

ESTIMATES COMMITTEE
1958-59

TWENTY-EIGHTH REPORT

THE MINISTRY OF RAILWAYS

**Action taken by Government on the recommendations
of the Estimates Committee contained in Twenty-
third Report (First Lok Sabha) on A General
Survey of the Railway Budget, 1956-57**



सत्यमेव जयते

LOK SABHA SECRETARIAT
Parliament House,
NEW DELHI

Price Re. 0·80 np.

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C O R R I G E N D A

Twenty-eighth Report of the Estimates Committee on action taken by the Government on the Recommendations contained in the Twenty-third Report (First Lok Sabha) on the Ministry of Railways--

- Contents, Appendix, line 2; read "in" for "on"
Page (i), item 10; read "Shri T.N. Vishwanatha Reddy" for "Shri T.N. Vishwanath Reddi"
Page (ii), Para 2, line 8; read "15th July, 1958" for "16th July, 1958"
Page (ii), Para 4, line 3; delete "I" after "Appendix"
Page 9, col.4, line 3; insert '.' after "Rs. 63,000/-"
Page 12, col.4, line 5 from bottom; read "O.M." for "M.O."
Page 16, col.4, line 19; read "order" for "orde"
Page 20, 'heading'; insert "finally" after "have not been"
Page 38, col.4, line 4; read "handle" for "hadle"
Page 48, col.4, below line 7; insert "(Ministry of Railways O.M. No.56-B(C)6000/23rd, dated 20.12.1957)"
Page 50, item 2, percentage to total; read "80.9%" for "80.96%"
Page 50, item 5, Percentage to total; read "14.3%" for "14.23%"

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1958-59

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*Elected w.e.f. 28-8-1958 *vice* Shri Mahavir Tyagi resigned.

**Elected w.e.f. 17-9-1958 *vice* Shri J. Rameshwar Rao resigned.

INTRODUCTION

I, the Chairman, of the Estimates Committee having been authorised by the Committee, present this Twenty-eighth Report of the Estimates Committee of the Lok Sabha on action taken by Government on the recommendations contained in the Twenty-third Report of the Estimates Committee of the First Lok Sabha.

2. The Twenty-third Report of the Estimates Committee was presented to the House on the 16th March, 1956. The Government furnished their replies indicating action taken on the recommendations/conclusions in this report between the 22nd August, 1956 and the 3rd July, 1957. The Ministry was requested to furnish clarifications on certain points arising out of their replies. The replies (including replies to points for further clarification) were examined by Study Group of the Estimates Committee on the 16th July, 1958. This report includes the replies of the Ministry to the original recommendations of the Committee as well as replies to the points for clarification.

3. The Report has been divided into four Chapters.

I. Report.

II. Recommendations that have been accepted by the Government.

III. Replies of the Government that have been finally accepted by the Committee.

IV. Replies of the Government that have not been finally accepted by the Committee.

4. An analysis of the action taken by the Government on the recommendations contained in this Twenty-eighth Report is given at Appendix I.

BALVANTRAY G. MEHTA,

Chairman,

Estimates Committee.

NEW DELHI;

The 19th September, 1958.

CHAPTER I

Report

1. The Estimates Committee, in para 22 of the 23rd Report (First Lok Sabha), pointed out that in a number of cases the actual expenditure fell far short of the budget provisions and that in the case of some works this was the position year after year in successive budgets mentioning some of the instances as illustrations. In reply, the Ministry of Railways furnished detailed explanations for the shortage in expenditure in respect of all the seven items enumerated in the Committee's recommendation. *The Committee are not fully satisfied with the explanation furnished and feel that the Ministry's reply indicates lack of paper planning. The Committee, however, hope that, in future, budget estimates for various engineering works will be prepared after proper planning so as to ensure that the actual expenditure does not fall short of the budget provisions, year after year to any appreciable extent.*

2. In para 24 of the 23rd Report (First Lok Sabha), the Committee emphasised the necessity of developing the necessary traffic capacity ahead of the demand and it was for that reason that they had suggested in the course of correspondence with the Planning Commission that the annual allotment of Railways should be relatively higher in the first three years of the Second Plan period. The Committee, therefore, felt that it was very unfortunate that the Ministry of Railways should have found themselves unable to propose a larger developmental programme in 1956-57 than that amounting to Rs. 199·8 crores, which was only 13·5 per cent of the original proposed outlay of Rs. 1480 crores. The Committee, as such, reemphasised that urgent measures should be taken to expedite the execution of the various projects included in the Plan so that the Railways might not find themselves lagging behind not only in the traffic requirements but also in the progress of the schemes comprising the reduced outlay of Rs. 1125 crores. The Ministry, in their reply, stated that the reduced provision of about Rs. 200 crores was made to keep the allotment within the capacity of the Railways for undertaking various works based on the availability of materials and personnel. They also stated that as there was much uncertainty about the allotment to be made in the Second Plan, neither orders for materials etc. could have been placed in advance to enable the larger outlay in the first year nor staff engaged in anticipation of the expenditure required for higher outlay. The Committee observed from the Budget papers for 1957-58 that against the budget estimates of Rs. 193 crores for the year 1956-57 the Railways could actually spend Rs. 178·37 crores only. On being asked to state the reasons for the shortfall in the expenditure the Ministry have furnished a statement explaining in detail the reasons therefor. *These reasons which are reproduced in Chapter IV cannot be regarded as wholly satisfactory. The Committee, therefore, strongly recommend that in future special steps should be taken and constant watch should be kept by the Ministry and its Departments concerned to avoid recurrence of such lapses in future so as to ensure that the monetary and physical targets provided in the budget estimates are fulfilled without any hitch.*

3. In para 27 of the 23rd Report (First Lok Sabha), the Committee recommended that immediate steps should be taken to redefine the term

“Passenger Amenity” in conformity with popular conception of the term. As regards the works that were being charged to this head on the ground that they had no financial justification, the Committee suggested that, if necessary some other suitable accounting device might be introduced just as the one for expenditure on unremunerative works. The Committee pointed out the following four items which should not have been charged to the head of expenditure for ‘passenger amenity’:—

- (i) conversion of NG lines to MG or BG ;
- (ii) fire fighting equipment at stations and sheds ;
- (iii) Provision of flag stations, conversion of halts into flag stations; and
- (iv) station buildings.

