Services

76. The following new Trains have been proposed to be introduced during 1999-2000:—

- (i) Chennai-Tirupati Shatabdi Express
- (ii) Shalimar-Haldia Intercity Express
- (iii) Secunderabad-Machhilipatnam Express
- (iv) Mumbai-Sawantwadi-Madgaon Intercity Express
- (v) Kurla-Patna Superfast Express (Biweekly)
- (vi) Amritsar-Darbhangra Express *via* Narkatiaganj (Biweekly)
- (vii) Jaipur-Bangalore Express *via* Secunderabad (Biweekly)

- (viii) Guwahati-Chennai Express (Biweekly)
- (ix) Delhi-Gandhidham Express (Biweekly)
- (x) Delhi-Coimbatore Express (Weekly)
- (xi) Pune-Ernakulam Express (Weekly)
- (xii) Raichur-Gulbarga Intercity Service
- (xiii) Kamakhya-New Bongaigaon Passenger
- (xiv) Patna-Mughalsarai Passenger *via* Gaya

77. The frequency of the following trains will be increased:—

- (i) 8017/8018 Howrah-Purulia Express from 6 days a week to daily.
- (ii) 8463/8464 Bangalore-Visakhapatnam Express from 2 days a week to 4 days a week.
- (iii) 1095/1096 Pune-Ahmedabad Ahimsa Express from 3 days a week to 4 days a week.
- (iv) 2101/2102 Kurla-Howrah Super Delux Express from weekly to 3 days a week.

78. The run of the following trains will be extended:—

- (i) 4047/4048 Delhi-Gorakhpur Express to Raxaul *via* Narkatiaganj.
- (ii) 5207/5208 Amritsar-Barauni Express to Katihar
- (iii) 4737/4738 Bikaner-Jaipur Express to Ajmer (M.G.)
- (iv) 5741/5742 Alipurduar-Siliguri Intercity Express to New Jalpaiguri (M.G.)
- (v) 471/472 Vijayawada-Vizianagaram Passenger to Rayagada.
- (vi) 1555/1556 Guna-Khajuri service to Gwalior.
- (vii) 1143/1144 Gwalior-Chhapra Mail to Barauni.
- (viii) 8301/8302 Sambalpur-Nizamuddin Hirakund Triweekly Express to Bhubaneswar *via* Talcher Road.
- (ix) 2407/2408 Nizamuddin-Nagpur Gondwana Express on 2 days a week to Bhusaval.

- (x) 6343/6344 Ernakulam-Nizamuddin Swarnajayanti weekly Express to Tiruvananthapuram.
- (xi) 2307/2308 Jodhpur-Howrah Express (daily) running *via* Grand Chord will run *via* Main Line one day in a week.

79. On completion of gauge conversion, the following improved broad gauge services will be provided:—

- (i) Four pairs of passenger services on Narkatiaganj-Gorakhpur section.
- (ii) Three pairs of passenger services on Indara-Phephna section.
- (iii) Three pairs of passenger services on Lalkuan-Kashipur section.

MEMU/DMU Services/Rail Bus Service

80. The following MEMU and DMU Services are proposed to be introduced on the following Sections:—

MENU SERVICE

- (a) Jhajha-Kiul Section
- (b) Vijayawada-Kakinada Section
- (c) Kakinada-Vishakhapatnam Section
- (d) Durg-Raipur-Bilaspur Section

DMU SERVICES

- (a) Anand-Khambat (B.G.)
- (b) Vijayawada-Bhimavaram-Narsapur (B.G.)
- (c) Delhi-Shamli (B.G.)
- (d) Mehasana-Tarangahill (M.G.)

RAIL BUS SERVICES

- (a) Bangarapet-Kolar (B.G.)
- (b) Tiruturaipundi-Agastiampalli (M.G.)
- (c) Banmankhi-Biharaganj (M.G.)

CATERING SERVICES

81. It is stated that Railway Reforms Committee had *inter-alia* studied in depth the catering system in the Indian Railways in

1984 and recommended the creation of a professional Corporation to be called, Indian Railway Catering Corporation under the overall control of the Ministry of Railways for overall improvement in catering system in the Railways. Since then nothing had happened in this regard.

82. However, while presenting the Railway Budget for the year 1998-99, the Railway Minister announced that in order to strengthen and professionalise catering services and to provide necessary control and direction to caterings services on trains as well as at Stations, a Corporate entity 'Indian Railway Catering and Tourism Corporation' would be formed.

83. Asked whether the Corporation has become operational, the Ministry of Railways in their written replies stated:—

"The proposal regarding setting up of Indian Railways Catering and Tourism Corporation has been considered by the Committee of Secretaries and the revised Note for Cabinet has been submitted to the Cabinet for its approval. The corporation will be incorporated after the approval of the Government."

84. They further informed the Committee during evidence that the Cabinet has recently given its approval.

IX Five Year Plan

85. The projections made for Freight Traffic/Passenger Traffic/Acquisition of Rolling Stock by the end of Ninth Plan are as follows:—

Projected Freight Traffic at the End of Ninth Plan

	Actual 1996-97	Projected 2001-02
Originating Revenue earning traffic (million tonnes)	409	525
Traffic Output (billion tonne Kms)	278	353

Projected Passenger Traffic at the End of Ninth Plan

	Actual 1996-97		Projected 2001-02	
	Passenger (million)	PKMs (billion)	Passenger (million)	PKMs (billion)
Non-Suburban	1575	280.50	1793	313.00
Suburban	2578	76.50	2989	87.00

Acquisition of Rolling Stock During Ninth Plan—Physical Targets

Plan Head	Target for 1997-2002
Track renewal	13922 kms.
Railway Electrification	2334 kms.
New lines	819 kms.
Doubling	2500 kms.
Gauge Conversion	3710 kms.
Rolling Stock Acquisition	
Locomotive (No.)	
Electric	851
Diesel	785
Wagon procurement (No.)	136000
EMUs/MEMUs/DMUs (No.)	1973
Other Conventional Coaches (No.)	10909

86. The main thrust of the Ninth Five Year Plan to meet the projected targets of Freight and Passenger Traffic would be on achieving the following objectives:—

- (a) Generation of adequate rail transport capacity for handling increasing freight passenger traffic with special emphasis on development of terminals;
- (b) Completion of the process of rehabilitation, replacement and renewal of over-aged assets;
- (c) Modernisation and upgradation of the Railway Transport System to reduce costs, improve reliability, safety and quality of service to customers;
- (d) Continue with the policy of Unigauge.
- (e) Introduction of 6000 HP Electric Locomotives and 4000 HP Diesel Locomotives employing state-of-the-art technology;
- (f) Expand and upgrade inter-modal operations, including containerisation, and
- (g) Improvement of manpower productivity, work culture and staff morale.

Surveys

87. The Ministry of Railways have decided to take up the following surveys during the year 1999-2000:—

New Lines

- (i) To bring Talcher station on Cuttack-Talcher-Sambalpur line
- (ii) Agartala to Akhaura
- (iii) Almatti to Yadgir
- (iv) Anupgarh to Bikaner
- (v) Badlaghat-Alamnagar-Bhawanipur-Purnea-Dalkhola
- (vi) Bakreshwar to Siuri
- (vii) Bistrampur to Jabalpur

- (viii) Chatra to Tori
- (ix) Dhanu road to Nasik
- (x) Gaya to Daltanganj *via* Guraru, Gurva, Sherghat and Imamganj
- (xi) Jabalpur to Panna *via* Damoh
- (xii) Jaisalmer to Kandla
- (xiii) Punalur to Erumeli
- (xiv) Khandwa to Nardana *via* Khargone, Sendhwa
- (xv) Murshidabad to Kandi *via* Khagraghat and Behrampur
- (xvi) Nagapattinam to Velankani
- (xvii) Ramganj Mandi to Bhopal *via* Jhalawar, Aklera, Khilchipur, Rajgarh, Biavra, Narsingarh
- (xviii) Rohtak to Hissar *via* Meham and Hansi
- (xix) Tindivanam to Cuddalore *via* Pondicherry
- (xx) Patna By-pass line
- (xxi) Kovvur-Bhadrachalam Road
- (xxii) Parli Vajjnath to Ghatandur (for regarding)
- (xxiii) Umrer to Nagpur *via* Khaperkeda and Koradi
- (xiv) Makum to Saikhova Ghat.

Gauge Conversion

- (i) Bardhaman-Katwa
- (ii) Aunrihar-Jaunpur
- (iii) Mehasana-Taranga Hill
- (iv) Pilibhit-Sahajahanpur
- (v) Wansjalia-Jetalsar
- (vi) Tiruchirapalli-Karaikudi-Manamadurai

Doubling

- (i) Lalgola-Krishnagar with electrification
- (ii) Renigunta to Tirupati
- (iii) Baruipur-Lakshmikanthpur
- (iv) Daund-Manmad with electrification
- (v) Seoraphuli-Tarakeswar.

Social Service Obligation

88. Financial effect of Social Service Obligation on Railways estimated for the year 1998-99 is as under:

Item	(Rs. in crores)
1	2
1. Loss on Coaching Services (Suburban and non-Suburban passenger traffic, parcel, luggage etc.)	4541.61
2. Loss on essential commodities carried below cost of operation	
(a) Salt	73.19
(b) Sugarcane	16.34
(c) Fruits & Vegetables	10.32
(d) Other ore	8.31
(e) Livestock	5.67
(f) Bamboo	4.21
(g) Coir products	0.93

1	2
(h) Bricks & Tiles	0.43
(i) Bones	0.18
Total	119.58
3. Grand Total (Item 1 and 2)	4661.19
4. Deduct staff welfare and law and order cost	1654.40
5. Net Social Service Obligation	3006.79

89. Railways are incurring an expenditure of Rs. 1654.40 crore on Staff Welfare and Law & Order—Railway Protection/Railway Protection Special Force (Rs. 514.04 crore), Police (Rs. 127.98 crore), Health, Medical and Welfare Activities (Rs. 510.01 crore), Canteen and Other Staff Amenities (Rs. 15.58 crore), Educational Assistance to Railway Employees (Rs. 76.13 crore) and Residential and Welfare Buildings (Rs. 410.66 crore)

90. The aggregate loss on unremunerative branch lines amount to Rs. 325 crore. Which is included in item 1 and partially in item 2 of the above statement.

91. A review of such lines during 1997-98 indicated that 113 branch lines (46BG, 42MG and 25NG) were found to be uneconomical.

92. Several high-level Committees have unanimously recommended that all such uneconomic branch lines, where alternative modes of transport exist or can be developed, should be closed down with a view to reducing, to the extent possible, the losses which accrue to the Railways year after year. There is, however, reluctance on the part of State Governments to close down such lines. The Railway Reforms Committee in Part XI of their report on 'Economies' (October 1983) had recommended that 40 such lines where adequate alternative road infrastructure are available should be closed down and in cases where the State Governments do not agree for closure for their own reasons, they should share the losses with the Railways on 50:50 basis. Instructions for closure/dismantling of 15 uneconomic branch lines

(out of 40 lines) have been issued. In order to enable the State Governments for closure of the remaining 25 lines, the Railways are ready to offer financial assistance as under:

- (a) On a one time basis, the Railways may subsidise the procurement of additional buses required due to closure of rail sections subject to the State Government agreeing for their permanent closure.
- (b) Again on a one time basis, Railways may offer financial assistance for development/improvement of road infrastructure which will be a pre-requisite of withdrawal of train services.

93. The Planning Commission vindicating the cause of social service obligation by the Railways submitted as under:

"The cost of social obligations has traditionally been cross subsidized by the Railways. Whereas the transport effort put in for carriage of passenger traffic *vis-a-vis* freight in terms of number of trains run is in the proportion of 60:40, the revenue contributed is in the ratio of only 28:72, thereby underscoring the massive extent of cross subsidisation taking place today. Passenger fares are one of the lowest in the world. Within the freight category also, there is underpricing of freight for items of mass consumption such as foodgrains. The subsidy in passenger fares has been increasing over the years and the fare/freight ratio has fallen from 05 in 1951/52 to 0.32 in 1996/97. This ratio is the lowest in the world. The policy of cross subsidization has resulted in the freight rates on several commodity groups reaching unreasonably high levels resulting in diversion of traffic to other modes, especially road transport with attendant social costs in terms of higher energy consumption and environmental damage. The continually increasing level of subsidization in passenger fares is also generating excessive demand leading to extreme congestion and deterioration of service.

While purely on economic and financial criteria, cross subsidization should not be resorted to, it may not be fully feasible in our country where a large chunk of the population is below the poverty line. It is, therefore, necessary to adjust

passenger fares and freight on items of mass consumption to levels close to the real cost of providing the services. A phased adjustment is thus essential".

94. Responding to the demand of the Members of Committee for more budgetary support in lieu of high social service obligation borne by the Railways, the Expenditure Secretary, Ministry of Finance justified the present budgetary support as under:—

"In principle, the Finance Ministry does not accept this because our point of view is that whenever the Plan of Railways is taken up, there is a funding pattern. The Government go into the details of what the Railways can generate internally, that it can borrow, what is the gap, etc. That is how the Planning Commission decides the Budgetary support. We must also realise that there is no overall constraint of budgetary resources in the economy. If at all we increase the budgetary support for Railways, it cuts into some other sector. For example, there is the social sector which requires budgetary support. So, I would very humbly plead before this committee that what we have to really look at is the gap in the Plan that should be covered by the budgetary support. That is an exercise undertaken by the Planning Commission.

I would like to correct one thing. You said that the ONGC does not have social obligations. It operates in areas such as West Bengal. Normally a commercial undertaking would have withdrawn its rigs from areas where there are no returns but still there is no budgetary support for the ONGC. I am not comparing Railways with the NTPC in regard to social obligations. Where there is no social obligations, there is no budgetary support. The very fact that the Railways undertake social obligations, the budgetary support is provided in a very large measure. It is one of the undertakings which gets budgetary support in a very large measure."

Demand No. 16

Assets—Acquisition, Construction and Replacement

95. Demand No. 16 relates to the planned expenditure of Railways. The important areas covered under Demand No. 16 are construction of New Railway Lines, Gauge Conversion, Doubling, Traffic Facilities, Computerisation, Rolling Stock, Bridge Works, Electrification Projects and other Electrical Works, Machinery and Plants, Track Renewals, Passenger Amenities, Railways Research, Public Undertakings, Metropolitan Transport Projects, Staff Quarters/Amenities etc.

I. Railways Plan Funding

(a) Ninth Plan

96. Railways had initially developed a Plan size of Rs. 93,000 crore anticipating a GDP growth rate of 7% per annum and a 5% shift of traffic from Road to Rail. Taking a realistic view of the availability of resources, a Plan size of Rs. 65,000 crore was however, projected with a view to achieving a growth rate of 5% per annum in freight traffic and 3% per annum in passenger traffic. The Plan size as now approved is only Rs. 45,413 crore. This reduced Plan size will have an adverse effect on the Railways ability to meet the targets set by themselves for the 9th Plan, as also in correcting the imbalance in the model split between the less energy efficient, less ecologically, friendly and less safe mode of road transport *vis-a-vis* the more energy efficient more ecofriendly and safer rail transport.

97. The ideal Plan size for the Indian Railways to enable them to match their growth with the projected growth rate of the national economy and the elasticity of transport *vis-a-vis* the growth rate of GDP, and the need to bring 5% of road traffic back to rail, is Rs. 93,000 crore.

98. The Planning Commission justifying the IX Plan size of Rs. 45,413 crore stated as under:—

“The Plan size depends on a number of factors, the most important being the availability of resources including generation of internal resource. The other relevant factors are capacity of the sector to spend, stage of preparedness, etc.

The Plan size for the Railways was estimated on the basis of users projections by the Working Group for Ninth Five Year Plan as Rs. 93,000 crore. The investment requirement for the "expected materialisation scenario" was assessed as Rs. 65,000 crore. The allocation actually made for Railways is Rs. 45413 crore during the Ninth Plan period.

Railways is considered an important prime mover of the nation and is accordingly given due priority. This is evident from the fact that although budgetary support as a percentage of total Plan outlay had remained almost same at 42% both during Eighth and Ninth Plans, the Gross Budgetary support as a percentage of Plan outlay for Railways increased by around 6% during these Plan periods".

99. In this connection, the Committee have found that the share of Railways in the Plan outlays has been declining as per the trends shown below:

Share of Railways in the Total Plan Outlay—Central

Plan	(per cent) Share
First Plan	11.1
Second Plan	15.4
Third Plan	15.5
Fourth Plan	6.0
Fifth Plan	5.3
Sixth Plan	6.0
Seventh Plan	7.6
Eighth Plan	6.3
Ninth Plan	5.3

(b) Overview of 1998-99

100. Against the budgetary forecast of 450 million tonnes freight traffic during 1998-99, Railways will achieve a loading of around 424 million tonnes which is 5.38 million tonnes less than that of 1997-98. Plan expenditure has been reassessed at Rs. 8755 crore as against the budgeted outlay of Rs. 95,00 crore. A shortfall of Rs. 1,056 crore in the earnings as compared to the target for the year is also expected despite increase in passenger, other coaching and sundry earnings. Plan Head-wise expenditure during 1998-99 (upto January, 99) has been given in *Annexure I*.

Plan Expenditure
All Railways/Prod. Units

(Rs. in Cr.)				
Plan Heads	B.E. 1998-99	R.E. 1998-99	Act. upto Jan. '99 (Approx.)	%age exp. upto Jan., 99 (4/3)
(1)	(2)	(3)	(4)	(5)
New Lines etc.	500.00	379.35	273.16	72.01%
Gauge Conversion	803.00	720.62	622.37	86.37%
Doubling	513.00	474.11	343.65	72.48%
Traffic Facilities	224.20	178.88	97.63	54.58%
Computerisation	60.00	51.52	16.51	32.05%
Railway Research	10.00	7.00	2.41	34.43%
Rolling Stock	4490.00	4375.31	3515.32	80.34%
Track Renewals	1960.00	1793.00	1386.24	77.31%
Bridge Works	103.70	82.73	45.85	55.42%
S & T Works	361.40	336.40	182.05	54.12%
Electrification Projects	341.00	334.00	262.43	78.57%
Other Electrical Works	153.00	110.63	56.20	50.80%
Machinery & Plant	80.10	70.70	43.20	61.10%

(1)	(2)	(3)	(4)	(5)
Workshops—including P.U.s	176.00	156.77	102.74	65.54%
Staff Quarters	60.10	54.60	41.68	76.33%
Staff Amenities	55.50	49.02	35.77	72.98%
Passenger & Other Amenities	100.00	89.99	66.04	73.38%
Investment in PSUs	20.00	19.50		.00%
Other Specified Works	65.00	52.29	27.92	53.39%
M.T.P.	251.00	198.50	100.93	50.85%
Total (Excl. Inventories)	10327.00	9534.92	7222.10	75.74%
Credit or Recoveries	902.00	879.46	378.02	42.98%
Total Net (Excl. Inventories)	9425.00	8655.46	6844.08	79.07%
Inventories (Net)	75.00	99.54	542.62	545.11%
Total Plan outlay (Net)	9500.00	8755.00	7386.70	84.37%

Plan outlay includes Investment made by IRPC & Investment made by Private parties under 'BOLT & OYW scheme.'

101. Replying to the reasons for the above shortfall in revenues the Ministry of Railways submitted in writing as under:

"In 1998-99, the reduced demand of core sector commodities such as Coal, Foodgrains, Iron & Steel, Cement, Iron Ore, etc. affected the Railways freight traffic. The loading target of 450 Million Tonnes has therefore, been reduced to 424 million tonnes in the Revised Estimates. With the drop in freight traffic, it is expected that there will be a shortfall of Rs. 1056 crore in the earnings as compared to the target for the year, despite some increases in passenger, other coaching and sundry other earnings. To meet this shortfall in earnings, savings have been effected in ordinary working expenses. At the same time, the Plan expenditure has also been reassessed at Rs. 8755 crore as against the budgeted outlay of Rs. 9500 crore. It is submitted that Plan expenditure has been regulated in such a manner as to ensure that the progress of safety and other targeted works is not allowed to suffer."

(c) Annual Plan for 1999-2000

102. Annual Plan for 1999-2000 has been fixed with a total outlay of Rs. 9700 crore. Out of this the Capital from General Exchequer is Rs. 2540 crore, Rs. 4160 crore will come from Internal Resources and the remaining Rs. 3000 crore will be mobilised from market borrowings.

103. Some of the outlays net provided Plan Head-wise under Demand No. 16 are as under:

	(Rs. in crores)
New Lines	600
Gauge Conversion	645
Doubling	625
Computerization	70
Rolling Stock	3905
Track Renewals	1500
Signalling & Telecom Works	375

Electrification Project	350
Workshops including PUs	250
Staff Quarters	55
Amenities for Staff	55
Passenger and other Railways Users' Amenities	130
Metropolitan Transport Projects	300

104. Above outlays would be utilised for the achievement of the following physical targets:—

1. Electrification	500 route Kms.
2. Track Renewals:	
(i) Primary	2100 track Kms.
(ii) Secondary	450 track Kms.
3. Construction of New Lines	241 route Kms.
4. Gauge Conversion	541 Kms.
5. Rolling Stock:	
(i) Locos:	
Diesel	133
Electric	130
(ii) Coaches:	
EMUs/Metro	250
Others	2159
(iii) Wagons (in terms of 4-Wheelers)	18750
(iv) Rail Buses	10
(v) Cranes	4

(d) Sources of Funding Railway Plan 1999-2000

105. Projects under Railway Plan are funded by three sources *viz.*

(i) Budgetary/Capital support from Central Exchequer, (ii) Internally Generated Excess revenues, and (iii) Market Borrowings.

(i) Budgetary/Capital Support to Finance Railway Plan 1999-2000 —

106. Budgetary support, in the form of 'Capital' received from the General Exchequer (Central) is used mainly for creating capital assets like purchase of land, construction of new lines, electrification, metropolitan transport projects and investment in North-Eastern Region. Railways pay a dividend on this capital support at the rate of 7% subject to certain concessions especially for metropolitan transport projects. The overall budgetary support for the IX Plan as approved by the Planning Commission is Rs. 11,791/- crore.

107. The details of Budgetary Support to Railways in absolute terms over the last 10 years is given below:—

(Rs. in crore)

Year	Budgetary Support During the Year
1989-90	1773.36
1990-91	1631.86
1991-92	1756.16
1992-93	2589.11
1993-94	974.47
1994-95	1144.78
1995-96	1140.54
1996-97	1464.82
1997-98	1991.83
1998-99 (BE)	2200.00
1998-99 (RE)	2200.00
1999-2000 (BE)	2540.00

108. The details of Budgetary Support exempted from dividend during the last 10 years is as under:—

(Rs. in crores)			
Year	Budgetary Support During the year	Budgetary Support exempted from dividend on MTPs	Year-wise Budgetary Support on which Subsidy is claimed towards dividend relief and other concessions
1989-90	1773.36	103.53	480.25
1990-91	1631.86	135.52	449.25
1991-92	1756.16	169.49	474.68
1992-93	2589.11	178.37	654.08
1993-94	974.47	224.09	290.05
1994-95	1144.78	255.44	305.62
1995-96	1140.54	196.09	300.62
1996-97	1464.82	144.52	451.33
1997-98	1991.83	146.14	612.77
1998-99 (BE)	2200.00	250.00	626.72
1998-99 (RE)	2200.00	199.60	614.72
1999-2000 (BE)	2540.00	313.27	733.25

109. Dividend is paid on the entire capital (budgetary support) excluding capital invested in MTPs. However, subsidy towards dividend relief and other concessions is claimed on the capital (budgetary support) invested in the under noted specified items:—

I. New Lines

(a) Strategic Lines

(b) 28 new lines taken up on or after 1.4.1995 on other than financial consideration if they incur operating losses.

(c) Jammu-Kathua and Tirunveli-Kanyakumari-Trivandrum lines if they incur operating losses.

(d) Bimlagarh-Kiriburu and Sambalpur-Titlagar lines if they incur operating losses.

II. Unremunerative branch lines.

III. North-east Frontier Railway (Non-Strategic protion).

IV. Ferries and Welfare Buildings.

V. 50% of the capital invested in current year and in two previous years, excluding the capital otherwise qualifying for subsidy as above, capital on new lines on which dividend is deferred and capital cost of line wires taken over from P&T Department.