The Ministry accepted the recommendations of the Committee except in case of items (iii) and (iv). As for item (iii) the Ministry contended that the provision of new flag stations or conversion of halts into flag stations was carried out as a rule at the request of the public for their convenience. At places, where the traffic offering did not financially justify the opening of new stations, expenditure relating to such flag stations was correctly chargeable to “Railway Users’ Amenities”. Besides, the expenditure incurred during five years from 1952-53 to 1956-57, was only a relatively small sum of Rs. 15 lakhs. In regard to item (iv), the Ministry had decided that it was sufficient if it was clarified to the Railways that there should be a proper splitting of the expenditure between “Railway Users’ Amenities” and other works. *The Committee are not satisfied with the explanation furnished by the Ministry for not excluding item (iii) from the head “Passenger Amenities”. The Committee, in the circumstances, reiterate their earlier suggestion and recommend that classification of item (iii) should be suitably changed. As regards item (iv), the Ministry should ensure that the Railways do properly split the expenditure between “Railway Users’ Amenities” and other Works.*

CHAPTER II

Recommendations that have been Accepted by Government

S. No. as in the Appendix II to the 23rd Report	Reference to paragraph No. of the Report	Summary of Recommendations/conclusions	Government's reply
1	2	3	4
1	4	<p>The interval between the presentation of Railway Budget and the commencement of the discussion or even the voting thereon, was far too short for the Committee to make a more detailed examination of the budget than was found possible. The Committee consider that their task would be very much facilitated if a longer interval could be allowed between the presentation of the Railway Budget and the commencement of the discussion as also the voting thereon, either by a suitable modification of the Parliamentary programme or by granting the Railways a 'Vote on Account' and recommend that either of the two suggestions be implemented.</p>	<p>This has been noted by the Department of Parliamentary Affairs and in future attempts are promised to be made to provide a still longer interval than the present interval of 10 days, without resort, if possible, to a 'vote on account'.</p>

[Ministry of Railways O.M. No. 56-B(c) 6000/
Recommendations (23) dated 22-8-1956].

2 The Committee observed that even though the percentage ratio of working expenses to earnings also known as the 'Operating ratio' in the post-war years, as compared to pre-war levels is partly due to general rise in cost and partly to the revised scales of pay according to the recommendations of the Central Pay Commission and the implementation of the Adjudicator's award, none the less the need for a constant review to keep down the working expenses is indicated.

Accepted.

[Ministry of Railways O.M. No. 56-B(c)6000/
Recommendations (23) dated 3-12-1956].

9 The figures of goods earnings and train mileage for the year 1951-52 to 1955-56 indicate that the increase in train miles operated for goods traffic has not been of the same order as that in train miles for passenger traffic and considering that generally a large bulk of goods traffic offering remain uncleared, it would appear that the Railways would have improved their goods earnings and strengthened their finances had it been possible for them to pay a little more attention to goods traffic.

The observations of the Committee have been noted.

The train mileage operated for goods traffic has since improved and reached 82.6 millions in 1955-56, as compared to 77.1 millions in 1954-55.

[Ministry of Railways O.M. No. 56-B(c) 6000/
Recommendations (23) dated 21-6-1957].

12 The Committee feel that the rise in the ratio of expenses on administration to the total ordinary working expenses should be controlled by

Accepted.

[Ministry of Railways O.M. No. 56-B(c) 6000/
Recommendations (23) dated 22-8-1956].

careful means, especially by ensuring greater efficiency. The Committee also feel that it would be advantageous if there is a more appropriate classification under the demand head 'Administration' and charges that are purely administrative are segregated from those that, directly belong to workshops, depots etc.

5 13 The Committee suggest that whenever there is a shift of expenditure from one demand to another the extent to which that shift has taken place should be indicated in the budget demand showing the increase under one demand against the corresponding reduction in the other. The increase in expenditure should also be more fully explained than is done at present.

6 16 The Committee observe that the outlay on railways fell for short of the budget estimates in the first three years of the Plan period and that during this period even the revised estimates of the particular year under review at the time of presentation of the budget for the ensuing year proved unduly optimistic.

7 19 It would appear that the additional rolling stock acquired for the Railways is not quite in proportion to the additional financial outlay.

Accepted.

[Ministry of Railways O.M. No. 56-B (c) 6000/
Recommendations (23) dated 22-8-56].

The Committee's observations are noted.

[Ministry of Railways O.M. No. 56-B (c) 6000/
Recommendations (23) dated 3-12-1956].

The Estimates Committee's conclusion is based on the detailed observations in para. 19, in which the Estimates Committee adopted a figure of Rs. 253.44 crores as the actual expenditure upto 1954-55 together with that *anticipated* for 1955-56, in relation to a planned outlay of Rs. 207.96 crores estimated as required for the procurement of 1,038 locomotives, 5,574

carriages and 49,143 wagons. The difference of Rs. 45.48 crores, according to these figures, is regarded by the Committee as being far more than what would be required for the procurement of 1,589 locomotives, 4,837 carriages and 61,773 wagons (as actually procured) on the basis of the "present day level of prices" indicated in the Financial Commissioner's memorandum to the Railway Convention Committee, 1954 in which prices of Rs. 4 lakhs per locomotive, Rs. 1 lakh per coaching vehicle and Rs. 10,000 per wagon were adopted.

2. The actual outlay during the five years period ending 31st March, 1956 amounted to Rs. 243.85 crores only instead of Rs. 253.44 crores as adopted by the Committee on the basis of anticipated expenditure for 1955-56 which only was available at that time. The net excess requiring explanation is, therefore, Rs. 35.89 crores (Rs. 243.85-Rs. 207.96). Out of this, a sum of Rs. 26.3 crores is on account of Rolling Stock, locomotives and wagons being purchased in excess of what was originally anticipated as set off by a shortfall in coaching vehicles, while an amount of Rs. 3.14 crores is on account of procurement of additional plant and machinery. The balance

requiring explanation is thus an excess of Rs. 6.45 crores. It may be mentioned that the "present day level of prices" of rolling stock indicated in the Memorandum furnished to the Railway Convention Committee towards the end of 1954 (namely Rs. 4 lakhs per locomotive, Rs. 1 lakh per coaching vehicle and Rs. 10,000 per wagon), apart from being only in the nature of an estimate *with reference to what was anticipated at that time* (towards the end of 1954) to be the approximate trend in prices, does not represent the average cost over the entire 5 year period, (1951-56) of a locomotive, coaching vehicle and goods wagon. The average prices during the 5 year period, in fact, were in the region of Rs. 4.8 lakhs, Rs. 1.35 lakhs and Rs. 12,000 respectively. This accounts for an excess of Rs. 4.02 crores as detailed below :—

(In crores of Rupees)

	Actual Expenditure	Estimate Committee's figure
Cost of 551 locomotives @ Rs. 4.8 lakhs	26.45	22.04
Cost of 12,630 wagons @ Rs. 12,008	15.17	12.63
TOTAL	41.62	34.67

Actual Estimate
Expenditure Committee's
figures

Offset by a shortfall of 837 coaching vehicles	—11·30	—8·37
② Rs. 1·35 lakhs		
NET	30·32	26·30

The balance left is a very small amount of Rs. 2·43 crores, which works out to only about 1·12 per cent of the estimated outlay.

[Ministry of Railways O. M. No. 56-B(c) 6000/Pt. dated 7-1-1957].

8 As regards the expenditure on track and bridges on which nearly 90 per cent of the outlay, which was planned has been incurred, the Committee were unable to ascertain within the short term available to them, to what extent physical targets envisaged under the Plan had been actually reached. However, the fact remains that whereas at the beginning of the First Plan, speeds had been restricted over 3,000 miles due to weak condition of the track, at the end of the plan speeds still remain restricted over about 1784 miles.

20 Noted. Track renewal and Bridge strengthening and reordering were done in the First Five Year Plan within the budgetary allotment and available material resources.

[Ministry of Railways O.M. No. 56-B(c) 6000/Recommendations (23) dated 3-12-1956].

The Committee regret to observe that although provision is made in each year's budget for survey works, in a number of cases the surveys undertaken were not completed as would appear from the actual expenditure incurred. The following cases are mentioned as illustrations:

- (i) Hridagarh—Rakhikol Survey (C. Railway).
- (ii) Samastipur—Darbhanga Doubling Survey (N. E. Railway).
- (iii) Gudur—Bitragunta—Bezwada Doubling Engineering Survey (Southern Railway).

(i) *Hridagarh Rakhikol Survey (C. Ry.)*. The survey was duly completed. The estimated cost of the survey sanctioned in 1953-54 was Rs. 63,000/- Rs. 32,000/- was spent in 1953-54 against a provision of Rs. 43,000/- and a provision of Rs. 20,000/- being the unspent balance of the estimated cost was made in the Budget Estimate for 1954-55. Due to completion of the work and winding up of the survey organisation by the end of June, 1954, a more realistic view was taken and provision of Rs. 8,000/- credit was made in the Revised Budget Estimate for 1954-55. For 1955-56, a provision of Rs. 1,000/- credit was made in the Final Budget Estimate to cover minor adjustments. The survey was completed at a cost, as the final accounts showed, of Rs. 27,833/- only due to less expenditure on Establishment charges than anticipated and tools and plants, already used on other surveys being made available for this survey.

- (ii) *Samastipur Darbhanga Doubling Survey (North Eastern Railway)*.

The estimated cost of this survey was Rs. 27,000/- against which Rs. 24,000/- was provided in the Budget Estimate for 1955-56. No provision was made in the Revised Estimate for 1955-56 or Budget estimate for 1956-57 as it was thought that as an alternative to this doubling i.e.,

Muzaffarpur—Darbhanga new line was sanctioned for survey, the necessity, for this survey did not exist. Actually, however, for purposes of comparison this work was subsequently considered necessary and proceeded with. The survey was completed in December, 1955 at a cost of Rs. 12,593/12/- only and a provision of Rs. 12,000/- was sanctioned in the final modification for 1955-56.

(iii) *Gudur—Biratgunta—Bezawada Doubling Engineering Survey (Southern Railway).*

A sum of Rs. 80,000/- was provided in the Budget Estimate for 1955-56 for this survey but it could not be started in 1955-56 as consideration had to be given to the alternative proposal for a new line from Kazipet or Bibinagar to Nellore. A thorough paper appreciation of the two proposals showed, however, that the new line would be more costly and would take longer to build and the provision of extra line capacity in the region would be considerably delayed. A decision was thereupon taken by the end of January, 1956 to proceed with the doubling in order to meet the anticipated growth of traffic during the Second Five Year Plan Period and to achieve the additional line capacity progressively by

opening sections of the doubled line. The construction was started on an urgency certificate in 1955-56 and the survey is being carried out simultaneously immediately ahead of the construction work. As such provision made in the Budget Estimate for 1955-56 was surrendered in the Revised Estimate but provided again in the Budget Estimate for 1956-57. The survey has, therefore, not been abandoned but is being done simultaneously with the construction.

[*Ministry of Railways O.M. No. 56-B(c) 6000/Recommendation (23), dated 19-2-1957*].

13 25 While the Committee do not dispute that the administrative headquarters offices should have suitable buildings for carrying on official business, they would emphasise that at least in the early years of the Plan works which would result in increasing the capacity to handle the traffic should be given priority.

The observations have been noted and within the funds available top priority is already being given to line capacity works. Certain other inescapable works have, however, still to be done and where there is pressing demand for office accommodation and the same cannot be found by renting suitable outside accommodation, the construction of office buildings may become inescapable.

[*Ministry of Rlys. M.O. No. B(c)/6,000/Recommendations (23), dated 3-12-1956*].

14 26 On scrutinising the provision in the budget for Traffic Engineering Surveys the Committee noticed that certain statements made by the Railway Minister in para 24 of his Budget speech are not borne out by the Budget provisions. In

I. *Kotah-Ajmer Engineering and Traffic Survey.*
As far as the Engineering Survey Report was concerned, it was felt that no field work was necessary, as it could be brought up-to-date by the Headquarters office, without any special

this connection the following cases are mentioned as examples.

1. Kotah—Ajmer Engineering and Traffic survey.

staff, but for the Traffic Report, actual survey had to be carried out. No budget provision was, however, asked for under Demand No. 2 (surveys) as the expenditure was debited to ordinary revenue, this being only a case of bringing the Survey Report up-to-date.

The provision made under Demand No. 3 was therefore, surrendered through the Revised Budget estimate for 1955-56.

2. Bhailli-Bhadran and Sojitra-Dholka

2. *Bhailli-Bhadran and Sojitra-Dholka*.—A provision of Rs. 2,000/- only was made in the Budget for 1955-56 towards the payment to be made to the Farashkhana Kamdar, Baroda from whom some tents were purchased. Funds required for the Traffic Survey to the extent of Rs. 19,000/- inclusive of Rs. 2,000/- referred to above were, however, provided for in the August Review for 1956-57.

The Committee are, however, glad to find that the Railway Ministry now intend to undertake the surveys of all the new lines originally contemplated, so that it might be possible for them to undertake additional constructions according to their original programme if additional funds are made available at a later stage.

[*Ministry of Rlys. MO. No. 56-B(c)/6,000/Recommendations (23), dated 11-2-1957*].

16 28

The Committee notice that there is a wide variation in the provisions made in the various Railways under the detailed head "Accounts and Cash and Pay Deptt" as compared to the total expenditure budget (including revenue and capital).

The investigation proposed is being undertaken.

[*Ministry of Rlys. OM. No. 56-B(c)/6,000/Recommendation (23), dated 3-7-1957*].

The Committee desire that a comparative study of expenditure under the various detailed head of the demand "Administration" for the various Railways should be undertaken by the Railway Board to ensure that differences exist only where rational justification exist and only to the extent justified.

(Further information called for by the Committee)

The results of the investigation and the action taken thereon may kindly be furnished.

(L.S.S. O.M. No. 99-EG-II/57 dated 18-10-1957).

The investigations so far made of expenditure under the various detailed heads of the Demand "Administration" show, that having regard to the differences in the conditions obtaining on the various Railways, the present differences are justifiable, except that *prima facie* there appears to be some excess of clerical staff in the Engineering offices of the North Eastern Railway and the Commercial offices at the headquarters of the Eastern (including South Eastern) Railways. The Railway Administrations concerned have been addressed to take further necessary action.

[Ministry of Rlys. O.M. No. 56-B(c)/6,000/23rd Report Pt-I., dated 8-9-1958].

The recommendation is accepted in principle and details are being worked out.

[Ministry of Rlys. O.M. No. 56-B(c) 6,000/ Recommendations (23), dated 3-12-1956].