110. Details of dividend paid by Railways as per the Planning Commission are as under:—

Year	Total dividend	Subsidy claimed	Net dividend
1	2	3	4
1992-93	1514	353	1161
1993-94	1296	412	884

1	2	3	4
1994-95	1362	420	942
1995-96	1264	388	876
1996-97	1507	468	1039
1997-98	1489	537	952
1998-99 (RE)	1752	618	1134
1999-00 (BE)	1914	710	1204

111. The Planning Commission appreciated the cause of budgetary support as under:

“Budgetary support is necessary for a public utility like Railways which has to take up developmental projects for social and strategic reasons. However, there is no denying the fact that the expansion and the strengthening of the Railway system will have to be financed mostly by the Railways through generation of internal resources. This calls for a substantial improvement in the Indian Railways’ operating ratio. This will require better operational and commercial management with emphasis on aggressive revenue generation on the one hand and rigorous cost control on the other.

Budgetary support to Railways as a percentage of Budget Support to Central Plan has increased (keeping in view its dual role as a public utility on the one hand and a commercial enterprise on the other) from 4.13 in 1993-94 to 5.78 in 1999-00 (BE)”.

112. Budgetary support to the Railways in absolute terms over the last ten years and its proportionate ratios to the overall

budgetary support to social as well as economic sectors are given below:

(Rs. in Crores)

Year	Budgetary Support						
	Railways	Economic services*	Social services*	%age of (a) to (b)	%age of (a) to (c)	Total (b + c)	%age of (a) to (f)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
(Amount in Crores of Rupees)							
1990-91	1632	13859	3597	11.8	45.4	17456	9.3
1991-92	1756	13122	3947	13.4	44.5	17069	10.3
1992-93	2589	15412	4294	16.8	60.3	19706	13.1
1993-94	974	17893	5647	5.4	17.2	23540	4.1
1994-95	1145	19079	6608	6.0	17.3	25687	4.5
1995-96	1141	18610	8306	6.1	13.7	26916	4.2
1996-97	1465	19092	10226	7.7	14.3	29318	5.0
1997-98	1992	20402	11693	9.8	17.0	32095	6.2
1998-99 (RE)	2200	23201	14806	9.5	14.9	38007	5.8
1999-2000 (BE)	2540	26201	17518	9.7	14.5	43719	5.8

(ii) Internal Resources to Finance Railway Plan 1999-2000

113. After meeting the working expenses of the Railways, including pension and dividend liabilities the balance, i.e. excess of revenue receipts are made available for utilisation on Plan Schemes. The excess revenues generated during the years 1995-96, 1996-97 and 1997-98 have been of the order of Rs. 2870.63 crore,

Rs. 2117.06 crore and Rs. 1535.22 crore respectively. However, it has been noticed that the same has decreased drastically and reached a level of Rs. 619.39 crore (RE) from Rs. 1655.86 (BE) during the year 1998-99. The generation of internal resources during the year 1999-2000 is expected to be Rs. 4160 crore.

(iii) Market Borrowings to Finance Railway Plan 1999-2000

114. Since internal and budgetary support are not adequate to finance the Railway development plan requirements, Railways resort to market borrowings through the Indian, Railways Finance Corporation. Some resources are also generated through private investment schemes such as Own Your Wagon Scheme (OYWS) and Build, Own, Lease and Transfer (BOLT) Scheme. During the year 1999-2000, the IRFC will mobilise Rs. 2900 crore from market. Under the BOLT Scheme Rs. 87.60 crore and Rs. 12.40 crore under Own Your Wagon Scheme will be raised.

115. Emphasizing the importance of regulating the Plan expenditure during the year 1998-99, the Union Minister of Railways in his budget speech 1999-2000 stated that to ensure the progress of safety and other targeted works, an additional marketing borrowings of Rs. 180 crore by Indian Railway Finance Corporation would be necessary, this will increase market borrowings from 2900 crore to the tune of Rs. 3080 crore during 1998-99.

116. To a specific query as to what alternative strategy has been taken up by the Indian Railways to mobilise and augment resources for funding the Railway Plan, the Ministry in their written reply submitted as under:

“In order to mobilise funds for infrastructure development and augment internal resources, Indian Railways have taken a number of steps, which are briefly listed below:

- (a) Private participation through BOLT/OYW Scheme for rolling stock,
- (b) Participation of State Governments in certain projects,
- (c) Efforts are being made towards commercial exploitation of Railway land and air space,

(d) Efforts are being made to attract private investment in communications with benefit to Railways by utilising Railways' right of way,

(e) It is proposed to lease front brake vans for carrying parcels."

II. Basic Infrastructure Projects' Planning and Development

117. Broadly speaking nearly 40-45% of Plan funds go towards the Rolling Stock. Track Renewal, Signalling, etc. are awarded 35% and the remaining 20% are allocated for meeting the requirements of basic infrastructure network, viz. New Lines, Gauge Conversion, Doublings, Railway Electrification and Metropolitan Transport Projects. The details of progress and allocation made under these infrastructure heads are as under:-

(i) New Lines

The New Lines Projects are funded from Capital support, i.e. Budgetary support being provided by the Central Exchequer each year. The optimal time of execution of a New Line is about 5-7 years. The first year after sanction is utilised for detailed planning and final location survey together with preparation of land plans. The second year usually goes in land acquisition and tendering. The real work progresses thereafter, the rails and sleepers being provided in the last year. According to the Ministry of Railways the ideal shelf of such projects should be about 6 times the annual outlay. At present the amount required for completing these projects is Rs. 20,000 crore and if we take 5% escalation, the required amount for meeting escalation cost alone would be Rs. 1000 crore annually. The outlay for the year 1999-2000 against New Line projects has been fixed at Rs. 600 crore. During the last year the revised estimates have been assessed at Rs. 378 crore against the budgetary estimates.

Two New Line Projects have been included in the Budget 1999-2000, which are as under:

- (i) Agra to Etawah *via* Fatehabad and Bah.
- (ii) Kakinada to Pithapuram (to be taken up after obtaining the requisite clearance).

During the year 1999-2000 the following sections of New Lines Projects are expected to be completed:—

Section	KMS.
Kashinagar-Kakdweep	3
Bongaon-Petrapole	8
Goalpura-Kamakhaya	124
Peddipally-Karimnagar	35
Jaruri-Banspani	11
Kapadvanj-Modassa	60
Total	241

118. In response to a point as to what should be the ideal investment annually on these pending and on going New Line projects, the Ministry in a written note submitted as under:

“The best solution for completing the pending ongoing projects within a time bound programme is for the Central Government to increase the budgetary support and to earmark about Rs. 3000 crores per year for new line projects out of it, as already explained in the para 2.5.4 of the White Paper presented by this Ministry on 28th July, 1998 and further in order that the un-remunerative projects which have been taken up purely on social considerations do not adversely affect the financial health of the Railways to stipulate dividend exemption and reimbursement of operating losses for such lines to the Railways in respect of all socially desirable but economically unviable projects.”

(ii) National New Line Projects

119. The only project presently under implementation which has been declared as a National Project is the Udhampur-Srinagar-Barakulla project. The amount spent so far on this project is about Rs. 100 crore, out of a total estimated cost of Rs. 2500 crore. The Central Government

has not incurred any separate expenditure on this line. An announcement was made by the Prime Minister in Parliament that this project would be funded outside the Railways Plan. However no separate funds have been made available so far and the matter has been taken up with the PMO, Ministry of Finance and Planning Commission in this regard. The expenditure incurred so far has not been reimbursed.

(iii) Gauge Conversion

120. Since 1.4.92 a thrust was accorded to Gauge Conversion by taking up Project Unigauge for the selective conversion of MG/NG Lines to BG over 3 Five Year Plan periods. Accordingly it was decided to convert about 14500 km. of MG/NG Lines to BG. This was planned to be done at the rate of about 6000 Km. each in the 8th and 9th Plans and the remaining in the 10th Plan. Against this target, Railways have converted 6897 km. in 8th Plan and 847 km. in the year 1997-98 (First Year of Ninth Plan) making a total of 7744 Km since 1.4.92. By 31.3.1999 this total will reach 8434 km. During 1999-2000 a target of gauge conversion has been fixed at 541 km. for completion with an outlay of Rs. 645 crore (BE). As on date, the throw-forward on gauge conversion projects is about Rs. 9000 crore which will need 10 to 11 years for their completion at the present level of allocation without reckoning cost-escalation.

(iv) Doubling

121. Doubling is essentially an operational requirement of the Railways keeping in view their carrying capacity. Upto the cost of Rs. 50 crore no outside clearance is required and the projects are taken up based on the results of survey and priority. Works above Rs. 50 crore are appraised by the Planning Commission, considered by the Expanded Board and finally approved by the CCEA before their inclusion in the Budget.

122. The throw-forward for doubling is slightly less and not problematic. The ongoing projects require about Rs. 3188 crore for their completion. The outlays for the year 1999-2000 have been planned at Rs. 625 crore against the Revised Estimate of Rs. 472 crore during the last year. Given the present level of investment, ongoing doubling works can be completed in about 5-6 years.

(v) Electrification

123. As a matter of policy, subject to the availability of resources, a route is considered eligible for electrification if the financial return on the capital investment in electrification as compared to diesel traction in accordance with specified norms, works out to 14% or more. Electrification projects are charged to the Capital Support.

For this, cost-cum-feasibility survey is taken up before considering the sanction of the projects. Projects upto Rs. 50 crore are cleared by the Planning Commission and those costing more than Rs. 50 crore are also considered by the Expanded Board and after approval of CCEA also are included in the Budget. During the year 1999-2000 outlays of Rs. 350 crore have been sanctioned against the Revised Estimate of Rs. 333 crore during the last year. The throw-forward of all sanctioned electrification projects is about Rs. 1625 crore. Given the present level of funding, all the works will get completed in the first year of X Plan i.e. 2002-03.

(vi) Metropolitan Transport Projects

124. With the change in the Business Allocation Rules in 1986, the responsibility for planning and co-ordination of Urban Transport System including rail based system, has been transferred to the Ministry of Urban Affairs and Employment. However, technical planning continues to be with the Indian Railways. Funds allocated for MT projects from the capital/budgetary support are exempted from liability of dividend payment. The Indian Railways are making budgetary allocations for the Metro projects still under their operation and implementation. During the current year a sum of Rs. 300 crore has been allocated against the Revised Estimate of Rs. 198 crore during the last year. The total throw-forward of MT Projects has been assessed to Rs. 2162 crore. Out of this, Railways' share of cost is Rs. 737 crore. Remaining cost is to be met by the State Governments of Maharashtra and Tamil Nadu. Considering the present level of investment, the existing MT Projects will take about 3 years for completion.

Track Renewal

125. The major cut in the allocations has been made in this Plan Head at the revised stage during 1998-99. Initially Rs. 1960 crore (Net) were allocated at budgetary stage and later on the same were

revised to Rs. 1262 crore (Net). During 1999-2000, the Railways have allocated Rs. 1500 crore (Net) for track renewal projects. This reduction in the Revised Estimates, as informed by the Railways, is on account of financial crunch being faced by them in the financial year i.e. 1998-99. With the projected availability of Rs. 1500 crore (Net) it is expected to carry out 2550 kms. of track renewals along with some other special renewal works such as turnout renewals, bridge timber renewals, fitting renewals etc.

126. Explaining their strategy to wipe out the track renewal arrears the Ministry of Railways submitted in a written note as under:—

“It was planned to wipe out track renewal arrears in the Ninth plan on the A, B and C routes and on the D and E routes in the Tenth Plan. Accordingly Rs. 13200/- crore (Gross) was projected as the requirement of funds in the Ninth Plan for track renewals and allied works, at 1997-98 prices. However the actual allotment of funds during the first two years has been only Rs. 1725 crore (Gross) and estimated Rs. 1793 crore (Gross). In the third year also the allocation indicated is far less than the requirement. The less than the required allocation of funds is due to shortage of funds.”

127. Highlighting the causes of Golden Temple Express Train derailment near Khanna and the supply of rails by SAIL the Chairman, Railway Board stated as under:—

“According to the laid down norms, it was tested in April 1997 and was found to be in order. But after some time, it fractured so miserably resulting in an accident. Now, the normal frequency of testing varies for the age and the traffic. But many times, defects can develop in a rail, as has been further confirmed by the testing of the rail. In this case the hydrogen content at the time of manufacturing was high. This is one of the problems and, therefore, some of the systems are now advocating more frequent testing, although the quality of testing may not be as good. That is the Russian method of testing. Now, that method has not yet been fully implemented in the Railways. We are in the process of implementing it. It will mean that we will do a quick testing, but at a greater frequency. In this particular case,

the Interim Report of the CCRS which had come now—we have received the final Report also—primarily blames the defective material of the Bhilai Steel Plant.

Rolling Stock

128. Rolling stock is a major component of Plan outlays to augment the traffic capacity of the Railways. Last year Rs. 4305.00 crore (Net), which is 45.32 per cent of the total Plan outlay *i.e.* Rs. 9500, crore were allocated for meeting requirements under this Plan Head. Later on, it was revised to Rs. 4190 crore. During the current year Rs. 3905 crore have been earmarked for this Head, which account for 40.25% of the total Plan outlays for the year 1999-2000.

Signalling and Telecommunication

129. To ensure safe journey, Railways are allocating funds to finance the signal and telecommunication projects. Last year against an outlay of Rs. 350.00 crore, the Railways revised it to the order of Rs. 325 crore and during the current year *i.e.* 1999-2000 the Railways have allocated Rs. 375 crore for the signalling and telecommunication works.

130. The Indian Railways, responding to the present level of funding, their additional requirement of funds for meeting their targets and their strategy to enhance safety, stated as under:

“The present allocation of Rs. 375 crore during 1999-2000 for Signalling and Telecommunication is not sufficient, though it is 15% more than the allocation of Rs. 325 crore (RE) during 1998-99.”

The additional requirement of funds to provide important Signalling and Telecommunication, Safety works, *i.e.* Track Circuiting, Automatic Warning System, Safety improvement at level crossings, Last Vehicle Check by Axle Counter, Train Radio Communication, Replacement of worn out Signalling & Telecommunication gears on Indian Railways, is of the order of Rs. 7625 crore. The funds need to be regulated based on availability of resources and time frame.

Introduction of Signalling & Telecommunication System for safety enhancement is a continuous process. All efforts are being made

to allocate funds for signalling & Telecommunication Systems within the availability resources.

Following measures have been taken/proposed to be taken to enhance the safety in train operations:—

- (i) To prevent accidents due to human failure by station staff, Track Circuiting is being provided in a planned manner. Approximately, 600 stations are being equipped with various types of Track Circuiting every year. Fouling Mark to Fouling Mark (FM to FM) Track Circuiting on entire 'A' & 'B' routes has already been completed and the same is expected to be completed on 'C' Route by 31.3.99. Track circuiting on other routes is being progressively provided.
- (ii) Action plan has been drawn to enhance safety at level crossings by undertaking manning of unmanned level crossings, Interlocking of busy level crossings & providing telephones at balance manned level crossings. During 1999-2000, works costing Rs. 62 crore have been proposed for approval in the Budget.
- (iii) Automatic Warning System, which prevents the human error by the Driver, resulting in accidents has been installed in Mumbai Suburban Section. A pilot project on Radio based Automatic Warning System has been proposed on Delhi-Mathura section of Central Railway for approval in the Railway Budget 1999-2000.
- (iv) Last Vehicle Check by Axle Counter has been introduced on 100 Block sections. This is being progressively provided on the entire railway system.
- (v) Mechanical lever frames are being replaced gradually by Panel Interlocking/Solid State Interlocking, with Centralised operation of Points & Signals, thereby reducing dependence on human element. In addition, Colour Light Signalling has been provided at 2725 stations and is being progressively provided along with Railway Electrification.

- (vi) Walkie-talkie sets have been provided to guards & drivers of all Mail/Express & passenger trains on 'A' & 'B' routes, to enable drivers and guards to communicate in case of emergencies for train protection etc. Since, these sets have been found useful by the Railways, it has been decided to provide this facility to drivers and guards of all passenger carrying trains by 31.3.99. Further, this facility would be extended to all goods trains during 1999-2000.
- (vii) Mobile Trail Radio Communication between driver/guard and control has been provided on Itarsi-Bhusawal, Itarsi-Nagpur and Durg-Nagpur sections and on selected trains on Delhi-Mughalsarai section.
- (viii) A cost effective Simplex Emergency Radio Communication System has been developed to provide communication between driver and guard and between driver/guard and adjacent station to report emergencies. The system has been put on trial on Churchgate-Vadodra-Ahmedabad pilot section. Similar system would be installed on other 2 pilot sections i.e. Chennai-Gudur and Delhi-Ambala sections during 1999-2000. Based on outcome of these trains on the pilot sections, decision will be taken to extend the system on other sections.

131. To a specific query as to why the Indian Railways are not upto the mark in respect of signalling and telecommunication technology being used by the Railways of Japan, Germany, etc., the Ministry of Railways submitted as under:

"The main constraint is non-availability of adequate funds. Non availability of state-of-the art technology indigenously is another constraint."

Passenger Amenities

132. The year 1999-2000 has been declared a 'Passenger year' indicating that more emphasis would be accorded to passenger amenities. Against the outlay of Rs. 90 crore (RE) during the last year, Rs. 130 crore have been allocated this year (1999-2000).

133. Explaining the strategy to provide better amenities, the Indian Railways in a written note submitted as under:

"In the recent years Railways are making all out efforts to make available amenities at stations for the convenience of the passengers from within the resources available. Railways have been taken care to augment existing amenities by way of lengthening of platforms, raising of platform level, provision/extension of cover over platforms, augmentation of drinking water supply arrangements including installation of water coolers, provision/extension of waiting facilities, speedy and uninterrupted dispersal facilities by way of additional foot-over-bridges and widening/extension of existing ones. Such works are included on year to year basis in the Works Programme of the Railways subject to availability of funds. Works costing above Rs. 15 lakh are considered and finalised at Board's level and below that are finalized at Zonal Railway's level. General Managers are also given powers to sanction Passenger Amenity works costing up to Rs. 20 lakh on out-of-turn basis in an emergency. With a view to removing congestion and giving a better look at the platforms the scheme of modular stall is proposed to be introduced shortly. In order to streamline and expedite action on public complaints, computerization is being done at 150 important stations of Indian Railways.

134. In order to improve the passenger amenities, the following steps have been proposed to be taken by the Ministry of Railways:

- (i) "A Customer Care Institute" is shortly being opened in Delhi with a view to improving politeness and courtesy in the behaviour of the staff like ticket collectors, booking clerks, etc., who come in direct contact with the public.
- (ii) Delhi, Secunderabad, Calcutta and Mumbai Passenger Reservation Systems (PRS) have been linked with the network, and Chennai will also get connected to this network.
- (iii) In the last Budget, the norm for setting up a PRS centre was reduced from 300 to 200 reservations per day. As a result, 7 additional PRS centres have been set up, raising the total number of centres to more than 400.

- (iv) With the establishment of "Rail Net" and the computers provided at 150 stations, it will be possible to monitor passenger complaints at the Divisional, Zonal and Railway Board's levels. This will enable expeditious disposal of complaints.
- (v) Interactive Voice Response System (IVRS) has been extended to 44 stations to provide real-time information to the public regarding availability of reservations and arrival/departure of important trains.
- (vi) Passengers are always keen to learn about the factual position of the running of trains. For this a successful trial has been carried out on Western and Northern Railways and based on the experience gained a "National Train Enquiry System" is expected to be established next year to provide real-time information regarding running of any train from any location.
- (vii) A pilot project for providing "Tele Booking" reservation facility at New Delhi Reservation Complex has been launched.
- (viii) Indian Railways has launched its 'Web Page' on the internet which will permit access from anywhere in the world, to information regarding train schedules and connections, including tourist trains.
- (ix) 'Tatkal Scheme' has been introduced successfully for more than 100 important long distance trains. This has enabled passengers to get reservation at short notice. This facility will be further extended.
- (x) It was announced in 1998-99, that in eight trains pantry cars will be introduced. This work has almost been completed. There is also a plan to introduce pantry car services in eight more trains in 1999-2000.
- (xi) There is plan to introduce a 'Rail Yatri Magazine' during the year. This will be available in the trains for reading by the passengers. Apart from providing information about

railways, this will also provide information about tourist spots, special tourist programmes, articles on health and interesting topics for the entertainment and knowledge of passengers.

Regional Imbalance and Prioritisation

135. Funds are allocated to various Railways Projects depending upon their operational importance, physical progress, national & strategic considerations and social relevance. Investments in Railway infrastructure are planned keeping in view the traffic requirements and to ensure smooth flow of traffic. While doing so the need to keep a proper regional balance is also kept in mind. State or Regional boundaries *per se* do not constitute a criterion for investment decisions, especially when a number of Railway projects span across two or more States/Regions.

136. The CCEA in their meeting held on 10.9.1997, while considering Railways projects, directed the Ministry of Railways to prioritise the ongoing Railway projects and those in the pipe line, keeping in view the availability of funds for financing the projects, need for efficient implementation and other relevant factors.

137. It was seen that the Railways would be able to complete all ongoing doubling projects in 5 to 6 years, Railway Electrification Projects in 4 to 5 years and MTP projects in 3 years. In view of this it was felt that there is no need for prioritising these projects. The problems faced by this Ministry pertain mainly to new lines and gauge conversion projects where a large number of projects have been taken up in recent years without arranging adequate resources for their timely implementation. Accordingly, prioritisation of all the projects falling in these two plan heads has been done so that we can allocate resources on a rational basis with a view to progressively completing these projects in the coming years.

138. During the last 10 years, priority has been accorded to those projects which were required on urgent operational/strategic considerations. The other projects have been progressing as per the priority fixed by the Government of the day while allocating the resources in the budget for each project.

139. To a specific point as to whether the Railway Board consult the Zonal Railways while fixing the priority of projects, the Ministry of Railways in a written note submitted as under:

"The Zonal Railways are taken into confidence and the funds allotted in the Budget (Pink book) are known to the Zonal Railways at the beginning of the year. The Railways are expected to plan the progress and expenditure accordingly. Non-utilisation of resources takes place due to contractual problems, delay in land acquisition by the State Government, etc.

The requirement of funds for progressing work on various projects is ascertained from the Zonal Railways during Works Review and Works Programme Meetings. However, the priorities are determined in the Board's office considering the overall national perspective."

Railway Investment in North-East Region

140. Railway projects for the North east Region are funded totally out of the budgetary support being provided by the Central Government. Last year Rs. 220 crore, which is a 10% of the budgetary support of Rs. 2200 crore, were provided the budgetary estimates for the projects under implementation in the NE Region. During the current year an outlay of Rs. 250 crore has been allocated for the projects in North east Region against the budgetary support of Rs. 2540 crore. As on 31.3.99, the total expenditure incurred on the railway projects in North east Region comes out to Rs. 1123.1 crore against the total cost of Rs. 5103.41 crore.

141. To a point as to what will be the requirement of allocation for the development of railway infrastructure in North east Region, the Ministry in a written note submitted as under:

"The requirement of allocation for development of Railway infrastructure is Rs. 6000 crore; if all the projects are to be completed in 10 years, we will require outlays of Rs. 600 crore per year with suitable provision for escalation. We are able to provide about Rs. 250 crore out of the Railways' Plan and if the projects in the North east are to be progressed at the desired pace, Planning Commission will have to make region specific additional allotment for which they have been suitably requested."

142. The Plan allocation made by the Ministry of Railways for the year 1999-2000 in the North east Region is as under:—

Plan Head	Rs. in Crores
New Lines	87
Gauge Conversion	111
Track Renewal	30
Bridge Works	5
Other specified works	4
Passenger Amenities	7
Staff Quarters	5
Staff Amenities	6
Total	255

RECOMMENDATIONS/OBSERVATIONS

143. The Railways being the most energy efficient, environment friendly and safe mode of transport are the obvious choice for the role of prime movers to the nation. However, the Railways have all along been beset by the conflicting role it has been called upon to play simultaneously as a "public utility" and as a "commercial undertaking". The Indian Railways are not based on simply a commercial objective, they have a big social objective component built into the very system from the very inception more than a century ago. While it is necessary to take care of the economic aspect of the Railways, the nation cannot forget the social commitment, the welfare aspect in the larger interest of the people of the whole country. The Railways have always been retained by the State, as the private sector has not been in a position, either financially or otherwise, to take up this giant infrastructure sector touching all the parts of the country and all sections of the people and all the industries all over the nation. Even though road sector came up later in a big way, still transport by railways has remained by far the biggest infrastructure with a social objective, both in movement of goods as well as transport of passengers. As a matter of fact, various sectors in business, industry or Government, not to speak of various sections of people in general, stress the Railways' role in one capacity or other as it suits them at a particular point of time. For instance, the Railways are often compelled not only to fix low tariff for carriage of certain essential commodities such as foodgrains but also to give precedence to its movement, leaving aside high-rated traffic that is allowed to go by road; pressurised to continue movement of coal to power houses despite regular defaults, on their part, in payment of rail freight charges which remain outstanding for years; and forced to find ways and means to fund their Plan outlay, following commercial principles, even by resorting to market borrowings at exorbitant cost. The Committee desire that all the outstanding dues from the Ministry of Coal, NTPC, State Electricity Boards etc. should be recovered without any further delay under intimation to them. High cost investment funds from the market are singularly inappropriate for most of the Railway investments having a long gestation period and therefore, the Committee feel that a much higher budgetary support is essential if the Railways are to

effectively meet the transport requirements of a growing economy and the developmental role that has invariably become part of the Railways' repertoire. Even in advanced capitalist nations rail investment is state financed and subsidies in freight/passenger rates, if any, are explicit and borne by the State. This is particularly significant in the Indian context where the Railways bear the twin burden of subsidised fares/freight rates and inadequate financial support on capital account.