The Committee observe that the number of posts sanctioned for the various Departments of the Railways are not shown in the detailed budget of the Railways except in the case of the Railway Board's Office and a few other minor offices. The Committee suggest that as in the case of the General Budget in which the number of posts

in each of the civil departments are shown, the number of posts in the various departments of the Railways should be shown in the Railway Budget to facilitate better study of the Budget.

18

30

The Committee understand that on the Southern and Eastern Railways there have been losses on departmental catering in recent years. The Committee feel that in order to keep Parliament informed of the losses incurred on departmental catering, there should be a device in the budget by which the profit or loss on departmental catering is shown in the budget. For this purpose, the feasibility of introducing a detailed head similar to item No. 6 under Demand No. 7 "Loss or Gain on Working of State Collieries" may be examined by the Railway Board.

Accepted.

The profit or loss on departmental catering will, in future, be shown in the Explanatory Memorandum on the Railway Budget.

14

[*Ministry of Rlys. O.M. No. 56-B(c)/6,000/Recommendations(23), dated 22-8-1956.*]

19

31

The Committee notice that in the budget of 1952-53 the anticipated cost of the Integral Coach Factory, Perambur was shown as Rs. 3,79,24,000. This was raised to Rs. 4,35,15,000/- in the budget for 1954-55 and to Rs. 7,35,15,000/- for budget of 1956-57, while the target capacity of production which was originally mentioned as 350 coaches remains unchanged. The Committee observe that the anticipated cost has nearly doubled during these years but that neither

In February, 1951, it was decided to establish a Coach Building Factory with an installed capacity to manufacture 350 coaches per year. The cost was then estimated at about 3.8 crores, if set up in conjunction with Hindustan Aircraft Ltd. The estimate excluded the cost of provision of residential accommodation and other amenities for staff and was based also on the assumption that land and certain other facilities available with Hindustan Aircraft will

the Explanatory Memoranda nor any of the budget papers placed before the House every year either specifically drew attention to or explained this increase. The Committee feel that large variations in the anticipated cost of such big project should be suitably explained to Parliament when demanding extra funds.

be utilised. Subsequently, it was decided to locate the Factory at Perambur in Madras.

In February, 1952, an estimate amounting to Rs. 4.68 crores was sanctioned. In this estimate the civil Engineering portion of the work was estimated to cost Rs. 2.68 crores and there was a block provision of Rs. 2 crores for mechanical and electrical equipment. *The works covered by this estimate, though generally intended in essentials for the manufacture of Schlieren type coaches, were also designed to enable manufacture of conventional steel body shells on the standard underframes.* It was decided, however, at this stage that no specific or special allowance for the production of Schlieren type coaches should be made in the estimate. The provision under Plant and Machinery was, therefore, limited as a measure of prudence, to Rs. 1.1 crores, to cover only such items as were common to the manufacture of both the conventional and the Schlieren type of coaches. This provision of Rs. 1.1 crores plus the provision of Rs. 2.68 crores for civil engineering works thus maintained the aggregate estimate at the original figure of Rs. 3.8 crores.

At a later stage, after further examination, Government decided that the plan to proceed with the manufacture of the Schlieren type coaches should be implemented, and accordingly negotiations were conducted with the

firm for drawing up a supplemental agreement. The lay-out of the Factory, its equipment etc. were then fully gone into again, and it was decided that additional floor space and certain other modification inside the Factory premises instead of outside as previously programmed, would be needed to gear up the Factory for an out-put of 350 Schlieren type of carriages. This modification necessitated a revision of the Civil Engineering Portion ; the Mechanical part was affected by the decision about the type of coaches already referred to. Therefore, in November, 1954, the revised estimate amounting to Rs. 7.35 crores was sanctioned including provision of Rs. 3.22 crores on account of Workshop Machinery, Plant and Equipment after setting details with the Swiss Technicians. The estimated cost has accordingly been shown as of this order from the budget for 1955-56 onwards. A firm and comprehensive estimate of the actual number and type of machinery and plant required could not be made, until the site of the Factory, the floor space available and other factors were settled, taking into consideration also the final decision in regard to the type, which naturally has an effect on other factors also.

The variation in cost has also been indicated in the budget documents for 1957-58.

[*Ministry of Rlys., O.M.No. 56 B(c)/6000/Recommendations (23), dated 19-2-1957.*]

(Further information called for by the Committee)

Please state what would be the difference in cost if the original idea of having the Factory with the H.A.L. would have been carried out.

(L.S.S. O.M. No. 99-EC-II/56, dated (18-10-1957))

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The Committee welcome the travel concessions announced by the Railway Minister and hope that the feasibility of extending the concessions further will be constantly kept in view.

[*Ministry of Rlys. O.M. No. 56-B(c) 6000/23rd, dated 23-1-1958.*]

The Railway Board's general policy now is to review the question of granting further concessions or liberalising them at the time of preparation of the Railway Budget every year. The views of the Estimates Committee will be given due consideration at that time.

[*Ministry of Rlys. O.M. No. 56-B(c) 6000/Recommendations (23), dated 22-8-1956.*]

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In view of the heavy withdrawal from the Depreciation Reserve Fund in recent years, the Committee consider that the decision to contribute to the fund an amount of Rs. 45 crores annually is a move in the right direction.

This is noted.

[*Ministry of Rlys. O.M. No. 56-B(c) 6000/Recommendations (23), dated 22-8-1956.*]

CHAPTER III

Replies of Government that have been accepted by the Committee

S. No. Reference (as in the Appendix II of the 23rd Report)	Summary of Recommendations/Conclusions	Government's reply
9	<p>The Committee notice that even in respect of Passenger Amenities for which a sum of Rs. 3 crores was earmarked every year, the expenditure fell short of the estimates in the first three years of the plan. While in respect of certain other items, the total outlay in the last two years of the plan period attempted to make good to some extent the shortfall in expenditure in the first three years, no such tendency is noticed in respect of the works on Passenger amenities. The Committee feel that the item should have been better attended to and the target fixed for the First Five Year Plan reached as most of the works that should properly fall under this head could not have been affected by special circumstances like shortage of steel etc.</p> <p>The Committee also recommend that any short-fall of expenditure against the annual allotment of Rs. 3 crores for Passenger Amenities in any particular year should be made good in the following or subsequent years.</p>	<p>The recommendation has been accepted by the Railway Board. There is no proposal, however, to increase the allotment for Passenger and other Railway Users' amenities during the Second Plan Period to make up for the shortfall in the First Five Year Plan Period.</p> <p style="text-align: right;"><i>[Ministry of Railways O.M. No. 56-B(c) 6000/Recommendations (23), dated 11-2-1957.]</i></p>

(Further information called for by the Committee)

Please state why the Ministry have not made provisions in the Second Five Year Plan Period for the shortfall which occurred in the First Five Year Plan.

(L.S.S. O.M. No. 99-EC-II/56, dated 18-10-1957)

The Plan provision for this head as approved by Planning Commission was fixed at Rs. 15 crores. Shortage of essential material like cement/steel for even more important projects like line capacity works and financial stringency all round make it undesirable even now to press the Commission for more grant under this head.