144. The Committee also note that the excess earnings over expenditure have come down to Rs. 1535.22 crore in 1997-98 against Rs. 2870.63 crore in the year 1995-96. The Committee take a very serious view over the declining trend in Railway earnings. They cannot but conclude that the day is not far off when the Railways instead of being a profit-making undertaking, would become a loss-making organisation. The Committee, therefore, desire the Ministry of Railways to make concerted efforts to further bring down their expenditure and increase their earnings.

145. The Railways' share to total traffic in the economy has been declining over the years. One of the reasons for the decline in the Railways' share in goods and passenger traffic has been their inability to generate adequate capacity to meet the growth of traffic. This is evidenced by the extreme congestion of high density corridors connecting the metros of Delhi, Mumbai, Chennai and Calcutta. The Committee, therefore, feel that it is imperative that the network is extended to integrate more remote areas with the national economy besides adding an additional line exclusively for freight traffic along the high density-corridors for which Planning Commission and Ministry of Finance should provide adequate funds on priority basis. At the same time, the Railways will have to reorient their business to diversify their freight base. Special value-added services on the basis of fixed schedule need to be provided to capture a fair share of the high value non-core traffic. A flexible freight policy is therefore necessary to deal with sectoral shifts in the economy.

146. The Committee find that there is a widespread lack of cost-awareness and cost-related information in the Railways, and a general lack of sensitivity to costs at all levels. Functional units are aware of the targets for outputs assigned to them in a given period only in physical terms. The management also lays down targets in physical terms only, without correlating them with financial results, and

evaluates their performance only on the basis of achieving their physical targets by them regardless of the costs incurred in achieving the same. The system is such that the financial or cost aspects always tend to be relegated to a back seat. Similarly, when the physical target for originating freight loading is achieved or surpassed by a few million tonnes, the matter is widely publicised, even though there may be shortfall in freight earnings on account of decline in the average lead over which the traffic is carried. This is a serious drawback in the system, particularly in the current scenario, when the financial aspects should be every one's concern, from the top management down to the functional unit-supervisor in the field. The Committee are of the firm view that there is abundant scope for controlling costs of electricity and fuel and avoiding wastage of most other resources used in day-to-day operation and maintenance activities of the Railways.

147. The Committee also find that the Railway management's concern for marketing has so far been only nominal. In fact, marketing was not really required because of the near-monopolistic situation in which they operated in the past. Nowadays in any business, marketing strategy occupies a key position for its growth and profitability. Therefore a marketing strategy, with a clear and unambiguous focus on the customer's needs, is inescapable if the Railways have to regain their market supremacy in the business of transportation. The bureaucratic approach to marketing must be discarded in favour of a professional approach. This would require the Railways to completely reorient their outlook on business lines. The Committee feel that the Railways have so far enjoyed the luxury of operating in a seller's market. It has now to undergo and overcome the constraints of operating in a buyers' market. The Committee desire that the market-oriented outlook should not be restricted to managerial levels alone, but should percolate down the line to the lowest functionary of the system.

148. Railway decision-makers' tendency of showing marked preference for non-economic objectives, particularly where large investments are involved, has become a drag on the Railway system already beset with their conflicting roles. New surveys are undertaken to satisfy populist demands rather than to meet the actual need, in utter disregard of a heavy shelf of already approved projects, absence of maintenance facilities, and above all, low financial returns on huge capital investment and recurring expenditure involved. New

trains are also introduced in spite of operational constraints and safety hazards. The Committee express their concern over this tendency of the Railways. They are of the view that such decisions should be taken prudently in the national interests only.

149. The Committee note that there has been a conscious lack of transparency while disseminating information about the actual financial position of the Railways, or any segment thereof. Despite the financial constraints verging on a crisis, a good deal of energy and effort of the management is spent on convincing that the Railway are performing better than ever before. Consequently, unreasonable and unusual demands on their already constrained resources are made by various quarters such as different Government Departments, State Governments and even their own work force. The management chooses not to share its concern about their financial position. It is, therefore, necessary that a greater degree of transparency is established, by plain and forthright communication with the Central and State Governments, people in general and Railways' workforce directly as well as through trade unions. This would elicit a more positive response, from various quarters, to their problems, and may, to a large extent, obviate the need for frittering away scarce resources in unremunerative investments. The Committee feel that a high degree of objectivity and a fair amount of introspection, individually as well as collectively, can lead, upto a great extent, towards solutions to the basic problems that are hurting the system at present.

150. (a) Although it is difficult to guess the extent of loss accruing to the Railways on account of all sorts of revenue leakages, the Committee have no doubt about its being in a substantial size. The Committee are of the opinion that the problem should be looked at with determination and in a business-like manner by making more frequent raids on ticketless travellers, touts, unbooked luggage, booked freight showing less weight, etc. Concerted efforts in this direction can make an appreciable impact on their financial position.

(b) There is rampant corruption and criminal wastes in the railways. It has been brought to the notice of the Committee that touts have started operating in 'Tatkal' Reservation Scheme also thereby defeating the very purpose of the scheme. With proper monitoring,

frightening of superior and vigilance at all levels, this must be stopped. If the wastages and bakages are stopped and corruption plugged, the railways can make available considerable fund for development projects. Economy has to be enforced at every level. Accountability has to be strictly implemented at every tier of administration. Discipline must be established, through inspections, regular as well as surprise visits. The lethargy that has sadly set in the administration, must be removed; action must be taken against the corrupt employees.

- (c) Responsibilities of officers are also to be fixed, irrespective of the rank and position of the officers, drastic and exemplary actions are to be taken to bring in the fear that every failure will be dealt with seriousness it deserves. Public cannot be made to suffer because of inaction and slackness or failure on the part of the Railway officials.

151. The Committee are concerned to note that the operating ratio of the Railways is very high and in some of the Zonal Railways, namely North Eastern, Northeast Frontier and Southern Railways it has been on an unacceptable high level. At the same time there is no denying a fact that expansion and strengthening of the railway system should be financed mostly by the Railways through generation of internal resources. This calls for a substantial improvement in their operating ratio from the present high level. The Committee are of the view that this can only be done by better operational and commercial management with emphasis on aggressive revenue generation on the one hand and rigorous cost control on the other.

152. The tariff policy of the Railways has traditionally been one of the constraints with regard to increase in passenger fares and periodic increases in case of freight rates. This has been necessitated by the dual role of the Railways as a public utility acting as a catalyst for development and as a commercial organisation running on business principles. Therefore, over the years, the Railways have resorted to cross-subsidisation in order to offset the losses incurred in passenger and other coaching services through additional revenues from freight movement. The system of cross subsidisation has gone too far. The overall fare structure does not generate sufficient resources to bring about the surplus necessary for capacity expansion.

Additional resources cannot be raised by increasing freight rates at the upper end where they are already too high. Further increase in rail freight rates may divert the traffic to road. In the opinion of the Committee it has now become imperative to rationalise the tariff policy and for that there is a need for sufficient flexibility in the freight rates to deal with the market fluctuations and recovery of the full distributed cost from all categories of freight. If certain essential goods have to be carried below cost, the same should be subsidised directly through the budget so that the benefit is clearly targeted and the cost becomes transparent.

153. Increase in short distance passenger traffic, particularly on high density corridors is a matter of concern. The Committee note that with the heavy losses suffered by the Railways in their operations, the situation has become critical and alarming because of the saturation in these corridors. They feel that it may not be possible to introduce additional long distance passenger and freight services unless additional dedicated corridors for the purpose are created.

154. (a) On the issue of augmentation of resources in the railways, one of the most important sources can be optimum utilisation of the railway lands. Huge quanta of land are owned by the railways. Proper land management can fetch huge resources for the railways to invest in development projects which are so much starved of resources. The railway lands may have been under use of some organisations or groups of people for long years. In many cases they are under use by such people for more than 70 years and not put to the best economic use. In such cases, the land-in-question may be optimally utilised after arranging alternative settlement of such people.

(b) The Committee desire that before chalking out a plan to remove encroachments on Railway land, a rehabilitation package should be provided well in advance by effective coordination with the State authorities. The Railways should also explore exploitation of Railway land and air space, particularly in Metro Cities in order to generate more resources for the Railways development plans.

155. The Committee are of the view that capacity building in the Railways is as much a matter of investment in new assets as of making the best use of existing assets. The Railways have recorded a gradual improvement in assets utilisation but there is ample scope for improvement in productivity. The efficiency of terminal handling needs to be improved. The speed of the freight trains is still very low, leading to long turn-around-time. This needs to be tackled by a proper utilisation of the latest technology and by operational improvements, besides the provision of dedicated corridors for through-movement in busy sections.

156. (a) The Committee note that the freight projections of the Ninth Plan have been made on the basis of the analysis of the past performance of the users, the present status of their expansion programme as also the estimation of the likely time frame of new plans coming on stream, the Railways' capacity to augment their fixed infrastructure and production capacity of their units engaged in the manufacture of locomotives/coaches, etc. In the circumstances the Committee feel that the task of lifting additional freight traffic and meeting the requirements of different user sectors require both short-term and long-term strategies. In the short term, the capacity should be augmented through acquisition of additional rolling stock, improvement in terminal operations and speed of goods trains and encouraging private sector participation in possible areas of operation. In the long term strategy, the capacity should be augmented through improvement in the handling systems at terminals in close coordination with the users, improvement in wagon designs, development of high horse power locomotives and introduction of heavier trains, construction and operation of heavy haul freight routes etc. Sharing of cost between the Railways and the users for introducing mechanical handling devices to reduce wagon detention time should also be considered. Ensuring fast movement and timely delivery of goods can also bring back the traffic from road. It will not be out of place to mention that punctuality of trains must be adhered to and action be taken against all such Railway officials, found guilty in not

maintaining punctuality. Local trains should be given preference over Mail/Express trains during morning and evening hours so that office-goers and other copassengers are not put to harassment.

- (b) It has been brought to the notice of the Committee that wagon orders are not being placed with trade well in time and there has been delays from 4 months to 9 months, in placing the demand by the Ministry of Railways with wagon manufacturers. Moreover, there are wide variations in rates paid by the Railways to Wagon Manufacturers. The Committee are of the firm view that the orders for procuring wagons be placed well in time and after placement of orders there should not be any cut in procurement orders. They recommend that uniform prices be paid to all the wagon manufacturers without any discrimination.**

157. The Committee find that there is considerable increase in imports especially of parts and fittings for carriages/wagons; metals; acids, paints & varnishes; Electrical and S&T stores, etc. The Committee express their serious concern over the increase in imports of these items which can, perhaps, be produced/manufactured either by the Railways themselves or by other indigenous manufacturers.

158. The catering services play a role in attracting passenger traffic for the Railways. The Committee find that the catering services in the trains as well as on the stations are far from the expectations of the passengers and rail users. Supply of food is very archaic, there is hardly any attention paid to the quality of food supplied and to the aspect of cleanliness. The passenger bogies are not swept and cleansed. There is no supervision, no accountability at all. The Committee feel that there is an urgent need to strengthen and professionalise these services.

159. The Committee note that there is an urgent need for construction of Rail Yatri Niwas at important Stations. In the first instance the Committee desire that Rail Yatri Niwas be constructed on priority basis at Ajmer Sharief, Chandigarh, Amritsar, Chennai, Bangalore, Lucknow, New Jalpaiguri, Guwahati and Mumbai.

160. (a) The Committee find that the Railways have 6986 stations all over India. The Committee express their serious concern over the non-availability of even basic amenities at these stations as well as in the trains. There are number of stations where even drinking water is not available. Therefore, passenger amenities must form the most important issue in the Railways. Sad to say, even though the passenger fares are hiked year after year, the passenger amenities have been badly neglected by the railways. There is no provision of medical attendance in long distance trains. This is one of the basic needs of the passengers. Railways do not pay any heed to this very reasonable demand of the passengers. The Committee strongly recommend that the Railways should make appropriate arrangement for medical attendance in trains, especially in long-distance ones, without any further delay. They are also of the firm view that the medical facilities must be provided at all important stations.

(b) The Committee also take note of the observation made by the previous Standing Committee on Railways that infrastructural facilities which are essential for making a station functional should not be termed as basic amenities. Infrastructural facilities when provided as part of a project should be booked under respective Plan Heads and once the Project as such is completed and handed over to the open line for operation, provision for augmentation of these facilities should be made under the Plan Head 'Passengers and other Rail Users Amenities'.

161. (a) The ideal IX Plan size are desired by the Railways is of the order of Rs. 93,000 crore, which, they think, will bring back 5% of road traffic to rail. However, the Committee note that the Railways' IX Plan size has been finally fixed at Rs. 45,413 crore as against their demand for Rs. 65000 crore. The VIII Plan size was of the order of Rs. 32000 crore. Though it presents 41.9% hike in absolute terms over that of VIII Plan, in terms of Railway's overall share to the total Central Plan, it declined from 6.3% in VIII Plan to 5.3% in IX Plan,

which is the lowest so far. It has been noticed that during the first three consecutive Five Year Plans the share of Railway Plan to the total Central Plan has been of the order of 11.1%, 15.4% and 15.4% respectively. However, it started declining substantially from the Fourth Five Year Plan onwards.

- (b) Given the huge throw forward of about Rs. 35000 crore, projects cost escalation accruing every year, shrinking internal resources, increasing burden of social service (which has been assessed to be Rs. 3006 crore in 1999-2000) and substantial dividend payment liability and burgeoning repayment liability to the market borrowings, the Railways will definitely not be able to regain back their lost traffic share. It is estimated that going by the present trend by 2000, the share of the Railways would decrease further to 5% in case of freight traffic and 7% in case of passenger traffic.
- (c) The Committee are of the firm opinion that the Indian Railways have been caught in a financial whirlpool and if timely rescue operations are not resorted to on a war-footing, the Railways will go down into a deep gorge of losses from where there will be no way out again. Therefore, the Committee, keeping into account all the delicacies and intricacies the Railways are facing today, recommend that both the Planning Commission and the Ministry of Finance must sit together and seriously ponder over the larger interest of the Railways and expeditiously arrive at a suitable perspective planning with adequate resources. The Committee should be informed of the action taken in this regard within 3 months.

162. The Annual Plan 1999-2000 of the Railways have been estimated at Rs. 9700 crore against the allocation of Rs. 9500 crore made during 1998-99. The allocation for 1998-99 was revised to Rs. 8755 crore due to less generation of internal revenue and accordingly sharp reductions were made especially under Plan Heads, namely New Lines, Gauge Conversion, Track Renewals, Signaling & Telecommunication Works, Electrification Projects, Passenger Amenities and Metropolitan Transport Projects, budgetary support

i.e. capital at charge remained the same at Rs. 2200 crore. Ironically the outlays under Plan Heads such as New Lines, Electrification and Metropolitan Transport Projects which are funded from the Capital Support were provided less funds to the order of Rs. 481 crore. The Committee fail to understand as to why the Railways reduced the allocations made under the Plan Heads which are exclusively funded from the budgetary support. They also urge the Government not to divert the funds in future. The Committee further suggest that funds generated from market borrowings and internal resources be spent for the augmentation of physical capacity (*i.e.* rolling stock etc.) of Railways and funds provided under Budgetary Support be utilized invariably for the expansion of Railway network.

163. (a) Though there has been substantial growth in the budgetary support over the Five Year Plans in absolute terms *i.e.* from Rs. 142 crore in Plan to Rs. 11,791 crore in IX Plan, its share percentage to the total Plan of the Railways decreased considerably, *i.e.* from 75% in the V Plan to 26% in the IX Plan. The budgetary support is provided by the Central Government at a rate of 7% dividend with certain concessions for augmentation of Railway network in the socially backward and strategically important areas as the Railways do not have surplus resources to invest. Over the last 10 years the share of budgetary support to the Railways, in comparison with the overall Central budgetary support has declined considerably from 13.1% in 1992-93 to 5.8% in 1999-2000.

(b) Over the years, the burden of social service obligations on Railways also continue to increase. This year the same has been quantified at Rs. 3006.79 crore. The Railways are bearing huge losses on account of running uneconomic lines in the socially backward areas. The operating ratio of Northeast Frontier Railway and North Eastern Railway has also been assessed 226 and 164 respectively during 1998-99. The Committee note that a Working Group was constituted on this issue. They would like to know the action taken by the Government on the recommendations made by the Group.

(c) Mobilization of resources through market has become a hard option as the already existing borrowings are eroding the internally generated revenues of the Railways. The Committee are convinced that any attempt at increasing revenues or reducing expenditure is futile and self-defeating in the current Indian context. Moreover, the demand of the Railways as a public utility would expand in the new millennium. The Committee are of the opinion that to keep pace with the accelerated growth of economy budgetary support is a must and indispensable to the Railways and its requirement must be assessed at the highest level in the Government. Keeping in view the role of the Railways in the overall growth of GDP, the Committee strongly urge the Planning Commission and the Ministry of Finance to enhance the budgetary support, at least to the level of 10% of the total Central budgetary support, to the Railways.

164. (a) While examining the issue of prioritisation of ongoing projects, the Committee were informed by the Railways that all ongoing Doubling projects would be completed in 5-6 years, electrification projects in 4-5 years and Metropolitan Transport projects in 3 years. The Railways informed the Committee that there was no need for prioritising these projects. However, they submitted before the Committee that the Railways are facing problems in case of New Lines and Gauge Conversion works where a huge throw forward of about Rs. 29000 crore is still existing and they are finding it difficult to mobilise adequate resources for these projects. Accordingly, as stated by the Railways, prioritisation of all projects falling under these two categories has been done so that allocation of resources could be made on a rational basis. The Railways further stated that during the last 10 years priority has been accorded to those projects which were required on urgent operational and strategic considerations. However, the Railways did not furnish the list of all the projects prioritised by the Government even after repeated reminders from this Committee. The Committee take a very serious view of this attitude of the Government towards them.

- (b) New projects should be taken up with proper prioritisation. Keeping in view not only the commercial or economic aspect but also the social aspect of serving the people, especially of the remote rural areas, hills and north-eastern States. There cannot be a set of uniform criteria for every part of the country, whether it is developed or undeveloped. Each of the areas has its own peculiarities and unique features. Those are to be taken into consideration while preparing a new project for undeveloped areas. The construction of railways will open up certain hitherto unopened backward areas to commercial and economic activities. The Committee are of the firm view that the Ministry of Railways must keep these points in view and go in for new railway projects in backward areas of the country.
- (c) The Committee were also informed that investments in Railways infrastructure are planned keeping in view the traffic requirements and regional imbalance. However, they find that the investments are made arbitrarily. The Committee are of the firm view that the Railways do not adhere to the above criteria strictly and instead allocate resources adversely to the idea of regional balance. The Committee express their unhappiness over the fact that the Railway Board do not involve the Regional Railways in the process of fixing the prioritisation of the projects which leads to diversion of funds due to non-utilisation of funds allocated for a particular project.
- (d) The Committee therefore, recommend that Regional Railways be associated closely while fixing the criteria of prioritisation of projects and that prioritisation criteria should be more realistic and designed to accord top most priority to those projects which (i) are at the most advanced stage of completion (ii) are important in view of their strategic and operational considerations and (iii) are socially desirable in removing regional imbalance. They also desire that the on-going projects must be monitored vigorously to ensure their completion on time to avoid time and cost over-run. In order to

facilitate cargo movement from one port to another the Committee strongly recommend that all the ports should be inter-connected by the Railway network. They are of the opinion that the Planning Commission and Ministry of Finance should provide sufficient funds for the purpose.

165. A case of diversion of funds from one project to another has come to the notice of the Committee through their Study Group V (Pending and On-going Project). This Study Group during their study visit to North Eastern Railway, Gorakhpur came to know that a large diversion of funds to the tune of about Rs. 27.5 crore has taken place last year from the Kanpur-Kasganj-Mathura Gauge Conversion project out of the sanctioned allocation of Rs. 35.65 crore during 1998-99. The Committee feel that there might be similar instances in other Zonal Railways also. The Committee do not approve such diversion of funds from one project to another and recommend that no funds be diverted henceforth. In case there is an exigency, the facts should be placed before the Committee alongwith the reasons therefor.

166. In their 'White paper on Railway Projects' the Ministry of Railways have stated that 40-45% of the total Railway Plan allocations go towards Rolling Stock, 20% towards Basic Infrastructure Network requirement and the rest for Track Renewal, Signalling/ Telecommunication, etc. During the current financial year also, a sum of Rs. 3905 crore, which is 40.25% of the total Railway Plan (*i.e.* Rs. 9700 crore) has been earmarked for Rolling Stock and Rs. 1895, which is 19.53% of the total Plan to the Basic Infrastructure Projects which include New Lines, Gauge Conversion, Doublings, Electrification and Metropolitan Transport Projects. The Committee, in this regard, find that although these basic infrastructure projects attract the maximum public attention, they receive only very meagre funds. The Committee therefore, desire that funds allocation for basic infrastructure projects should at least be 25% of the total Plan or at least be at par with budgetary support the Railways get from the Central Exchequer.

167. (a) The Committee observe that during 1998-99 New Line projects were provided Rs. 500 crore which were later on revised to Rs. 378 crore. During the current year the budgetary estimates for the same have been fixed at

Rs. 600 crore. The allocation for new lines are funded from the Capital Support the Railways are getting from the General Exchequer. The Committee note that due to inadequate generation of surplus revenues required to fund the Railway Plan internally, the Railways made cuts in the Plan outlays under various Plan-heads at the Revised Estimates stage. Time and again the Railways have informed this Committee that the new line projects are a critical area for them to decide the allocation. The Committee have also been informed that as on date a huge throw forward of Rs. 20000 crore is existing in respect of these new lines projects. The Ministry of Railways conceded candidly that at the present level of investment i.e. Rs. 500-600 crore per year, it will take 30 to 40 years to complete these projects. They also informed the Committee that the ideal shelf of such projects should be six times of the annual outlay and that more than Rs. 3000 crore were required annually to execute the projects within the stipulated time of 5-7 years. During the course of evidence, the Planning Commission informed the Committee that between 1994-95 and 1998-99, 41 New Line projects costing Rs. 13,613 crore had been added to the long list of pending new lines projects by the Railways without requisite prior clearance from the respective authorities.

- (b) The Committee express their serious concern over this unwarranted situation created by the Railways due to their craze for adding new projects unabatedly over the years without arranging adequate funds for the projects. The Committee also deprecate the approach of the Railways to include the new projects in their 'Pink Book' without getting prior requisite clearances. They are of the considered view that the Railways should take up for implementation only those projects on priority basis which are strategically and operationally needed. Projects for the development of socially backward areas may be taken up only when the required funds are made available. However, the Committee recommend that all the pending projects meant for development of backward areas should be

given top most priority by providing sufficient funds. The Committee further recommend that all the new projects be taken up only after obtaining the requisite prior approval of the relevant agencies. They are of the opinion that the new projects may not be imposed vertically on the Railways from the top by the Government without ensuring availability of requisite funds for execution of such projects.

168. Udhampur-Srinagar-Baramulla New Line Project is the only project which has been declared as a National Project. It was taken up in the financial year 1994-95 with an estimated cost of Rs. 2500 crore. The Ministry of Railways informed the Committee that the then Prime Minister had announced in the Parliament that this project would be funded from outside the budgetary support. The Ministry of Railways have spent Rs. 100 crore so far on the implementation of this project and they preferred their claim to the Ministry of Finance. The Committee are dismayed to note that in spite of vigorous persuasions the amount has not been reimbursed to the Ministry of Railways. In the Committee's view this type of attitude on the part of the Ministry of Finance cannot be appreciated. The Committee strongly recommend that the Government should reimburse the amount incurred on the project to the Railways without any delay under intimation to this Committee.