(Ministry of Rlys. O.M. No. 56-B(c) 6000/ 23rd, dated 23-1-1958)

CHAPTER IV

Replies of Government that have not been accepted by the Committee

S. No. (as in the Appendix II to the 23rd Report)	Reference to para No. of the Report	Summary of Recommendations/ Conclusions	Government's reply	Comments of the Committee
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The Committee note that in a number of cases the actual expenditure fell far short of the budget provisions and that in the case of some works this was the position year after year in successive budgets. Some of the more important instances are mentioned below:

- (i) Building of Torsa Bridge—
North Eastern Rail-
way ;

The Committee have observed that the actual expenditure in a number of cases fell short of budget provisions year after year. The Committee will appreciate that the progress in the execution of Engineering Works and expenditures on them are conditioned by a number of factors such as prompt availability of building materials and other stores, deliveries of plant etc. by the

Please see para 1 of Chapter I.

- (ii) Kalyan Power House extension of Central Railway;
- (iii) Additional 18 m.w. plant in Kalyan Power House for Central Railway.
- (iv) Remodelling of Bezwada Station Yard;
- (v) Replacing the generating plant in Ajmer Power House;
- (vi) Gadag-Sholapur Branch line—Regirdering of spans of Bridges;
- (vii) Provision of a third line from mile 5/B to East Dock junction (Eastern Railway).
- manufacturing firms, monsoon conditions etc. Provision is made for individual works in the budget of the year on the reasonable expectations of the supply of materials required for the execution of the works and on the assumption that there will not be any serious impediments to the work due to the vagaries of nature. These are imponderable factors which cannot be precisely anticipated in respect of individual works. To avoid grants being taken for amounts far in excess of likely requirements, the device of a cut for “probable savings” has been in vogue for many years now, by which a lump sum cut is made of a suitable percentage to cover the overall effect of these imponderables on the grant. The percentage is fixed on the basis of past experience and likely broad trends in the budget year, so far as they can be envisaged when the budget is presented.

In regard to individual works, it happens quite often that

although commitments for the supply of the material are made, they do not fully materialise in many cases. In other cases it has often happened that heavy floods have caused extensive damage to the lines etc. and necessitated the concentration of all the available resources on the restoration of through communications involving the diversion of men and materials obtained for a particular work to maintenance or to other connected works, resulting in the lapse of funds as originally provided. Detailed remarks against each item are given below. It will be seen that only in respect of items (iv) and (vi), if at all, was there any avoidable lapse. To obviate such lapses, the Railway Board have already impressed on Railways the need to have reasonably well thought out plans and Estimates before making provision for a work. The arrears in

this respect due amongst other things to paucity of recruits to fill posts of draftsmen, Estimators etc. are being steadily overtaken.

1. *Re-building the Torsa Bridge—
North Eastern Railway—Item*
10 (f)

The work of re-building the Torsa Bridge near Cooch Behar at an anticipated cost of Rs. 19.75 lakhs was included in the Works Programme for the year 1951-52 with a provision of Rs. 5.35 lakhs for the year, the intention being to start on the work by utilising surplus girders and other materials left over from the Assam Rail Link Project. These materials, however, had actually to be utilised in the extension of the Tista Bridge and other restoration works after the abnormal floods of the 1950 monsoon, so that the work on the Torsa Bridge could not be taken in hand in 1951-52. Even the supply of plant for which a provision of Rs. 1 lakh was made in the Revised Budget did not materialise.

In 1952-53, a provision of Rs. 3.33 lakhs was made towards the cost of new girders and plant for which orders were placed, but owing to shortage of steel supplies the position became difficult. Moreover, the floods of July, 1952 caused extensive damage to the main line and all the resources, of railway had again to be concentrated on the permanent restoration of main line. The work on the Torsa bridge could not, therefore, be taken up.

In 1953-54 a provision of Rs. 6 lakhs was made and the sub-structure work of the bridge taken in hand and completed to a great extent, a sum of Rs. 4.37 lakhs being spent on the work out of the Rs. 6 lakhs provided.

In 1954-55, a sum of Rs. 9.48 lakhs was provided for this work in the Budget. The sub-structure and other works

were completed and Rs. 5.49 lakhs spent on them. The girders received for re-building the Torsa Bridge were, however, utilised for the restoration of the main line to Assam which was again damaged due to floods of July and September, 1954.

In 1955-56, a sum of Rs. 7 lakhs was provided to complete the work in question but due to acute shortage of Steel, the supply of girders could not materialise. Other items of work were, however, completed.

An amount of Rs. 6.07 lakhs had been provided in the Budget for 1956-57 and the revised estimate of expenditure on this item for the year is 5 lakhs.

2. *Kalyan Power House Extension—Item 10 (ii).*

The entire work of planning and execution of the "1947 Extension" of the Kalyan Power

House was given to the Railway's Consulting Engineer M/s. Merz and McLellan, who were advising the Railway on this power house ever since its inception. The Budget Provision for the work year after year was based on the latest information received from them.

Most of the plant and equipment had to be imported and delivery dates promised were rarely kept by contractors. Unfortunately the work was being executed during some of the most difficult years when Europe was in a ravaged state after the War and Britain was busy rehabilitating herself and the Korean War also led to stockpiling of essential commodities. All these factors delayed the delivery of plant and equipments, leading to frequent shortfalls in the budget provisions.

The progress of supplies and expenditure over the period from

1950-51 to 1953-54 has improved steadily, as shown in the statement below :—

Year	Provision for Budget	Revised Actuals as per App. Accounts.
1950-51	187.00	87.00
1951-52	78.20	106.97
1952-53	71.89	53.94
1953-54	40.00	20.26
		19.86

In fact, the work was physically completed for practical purposes in 1952-53 and only minor works and the balances of payments to contractors remained.

3. *The Additional Plant for 18 MW plant—Item 10 (iii)*

This plant was proposed in 1952-53, at an estimated cost of Rs. 70 lakhs to make Railways self-sufficient with regard to standby capacity (which was being provided by Tatas and which was not catered for in the 1947 extensions) and also to meet the

additional demands for power on account of electric locomotives and rolling stock subsequently ordered. The proposal was accepted and a provision of Rs. 5 lakhs was made in 1953-54 Budget Estimates to meet the expected expenditure. However, the work was not taken in hand as the Bombay Government dissuaded the Railway from going ahead with the work on the basis that the additional power and standby requirements could be met from their plants (3-18 M. W. sets) which were being installed. As the matter was under discussion with the Bombay Government, the Budget provision was reduced to Rs. 0.5 lakh in the Revised Budget for 1953-54 to cover only the incidental expenses.

The amount of Rs. 5 lakhs provided in the Budget for 1954-55 was reduced to Rs. 55,000/- to cover payment of fees to the Consulting Engineers. Rs. 31 lakhs for progress payment on the various contracts were provided in the budget for 1955-56, but no payment could be made as the orders for an 18 MW

set could not be placed till December, 1955 due to the following factors :—

- (i) Bombay Electricity Board's embargo on proceeding with the installation of the 18 MW set.
- (ii) Negotiations with the tenderers for firm prices, progress payment, penalty etc. which could not be finalised.