169. The Ministry of Railways informed the Committee that after New Line Projects, Gauge Conversion Projects are a major concern for them and that a throw forward of about Rs. 9000 crore in case of Gauge Conversion projects is still pending. At the present level of investment of about Rs. 800 crore per annum it will take 10-11 years to complete all the pending and on-going Gauge Conversion projects. The total backlog of Gauge Conversion projects would be 8434 kms. as on 31 March, 1999. The financial and physical targets in respect of Gauge Conversion have been fixed at Rs. 645 crore and 541 Kms. respectively during 1999-2000. The Committee note that given the present rate of physical target it will take around 16 years to complete the on-going and pending Gauge Conversion projects. The Ministry of Railways once again attributed the reasons of delay in these projects to the non-availability of adequate resources. The Committee express their concern over this state of affairs and urge the Ministry to accord top most priority to those Gauge Conversion projects which are economically viable and will

augment their traffic capacity relatively more so that enough internal resources could be generated to fund the Railway Plan projects.

170. (a) During the financial year 1998-99, Rs. 251 crore were provided for the development of Metropolitan Transport Projects but the same were revised to Rs. 198 crore. The Metropolitan Transport Projects are funded entirely from the budgetary support the Railways are getting from the General Exchequer every year. Ironically due to scarcity of internally generated resources a cut of Rs. 53 crore was made in Metropolitan Transport Projects also, when the budgetary support remained the same *i.e.* Rs. 2200 crore. The Committee fail to understand the logic of reducing funds especially in those areas where the funds are arranged from the Capital Support. During 1999-2000 the Railways have allocated Rs. 300 crore for the development and implementation of MT Projects. The Committee, recommend that the Railways should not make any reduction on outlays earmarked for MT Projects in future and implement these projects in right earnest.

(b) During the course of evidence, the Committee were informed that the Railways are sharing one third of the total cost of the Calcutta Suburban Railway project and two-thirds in case of other metropolitan suburban railway projects. Justifying this criteria of funding, the Railways informed the Committee that the Calcutta suburban project is the extension of the already sanctioned projects. The Committee desire that the extension programme of Calcutta Metro upto Garia should be completed expeditiously by providing sufficient funds. Similarly suburban Railway projects for which concerned State Governments namely Tamilnadu, Maharashtra etc. are ready to provide their share of funds should be given top most priority.

171. Track Renewal has been one of the major components of the Railway Plan every year. Last year (1998-99) a sum of Rs. 1960 crore was allocated in the budget but later on at the Revised Estimate stage the same was reduced to Rs. 1262 crore. The Ministry of Railways informed the Committee that the reason for cut in the

Plan outlays under this Head was the low generation of internal resources. The Committee fail to understand the rationale that on the one hand the Ministry of Railways have declared Track Renewal as a major thrust area and have allowed reduction of outlays on the other. The Committee feel that in order to provide safe, efficient and fast traffic, track renewal is the need of the hour which cannot be compromised at any cost. Keeping in view the importance of track renewal, the Committee recommend that track renewal works be accorded foremost priority and adequate allocation should be made under this Head.

172. (a) Signalling and telecommunication System plays a paramount role in ensuring safety of passengers and minimising the impact of human errors on train operations. During the year 1998-99 a sum of Rs. 361 crore was allocated to implement the projects under this Plan Head. However, at the Revised Estimate stage this amount was reduced to Rs. 325 crore. The Committee fail to understand the reasoning of the Ministry that on one hand they announce Signalling and Telecommunication as a thrust/priority area and on the other they prune the allocations made under this Head at the Revised Estimate stage. The Committee take a very serious view of this indiscriminate cut in the allocation of funds under this head.

(b) The Committee note that there have been frequent train accidents and the one at Kauri near Khanna has eroded the credibility of the Railways to a large extent. The Committee have noted that there are various reasons responsible for accidents but the failure on the part of Railway staff contributes to be the maximum i.e. about 75% of the total accidents. The Railways have informed the Committee that the additional requirement of funds to provide signalling and telecommunication and safety works such as track circuiting automatic warning system, safety improvement at level crossing, last vehicle check by axle counter, trail radio communication etc. is of the order of Rs. 7625 crore. To accord thrust to this area, an

amount of Rs. 375 crore has been sanctioned this year for the works under this Head. The Committee, having examined the importance of safety in Railways recommend as under:

- (i) Funds at the rate of Rs. 500 crore be provided under this Head by the Railways to ensure the safety.
- (ii) Walkie-talkie communication between Driver and Guard be introduced in all trains including goods trains.
- (iii) Track Circuiting and Auxiliary Warning System be strengthened on all routes.
- (iv) Purchase of rails containing hydrogen content be discarded forthwith.
- (v) Intensive checking of tracks be done with ultrasonic Flaw Detectors.
- (vi) Telephone at each manned level crossing be installed and at unmanned level crossings at both sides of the railway stations, red light signal system be provided.
- (vii) Last Vehicle Check by Axle Counter be introduced on all Block Sections.
- (viii) Results of trial of Radio-based Automatic Train Control System proposed to be introduced in Delhi-Mathura section be sent for the information of the Committee.
- (ix) "Rail net" should be started without any further delay.

173. (a) The Committee note that neglect of safety and security in the trains has been great concern among the commuting passengers. Dacoities, robberies and many other crimes in the railway trains have been alarmingly increasing. There is hardly any co-ordination among different agencies. The Committee strongly recommend that the General Managers and Members of the Railway

Board jointly take up this issue with the State Governments, their Chief Secretaries and the GRP and the RPF in a well co-ordinated way.

- (b) In order to combat dacoity, robberies and other crimes in trains, the Committee suggest that the Ministry of Railways should convene a meeting of all the States Home Ministers, Chief Secretaries, Home Secretaries, DG/IG of RPF/GRP etc. at the Ministers's level and the outcome thereof be intimated to the Committee.**
- (c) Monitoring must be done not as a routinely conducted ritualistic manner but it must be effective, and for that purpose, proper evaluation studies should be taken up by independent agencies. Security and safety must be treated an integral part of the passenger amenities. The molestation and many other forms of harassment in the passenger trains have of late, increased much beyond the level of tolerance of the public and sadly enough the Railway authorities are playing the role of mute spectators. This cannot be tolerated. When on the one hand Railways say 'that resource crunch, lack of funds is hampering the pace of development of railway project, on the other there is too much pomposity in maintaining the Saloon Cars, which are nothing but show of faudalistic attitudes of the White-Sahibs who ruled the country in the past. Of late, it has been noticed that too much expenditure is being incurred on publicity. The Committee strongly feel that this amount must be used for providing passenger amenities and maintenance of coaches and railway tracks.**
- (d) The Committee find that there is no Co-ordination/Communication link between Guard and the Driver of the respective train. They, therefore, desire that walkie-talkie/radio communication system be provided without any further delay. Similarly, security arrangements in Ladies Compartments need to be strengthened and ladies constable be recruited and deputed in all the ladies compartments.**

174. (a) North Eastern Region of our country being strategically important and socially backward has not been given its due share in the infrastructure development to bring it into the mainstream of development even after the 50 years of independence. The Committee have been informed that the Railways have incurred Rs. 1123.1 crore till 31.3.99 against the total projects' cost of Rs. 5103.4 crore in the North Eastern Region. They also informed the Committee that the total requirement of development of railway infrastructure in the North Eastern Region is Rs. 6000 crore, if all the projects are to be completed in 10 years. To do so, they informed the Committee that the Railways require Rs. 600 crore per year with suitable provision of escalation in the cost and for this, the Planning Commission will have to make region-specific additional allotment for which they have been suitable requested. The Committee have been informed by the Railways that during the current financial year the projects progressing in the North Eastern Region have been allocated Rs. 255 crore which is almost 10% of the budgetary support of Rs. 2540 crore, the Railways are supposed to get from the Central Exchequer.

(b) The Committee, therefore recommend that a Working Group consisting of representatives of the Planning Commission, Ministry of Finance and Railways and North-Eastern Council should be formed to assess the requirement of funds for creating railway infrastructure in the North-Eastern region and in the mean time the Government should provide allocation of at least Rs. 600 crore per year for development of railway infrastructure in the Region. They also recommend that a Special Cell be created in the Ministry to review the progress of all projects in the North Eastern Region.

175 (a) The Committee find that the unemployed youths are facing a lot of difficulty in getting reservation in the trains at the time when they go for interviews. In spite of policy decision to provide reservation to such candidates on production of interview letter/examination letter, no concrete action has been taken by the Ministry

of Railways in this regard. The Committee therefore, strongly recommend that a separate reservation quota/counters be provided to facilitate them to get timely reservation on the production of their interview/Exam letters.

- (b) The Committee also recommend that National Award Winners should be allowed to take a spouse/attendant with them on free railway passes.
 - (c) There have been a number of instances where patriotic persons jeopardizing their lives protect Railway property/save human lives from accidents etc. The Committee strongly recommend that a scheme for awarding "Railway Bravery Awards" should be introduced immediately.
 - (d) The Committee also note that railway traffic is not restored for days together after the derailment/accidents. They, therefore, desire that the railway lines must be cleared and traffic restored within 24 hours.
176. (a) To sum up, passenger amenities including catering services, safety and security arrangements must be strengthened and regularly monitored at all levels. Sence of accountability has to be brought back.
- (b) The Railway Ministry must be sensitive to the grievances of the public, must apply all corrective measures on a continuous basis. Ongoing projects are to be completed without delay. New projects are to be taken up keeping in veiw the socio-economic commitment of the national government to the people of the country.
 - (c) The Committee express their serious concern over the increasing rail accidents due to negligence of Railways due to lack of proper coordination at different level. The Committee strongly reommend that all cases of

accidents must be enquired into and prompt actions should be taken to build the confidence of the people in the rail system.

- (d) Suitable Rail Net should be introduced in this age of advancement of science and technology. Quick dissemination of information must be worked out.**
- (e) Effective co-ordination among all the functionaries in the Railway system must be set up.**
- (f) The Committee are of the view that henceforth the Standing Committee on Railways should be consulted before finalisation and the presentation of Railway Budget by the Ministry of Railways.**

NEW DELHI;
 8 April, 1999

 18 Chaitra, 1921 (Saka)

MAMATA BANERJEE,
Chairperson,
Standing Committee on Railways.

PART - II

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON RAILWAYS (1998-99) HELD ON 11.03.1999

The Committee sat on Thursday, the 11th March, 1999 from 1500 hrs. to 1700 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Kumari Mamata Banerjee — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Jagdambi Prasad Yadav
3. Smt. Thakkur Jayaben Bharatkumar
4. Shri Sohan Potai
5. Shri Jagannath Singh
6. Shri M.A. Kharabela Swain
7. Shri Pankaj Choudhary
8. Shri Rajo Singh
9. Shri Dinsha J. Patel
10. Shri Ashok Namdeorao Mohol
11. Shri Bhajan Lal
12. Shri Moinul Hassan Ahamed
13. Shri Kanchi Panneersavalam
14. Shri Hari Kewal Prasad
15. Shri V.V. Raghavan

Rajya Sabha

16. Shri Karnendu Bhattacharjee
17. Shri Gopalsinh G. Solanki
18. Prof. Ram Bakhsh Singh Varma
19. Chowdhary Chunni Lal
20. Dr. Chandrakala Pandey
21. Shri Naresh Yadav
22. Shri S. Niraikulathan

SECRETARIAT

1. Shri John Joseph - *Joint Secretary*
2. Shri R.C. Gupta - *Deputy Secretary*
3. Shri S.N. Dargan - *Under Secretary*
4. Shri O.P. Shokeen - *Committee Officer*

WITNESSES

1. Shri V.K. Agarwal — Chairman, Railway Board & Ex-officio Principal Secy. to the Govt. of India.
2. Shri V.K. Agnihotri — Member, Engineering & Ex-officio Secy. to the Govt. of India.
3. Shri P.V. Vasudevan — Financial Commissioner (Railways) & Ex-officio Secy. to the Government of India.
4. Shri S.K. Khanna — Member, Electrical & Ex-officio Secy. to the Govt. of India.
5. Shri Shanti Narain — Member, Traffic & Ex-officio Secy. to the Govt. of India.
6. Shri Ashok Kumar — Member, Mechanical & Ex-officio Secy. to the Govt. of India.
7. Shri K. Balakesari — Member, Staff & Ex-officio Secy. to the Govt. of India.