The budget amount for 1955-56 had to be cut down to Rs. 55,000/- and limited to the Consulting Engineers' fees and other incidental charges.

It will be observed from the above that the shortfall of actual expenditure from that provided in the budget of the various years was mainly due to unforeseen circumstances.

∴ *Remodelling of Beswada Station Yard—Item 10(iv)*

An estimate amounting to Rs. 98.24 lakhs for remodelling of Beswada Yard was sanctioned in July, 1954. Later on, certain material modifications to the sanctioned scheme were made and the revised estimate amounting to Rs. 88.30 lakhs for remodelling this yard was sanctioned in May, 1955.

Against the provision of Rs. 7 lakhs for this work made in 1954-55 for interim arrangements to relieve congestion, an expenditure of Rs. 4.18 lakhs was actually incurred. As detailed estimates for several sub-works included in stage II were sanctioned only late in the financial year, progress on the work was slower than originally anticipated, and the budget provision of Rs. 21 lakhs originally made in 1955-56 had to be reduced to Rs. 5.57 lakhs in the final modifications.

5. *Replacing the generating plant in Ajmer Power House—Item 10 (v)*

The work of replacing the existing generating plant in Ajmer Power House is estimated to cost Rs. 31 lakhs.

The details of the provision made in the Budget and Revised Budget and the reasons for revision in the budgeted expenditure in the various financial years are given below:—

Year	Provision for Budget	Revised Budget	Reasons for revision in the Budgeted expenditure.
	lakhs	in lakhs	penditure.
1953-54	3.00	.56	The material for the work was not received

during the year due to delay in the placing of the order by the D.G.S.&D. on whom the indent was placed by the Railway in March, 1953. Therefore, provision of Rs. 3 lakhs was reduced to .56 lakhs.

1954-55	4.00	.01	M/s. Hindustan Electric Co. Bombay, on whom the order was placed, asked for extension of the delivery date, which was granted by the D.G.S.&D. and there was also failure of the firm to submit drawings to the Railway to carry out structural additions and alteration of the Power House Building. As a result of this, budget provision of Rs. 4 lakhs was reduced to Rs. 1,000.
1955-56	16.00	9.60	The work of modifications to the former

Power House building could not be taken in hand as the final layout plans were not received from contractors, and this accounts for the smaller revised estimates of expenditure.

1956-57	18.00	9.36	The full provision could not be utilised as the supply of machinery for which provision was made could not materialise.
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6. *Re-building of Spans of Bridges on Gadag-Sholapur Line-Item 10 (vi).*

The total estimated cost of the above work is Rs. 20.67 lakhs.

While preparing the works programme for 1953-54 in August, 1952, a sum of Rs. 1 lakh was provided for the work in the expectation that an estimate for the work would be prepared and sanctioned in 1953-54 and some materials for the work procured. While preparing the estimate, however, it was found that some modification of the type design of the girders would be necessary and action was initiated for doing this. The steel position in the country just then became acute and the Railway Board, therefore, decided that, wherever regirdering of bridges was proposed to be taken up, extensive field tests should be carried out with the heaviest load to check if there was any reserve strength left in the girders. Accordingly tests were undertaken in December, 1953, and as a result, it was found that there was no reserve strength in these girders and replacement was necessary. As these additional investigations and examination had to precede the work, the budget provision was cut down to Rs. 10,000/- in the revised budget of 1953. The scheme was finally got out for approval in January, 1954 and a provision of Rs. 55,000/- was made for this work in the 1954-55 works programme in the expectation that some materials could be collected for the work. The detailed estimates for the work required careful preparation and an authority to carry out the work pending the sanction of the estimate was issued in April, 1954. The estimates were finally got out in

November, 1954 and sanctioned in January, 1955. Again the expectation of receiving some stores during the year did not materialise due to the steel shortage and the allotment was therefore brought down to Rs. 5,000 in the revised budget. A provision for Rs. 7.32 lakhs was made in the Works Programme for 1955-56 in the hope that at least part of the girders will be available during the year. The question of designing the girder for heavier loading came up at this stage due to the growth and future requirement of traffic on the branch line in the Second Plan Period. A further detailed examination again became necessary, which included the question of altering the design to suit the heavier loading. The placing of orders for the girders in 1955-56 thus got postponed and the provision had again to be cut down to Rs. 5,000/-.

After the problem had been re-studied and the design of the girders finalised, orders were placed by the DGS&D on 16th June, 1956 on a fabricating firm in Yugoslavia for the supply of girder spans (12 spans of '100' each for bridge No. 8 and 8 spans of '100' each for bridge No. 76). The supply is due to be com-

pleted within 12 months, and, if the firm keeps to the schedule of supply, all the girders should be available by the middle of June 1957. The Southern Railway will plan the changing of the girders as soon as they have received a sufficient number of spans to carry out the work in the field uninterrupted.

7. *Provision of a third line from mile 5/B to East Dock Jn. (E. Rly.)*

An estimate amounting to Rs. 23 lakhs was sanctioned in December, 53 for the provision of a third line from mile 5/B to East Dock Jn. and a provision of Rs. 4 lakhs was made in the budget for the year 1953-54, 11 lakhs for 1954-55 and Rs. 7.27 lakhs for 1955-56. In the budget for 1956-57 a provision of Rs. 5 lakhs has been made and the actual expenditure incurred upto the end of 1955-56 is shown as Rs. 12 lakhs. The reasons for the actual expenditure falling short of the budget provision during the two years in succession are as under:—

- (1) The earthwork in embankment had to wait for the refugee squatters to be shifted from the Railway land which the Government of West Bengal were not able to do, as such, the earthwork has been greatly delayed.

Contd. from Col. 4

(2) Due to non-supply of certain materials, especially electric pumps, the water supply arrangements for the newly built station at Kalighat could not be completed and the new station building could not be brought into operation and the old station building vacated. As the new platform had to be extended on the site where the existing station building stands, this extension of platform could not also be taken in hand.

(3) There has been a considerable delay in the receipt of permanent-way materials which has also delayed the work in the yard in general.

As every year it was anticipated that the above difficulties would be solved and work would be started promptly, adequate provision was made in the budgets for the respective years which ultimately could not be spent. It is under these special circumstances, that the actual expenditure falling short of the budget provision could not be avoided.

[Ministry of Ryys. O. M. No. 56-B (C)600/
Recommendations, (23), dated 24-4-1957].

The Committee note that the Railways propose to incur an expenditure of Rs. 199·8 crores only (excluding a credit for Rs. 6·80 crores on account of the transfer of Railway Collieries to the Ministry of Production) during 1956-57 on schemes forming part of the Second Five Year Plan against the total Plan outlay of Rs. 1125 crores on Railways. On the eve of the Commencement of the Second Five Year Plan Railways are not in a position to meet fully even the existing demands of passengers and goods traffic. In this connection, the Committee would like to emphasise the necessity of developing the necessary traffic capacity ahead of the demand and to point out that it was for this reason that the Committee had suggested in the course of correspondence with the Planning Commission that the annual allotment of Railways during the Second Five Year Plan should be relatively higher in the first three years.