2. At the outset, the Chairperson welcomed the Members and Representatives of the Ministry of Railways to the sitting of the Committee and invited their attention to the Direction 58 of Directions by the Speaker, Lok Sabha. Thereafter, the Committee took oral evidence of the Representatives of the Ministry of Railways in connection with the examination of the Demands for Grants, 1999-2000. The evidence remained inconclusive.

3. The Committee decided to cancel their sitting scheduled to be held on 12th March, 1999 and instead decided to held their next sittings on 30th and 31st March, 1999 to take further evidence of the officials of the Ministries of Railways & Finance and the Planning Commission.

(The verbatim record of the proceedings has been kept.)

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE
ON RAILWAYS (1998-99) HELD ON 30.03.1999**

The Committee sat on Tuesday, the 30th March, 1999 from 1100 hrs. to 14.30 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Kumari Mamata Banerjee – Chairperson

MEMBERS

Lok Sabha

2. Shri Jagdambi Prasad Yadav
3. Shri Ritlal Prasad Verma
4. Smt. Thakkur Jayaben Bharatkumar
5. Shri Sohan Potai
6. Shri M.A. Kharabela Swain
7. Shri Kishan Lal Diler
8. Shri Ram Pal Singh
9. Shri Rajo Singh
10. Shri Ashok Namdeorao Mohol
11. Shri Moinul Hassan Ahamed
12. Shri Paras Nath Yadav
13. Shri Kanchi Panneersavalam
14. Shri Hari Kewal Prasad
15. Shri K.P. Naidu
16. Dr. Prasanna Patasani
17. Shri V.V. Raghavan
18. Smt. Satwinder Kaur Dhaliwal
19. Shri T.R. Baalu

Rajya Sabha

20. Shri Karnendu Bhattacharjee
21. Shri Satyanaryana Dronamraju
22. Prof. Ram Bakhsh Singh Varma
23. Chowdhary Chunni Lal
24. Dr. Chandrakala Pandey
25. Shri Naresh Yadav
26. Shri S. Niraikulathan
27. Shri Anil Sharma

SECRETARIAT

- Shri R.C. Gupta - *Deputy Secretary*
 Shri S.N. Dargan - *Under Secretary*
 Shri O.P. Shokeen - *Committee Officer*

WITNESSES

Ministry of Railways

1. Shri V.K. Agarwal — Chairman, Railway Board & Ex-officio Principal Secy. to the Govt. of India.
2. Shri V.K. Agnihotri — Member, Engineering & Ex-officio Secy. to the Govt. of India.
3. Shri P.V. Vasudevan — Financial Commissioner (Railways) & Ex-officio Secy. to the Government of India.
4. Shri S.K. Khanna — Member, Electrical & Ex-officio Secy. to the Govt. of India.
5. Shri Shanti Narain — Member, Traffic & Ex-officio Secy. to the Govt. of India.
6. Shri K. Balakesari — Member, Staff & Ex-officio Secy. to the Govt. of India.

2. At the outset, the Chairperson welcomed the Members and the representatives of the Ministry of Railways to this sitting. Thereafter, the Committee took further evidence of the representatives of the Ministry of Railways in connection with examination of the Demands for Grants for the year 1999-2000.

3. The evidence remained inconclusive.

(A verbatim record of proceedings has been kept.)

The Committee then adjourned

MINUTES OF THE SITTING OF THE STANDING COMMITTEE
ON RAILWAYS (1998-99) HELD ON 31.03.1999

The Committee sat on Wednesday, the 31st March, 1999 from 1100 hrs. to 1330 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Kumari Mamata Banerjee — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Jagdambi Prasad Yadav
3. Shri Ritlal Prasad Verma
4. Smt. Thakkur Jayaben Bharat Kumar
5. Shri Sohan Potai
6. Dr. Laxminarayan Pandey
7. Shri M.A. Kharabela Swain
8. Shri Kishan Lal Diler
9. Shri Pankaj Choudhary
10. Shri Ram Pal Singh
11. Shri Rajo Singh
12. Shri N.J. Rathwa
13. Shri Ashok Namdeorao Mohol
14. Shri Moinul Hassan Ahamed
15. Shri Paras Nath Yadav
16. Shri Kanchi Panneersavalam

17. Shri Hari Kewal Prasad
18. Shri K.P. Naidu
19. Smt. Satwinder Kaur Dhaliwal
20. Shri T. R. Baalu

Rajya Sabha

21. Shri Karnendu Bhattacharjee
22. Prof. Ram Bakhsh Singh Varma
23. Chowdhary Chunni Lal
24. Dr. Chandrakala Pandey
25. Shri Naresh Yadav
26. Shri V.P. Duraisamy
27. Shri Anil Sharma

SECRETARIAT

- Shri R.C. Gupta - *Deputy Secretary*
- Shri S.N. Dargan - *Under Secretary*

WITNESSES

Ministry of Finance

- Dr. E.A.S. Sarma - Secretary (Expenditure)

Planning Commission

- Shri N.P. Bagchee - Principal Adviser (Transport)

Ministry of Railways

1. Shri C.S. Saroy — Addl. Member (Budget)
2. Shri S. Suryanarayanan — Addl. Member (Planning)
3. Shri L.C. Jain — Addl. Member (Works)

2. In the first instance, the Chairperson welcomed the Members and the officials of the Ministry of Finance, Ministry of Railways and the Planning Commission to the sitting. Thereafter, the Committee took evidence of the officials of the above Ministries in connection with examination of the Demands for Grants 1999-2000 of the Ministry of Railways. The Committee also decided to have a presentation on Indian Railways by the Ministry of Railways on 8th April, 1999.

3. The evidence concluded.

(A verbatim record of proceedings has been kept.)

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE
ON RAILWAYS (1998-99) HELD ON 8.04.1999**

The Committee sat on Thursday, the 8th April, 1999 from 14.00 hrs. to 15.00 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi. In the absence of the Chairperson, the Committee chose Shri T.R. Baalu to act as Chairman for the sitting of the Committee under Rule 258 (3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

PRESENT

Shri T.R. Baalu — *In the Chair*

MEMBERS

Lok Sabha

2. Shri Jagdambi Prasad Yadav
3. Shri Ritlal Prasad Verma
4. Shri Jagannath Singh
5. Shri M.A. Kharabela Swain
6. Shri Kishan Lal Diler
7. Shri Ram Pal Singh
8. Shri Rajo Singh
9. Shri Dinsha J. Patel
10. Shri Ashok Namdeorao Mohol
11. Shri Bhajan Lal
12. Shri Paras Nath Yadav
13. Shri Taslimuddin
14. Shri Hari Kewal Prasad
15. Shri K.P. Naidu
16. Dr. Prasanna Patasani
17. Shri V.V. Raghavan

Rajya Sabha

18. Shri Karnendu Bhattacharjee
19. Prof. Ram Bakhsh Singh Varma
20. Chowdhary Chunni Lal
21. Dr. Chandrakala Pandey
22. Shri Naresh Yadav
23. Shri Anil Sharma

SECRETARIAT

Shri R.C. Gupta	—	<i>Deputy Secretary</i>
Shri S.N. Dargan	—	<i>Under Secretary</i>
Shri O.P. Shokeen	—	<i>Committee Officer</i>

At the outset the acting Chairman welcomed the Members to the sitting of the Committee. Thereafter, the Committee considered and adopted the Draft Third Report on the subject 'Demands for Grants (1999-2000)' of the Ministry of Railways with amendments/modifications as indicated in Annexure-I.

2. The Members also made certain suggestions in regard to introduction of new trains, increasing frequency of trains, doublings, new lines, gauge conversion, etc. (Annexure-II) for inclusion in the Report subject to the approval of the Chairperson.

3. The Committee authorised the Chairperson to finalise the Report after making consequential changes, if any, arising out of factual verification by the Ministry of Railways or otherwise and to present the Report to both the Houses of Parliament.

The Committee then adjourned.

**AMENDMENTS/MODIFICATIONS MADE BY STANDING
COMMITTEE ON RAILWAYS IN THE DRAFT THIRD
REPORT ON 'DEMANDS FOR GRANTS, 1999-2000'
OF THE MINISTRY OF RAILWAYS**

Sl. No.	Page No.	Para No.	Line	
1.	Paragraph Nos./		146 to 176 of the	
			Report may be	
			renumbered 143 to	
			176.	
2.	92	146	18	After 'exorbitant cost'
				Add: 'The Committee
				desire that all the
				outstanding dues
				from the Ministry of
				Coal, NTPC, State
				Electricity Boards, etc.
				should be recovered
				without any further
				delay under
				intimation to them'.
3.	93	147	last line	After 'expenditure'
				Add: 'and increase
				their earnings'.
4.	118	170	11	After 'made available'
				Add: 'However, the
				Committee reco-
				mend that all the
				pending projects
				meant for
				development of
				backward areas
				should be given
				topmost priority by
				providing sufficient
				funds'.

Introduction of New Trains

1. A new train between Patna-Rameshwaram and a Shatabdi train between Patna-Delhi and Patna-Howrah.
2. New superfast trains from (1) Jaunpur to Mumbai *via* Allahabad and (ii) from Azamgarh to Mumbai.
3. A superfast train on Howrah-Sahibganj-Jamalpur-Kuil Gaya-Delhi.
4. Revival of Upper India train between Sealdah and Delhi.
5. (i) New train from Shakti Nagar to Varanasi *via* Gorakhpur and (ii) a direct train from Gorakhpur to Delhi.
6. A train from Barauni to Howrah *via* Katihar.
7. An Inter city train in the morning from Katihar to Patna.
8. A Rajdhani train from Gorakhpur to Delhi.
9. Regularization of an additional Vaishali Express.
10. Purava Express to run between Delhi-Kuil-Jamalpur Howrah.
11. Inter city train between Hathras and Delhi *via* Aligarh.

Extension/Frequency of Trains

1. Shatki Punj train running between Howrah-Jabalpur be extended upto Bhopal.
2. A new train between Pune and Trivandrum which is proposed to be run once a week should be run atleast thrice a week.
3. Uttar Banga Express be run daily.

New Lines/Gauge Conversion

1. A New Railway line be laid between Kursela to Saharsa-via-Bihariganj.
2. Doubling of Lucknow-Chhapra section.
3. Brahat-Bhatni line to be extended upto Gorakhpur and a new train be introduced on this section.
4. Gauge conversion of Manihari-Jogbani line be taken immediately.
5. New Lines (i) Alwar-Gurgaon *via* Mewat area and (ii) Bhadara-Jakhal *via* Adampur, Fatehabad and Ratia taken up for construction immediately.
6. Providing elevated Broad Gauge Line inter-connecting Madras Central and Madras Egmore Railway Stations scheme should be prepared so that Kashmir and Kanyakumari may be connected (*via* main line of traffic).

Miscellaneous

1. AC-II class coach be attached to Guruvayur-Trivandrum Express train.
2. AC-II class coach in Mahananda Express train No. 4083-4084 be attached.
3. A two minutes stoppage of Rajdhani Express be given at Trichur.
4. DMU train/Rail Bus be introduced at Khambher-Anand-Nadiad-Kapadvanj.
5. A Yatri rest house be constructed at Jaunpur City Station.
6. Increase in the reservation quota and Halt time of Shramjivi Express at Jaunpur City Station.
7. Exorbitant increase in license fee in respect of Gunties/ Stalls allotted to poor persons be withdrawn.

8. Stoppage of Janseva Express inter-city running between Bhagalpur-Muzaffarpur be provided at Kuil.
9. Level crossing at Anuapur on Bhatni-Salempur line be provided.
10. Tender submission facility be extended at DRMs offices also.
11. Penalty on ticketless travellers should not be increased.
12. Reservation fee should not be charged from the wait listed passengers. Number of tickets issued to the wait listed passengers be decreased.
13. A copy of study made by the Railways on 'Electrification of Railways Tracks' be furnished to the Committee alongwith the details of the Electrification Projects where rate of return is less then 14%.
14. Gauge conversion of Gorakhpur-Gonda section be taken up expeditiously.