The main reasons for providing Rs. 200 crores for expenditure in the first year of the Second plan period, out of a total of Rs. 1125 crores allotted to the Railways for the Second Plan, was to keep the allotment within the capacity of Railways for undertaking various works based on the availability of materials, and personnel. It has also been the intention to produce the maximum requirements within the country to economise foreign exchange. Again, there was much uncertainty about the allotment to be made to the Railways in the Second Plan and obviously neither orders for materials, etc., could have been placed in advance to enable a larger outlay in the first year nor staff engaged in anticipation to the extent required for a higher outlay. In actual fact, the amount proposed to be spent even with the 1480 crores allotment was relatively of the same order. The tempo will, of course, progressively increase.

The Committee felt that it is very unfortunate that after having prepared a Plan costing Rs. 1,480 crores which had been cut down by the Planning Commission to Rs. 1,125 crores which was considered by the Railway Board to be insufficient to meet the increasing traffic needs of the country the Ministry of Railways should now find themselves unable to propose this year a larger development programme than that amounting to Rs. 199.8 crores, which is only 13.5% of the originally proposed outlay of Rs. 1,480 crores.

The Railways would certainly be able to carry all the traffic which they have undertaken to handle within the total allotment made. The carrying capacity to be generated is, however, far short of the initial targets framed by the Planning Commission and may considerably fall short of the actual requirements. These facts are, however, well known to the Planning Commission and the Estimates Committee.

The Committee consider that urgent measures should be taken to expedite the execution of the various projects included in the Plan so that the Rail-

This is already being done.

ways might not find themselves lagging behind not merely in the traffic requirements but also in the progress of the schemes comprising the reduced outlay of Rs. 1,125 crores.

(Further information called for by the Committee)

Against the Budget Estimates of Rs. 193 crores for 1956-57 on capital expenditure the Railways could spend Rs. 178.37 crores only *vide* statement made in para 18 of the Explanatory memorandum on the Railway Budget for 1957-58 Part B. The reasons for the shortfall may be furnished in detail.

The Lok Sabha Secretariat have called for detailed reasons for the shortfall of 14.94 crores in the works expenditure during the financial year 1956-57. It will be seen from the statement that the shortfall is spread over all the works grants and the extent thereof ranges from 2.5 per cent. to 89.8 per cent.

(L.S.S. O.M. No. 99-EC-II/56
dated 18-10-1957)

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Contd. from Col. 4—Recommendation 12

(In Crores)

Demands	Budget Estimate 1956-57	Final Modifications 1956-57	Variation Increase(+) Decrease(-)	Percentage variation
13 . . .	1.62	1.47	-0.15	9.3
14 . . .	9.31	7.49	-1.82	19.6
15 . . .	13.38	10.89	-2.49	18.6
16 . . .	335.42	313.68	-21.74	6.5
17 . . .	55.00	53.61	-1.39	2.5
18 . . .	22.25	18.76	-3.49	15.6
19 . . .	1.36	0.14	-1.22	89.8
TOTAL .	438.34	406.04	-32.30	7.4

Credits & Recoveries	-245·35	-227·99	+17·36	7·1
Net	192·99	178·05	-14·94	7·7

The reasons for the shortfall are furnished below demand-wise:

Demand No. 13—Open Line Works (Revenue)—Labour Welfare

This demand covers new minor works only and the amount of shortfall is small being 9·3 per cent. The shortfall was mainly due to the late settlement of contracts, late sanction of estimates, delay in receipt of materials etc.

Demand No. 14—Open Line Works (Revenue)—Other than Labour Welfare

Against the Budget Grant (Net) of 9·3 crores, the final modification estimate provided for an expenditure of 7·5 crores indicating a lapse of provision to the extent of 1·8 crores or 19·6 per cent. The shortfall occurred on almost all the Railways, chiefly attributable to non-availability of materials and/or delay in receipt thereof (1 crore), delay in finalisation of contracts, plans and estimates etc. (0·4 crores) and slow progress of works etc. (0·4 crores).

Demand No. 15—Construction of New Lines

The final modification estimate of this demand was fixed at 10·9 crores against the net budget grant of 13·4 crores.

Thus the lapse was 2.5 crores or about 18.6%. The short-fall mainly occurred on the following projects:—

Name of the Project	Railway	Amount	Reasons
1	2	3	4
(i) Phusro-Muri Line	Eastern	1.02 crores	The delay on the construction of this line was due to the details of Phase I having to wait for definite data to become available of the exact location of the Dugda Coal Washery and Bokaro Steel Works.
(ii) Baraset-Basihat Line	Eastern	0.17 crores	The construction was stayed pending a full examination of the traffic prospects.
(iii) Karanpura Coal-fields line	Eastern	0.27 crores	The survey could not be completed for want of details of

coal-fields work-ings.

- (iv) (a) Branch line from Rourkela to Dumaro } S. Eastern 0.60 crores
(b) Branch line from Bhilai to Dhalli Rajhara } }
Cons- }
tructions }
The shortfall is almost entirely due to non-receipt of permanent way material and bridge material and bridge girders for these projects.

- (v) Tambaram-Villupuram electrification project } Southern 0.26 crores
Due to delay in finalisation of tenders and specification, pending decision regarding adoption of A. C. or D. C. current.

- (vi) (a) Raniwara-Bhiladi Line, 0.10 crores } Western 0.49 crores
(b) Gandhidham-New Kandla Link 0.15 crores }
Slow progress of work mainly for want of critical materials like cement, etc.

- (c) Indore-Dewas-Ujjain Link 0.17 crores.
 (d) Fatehpur-Churu Line 0.07 crores.

The above decreases were partly offset by minor increases due to throw-forwards from previous years, change in allocation etc.

Demands Nos. 16 and 17—Additions and Replacements

The shortfall under these two demands are explained together as there were a number of transfers between them.

It will be seen from the table below that the net shortfall was 5.96 comprising lapses under 'Civil Engineering Works' and 'Suspense'; partly offset by increases mainly under 'Rolling Stock'.

(Figures in crores of Rs.)

	Budget Estimate 1956-57	Final Modifications 1956-57	Variations Increase(+) Decrease(-)
Rolling Stock	84.41	97.09	+12.68
Plant and Machinery	4.39	4.34	-0.05
Bridges	2.48	0.53	-1.95
Track	19.16	17.47	-1.69

Structural Engineering Works	22.07	14.50	-7.57
Investment in Road Services	1.19	1.45	+0.26
Total	133.70	135.38	+1.68
Credits or Recoveries	-6.81	-6.61	+0.20
Net	126.89	128.77	+1.88
Stores and Manufac- ture Suspense	256.73	231.90	-24.83
Credits or Recoveries	-233.45	-216.46	+16.99
Net	23.28	15.44	-7.84

The lapses under Civil Engineering Works are explained below:—

(i) *Bridge Works*

Against the Budget Grant of 2.48 crores, the final modification came to 53 lakhs involving a lapse of 1.95 crores and was mainly due to non-availability of bridge materials (1.76 crores). The balance of 19 lakhs lapsed due to non-finalisation of preliminary arrangement.

*-784+1.88 = -5.96

(ii) *Track Renewals*

Against the Budget Grant of 19·16 crores, the final modification came to 17·47 crores involving a lapse of 1·69 crores. The shortfall was mainly on three railways (1·37 crores, 0·62 crores and 0·41 crores) partly offset by increases on other Railways. The lapse of funds was entirely due to short supply of permanent way material as the three railways concerned were able only to get permanent way materials to the extent of 25 to 37 per cent of their indents.

(iii) *Structural Engineering Works*

Against the Budget Grant of 22·07 crores, the final modification was fixed at 14·50 crores involving a lapse of 7·57 crores. More than half of this shortfall (4·24 crores) was on one railway, the balance being shared by four other railways. The shortfall was partly offset by small increases on the remaining railways. The lapse of about 3·3 crores is attributable to the late start of the Rourkela-Drug Doubbling and the difficult position of permanent way material for this as well as for the Rourkela-Manoharpur Doubling. About half a crore each lapsed on the provision for the Bhilai and Rourkela yards due to delay in finalising the plans in consultation with all the departments concerned mainly with a view to reduce the initial expenditure on the yards. The delay in undertaking the remodelling of Chakradharpur Yard and the difficult supply position of

the materials for other works also contributed to the lapse. The balance of lapse is mainly attributed to difficult supply position of critical materials, postponement of revision of schemes, non-finalisation of plans and estimates etc.

(iv) *Suspense*

The lapse under 'Suspense' amounting to 7·8 crores (net) was mainly due to the failure of supplies to build up stock of construction materials.

(v) *Plant and Machinery*

The shortfall of 5 lakhs against the Budget Grant of 4·39 crores is negligible.

Demand No. 18—OPEN LINEWORKS—DEVELOPMENT FUND

Against the Budget Grant of 22·25 crores, the final modification was fixed at 18·76 crores, involving a lapse of 3·49 crores. This was made up of a shortfall of 3·65 crores or 37 per cent under 'Operating Improvement Works' and 0·93 crores or 23 per cent under 'New Lines'; partly offset by increase of 0·74 crores under 'Users' Amenities' and 0·35 crores under 'Labour Welfare'. The lapse was heavy on three railways being 1·03 crores, 0·89 and 0·81 crores with smaller lapses on the other Railways.

Thus the lapse was entirely under 'Operating Improvement Works' and 'New Lines'. The former consists chiefly of extra loops, sidings and minor yards expansion etc. all of which require mainly permanent way materials. The same is the case with new line constructions. Thus, the entire lapse under this demand is due to the shortage of permanent way materials which is also the chief factor causing lapses under Demands 16 and 17 as explained above.

*Demand No. 19—Capital Outlay
on Visagapatam Port*

The lapse of 1.22 crores was due to the transfer of the control of the Port Administration to the Ministry of Transport with effect from 1-10-1956.

15 27 The Committee regret to note that the following items of work are charged to the allotment of Rs. 3 crores intended for Passengers and other Railway Users' Amenities:

(i) Conversion of N. G. line to M.G. or B.G.

(ii) Fire-fighting equipment at stations and sheds.

(iii) Provision of Flag-stations, conversion of halts into Flag-stations.

(iv) Station Buildings.

The Committee are unable to believe that it was the intention of either the Convention Committee of 1949 or that of 1954

The Board have accepted the recommendation except in regard to the following items:—

(iii) *Provision of Flag-stations, Conversion of halts into Flag-Stations*

The provision of new flag-stations or conversion of halts into flag-stations, as a rule, is carried out at the request of the public for their convenience. At places, where the traffic offering does not financially justify the opening of new stations, expenditure relating to such flag-stations is correctly chargeable to Railway Users' Amenities. Actually, the expenditure on such work on all Indian Government Railways during the 5 years from 1952-53 to 1956-57 (including the

Please see para 3 of Chapter I

that the small sum of Rs. 3 crores should be diverted to the expenditure on big station buildings or on conversion of one type of station to another or conversion of narrow-gauge lines into metre-gauge or broad gauge lines.

The Committee recommend that immediate steps should be taken to re-define the term "Passenger Amenities" in conformity with the popular conception of the term. As regards the works that are now being charged to this head on the ground that they have no financial justification, the Committee suggest that if necessary some other suitable accounting device may be introduced just as the one for expenditure on un-remunerative works.

estimated expenditure for 1956-57) is only a relatively small amount of Rs. 15 lakhs, or less than Rs. 3 lakhs per year out of a total annual allotment of Rs. 3 crores for "Amenities for Passengers and other Railway Users", so that in any case there has been no significant appropriation of funds for this purpose from the total allotment for Railway Users' Amenities.

In regard to item (iv) "Station Buildings", the Board have decided that it is sufficient if it is clarified to Railways that there should be a proper splitting of the expenditure between "Railway Users' Amenities" and other works.

[*Ministry of Railways O. M. No. 56-B(c) 6000/Recommendation (23) dated 3-12-1956.*]

NEW DELHI;

The 19th September, 1958.

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

APPENDIX

Analysis of action taken by Government on recommendations contained in the 23rd Report of the Estimates Committee (First Lok Sabha).

1.	Total Number of recommendations made	21
2.	Recommendations accepted fully by Government	
	No.	17
	Percentage to total	80·96%
3.	Recommendations accepted by Government partly or with some modifications	
	No.	nil
	Percentage to total	nil
4.	Recommendations not accepted by Government but replies of which have been accepted by the Committee.	
	No.	1
	Percentage to total	4·8%
5.	Recommendations not accepted by Government and pursued by the Committee (including those which are still under consideration by Government).	
	No.	3
	Percentage to total	14·23%

43. People's Book House, B-2-829/1, Nizam Shahi Road, Hyderabad Dn.
 44. W. Newman & Co., Ltd., 3, Old Court House Street, Calcutta.
 45. Thacker Spink & Co. (1938), Private Ltd., 3, Esplanade East, Calcutta-1.
 46. Hindustan Diary Publishers, Market Street, Secunderabad.
 47. Laxami Narain Agarwal, Hospital Road, Agra.
 48. Law Book Co., Sardar Patel Marg, Allahabad.
 49. D. B. Taraporevala & Sons Co., Private Ltd., 210, Dr. Naoroji Road, Bombay-1.
 50. Chanderkant Chiman Lal Vora, Gandhi Road, Ahmedabad.
 51. S. Krishnaswamy & Co., P.O. Teppakulam, Tiruchirapalli-2.
 52. Hyderabad Book Depot, Abid Road, Gunfoundry, Hyderabad.
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PRINTED AT THE PARLIAMENTARY WING OF THE GOVERNMENT OF INDIA PRESS,
NEW DELHI AND PUBLISHED BY THE LOK SABHA SECRETARIAT UNDER RULE
382 OF THE RULES OF PROCEDURE AND CONDUCT OF BUSINESS IN
LOK SABHA (FIFTH EDITION.)
