

**EC No.1413**

**FIRST REPORT**

**ESTIMATES COMMITTEE  
(2004-2005)**

**(FOURTEENTH LOK SABHA)**

**MINISTRY OF RAILWAYS  
(RAILWAY BOARD)**

**(Action taken by Government on the recommendations contained in the Twelfth Report of Estimates Committee (Thirteenth Lok Sabha) on the Ministry of Railways (Railway Board)- 'Shifting of North-Western Railway Zonal Headquarters from Jaipur to Ajmer'.**

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**Presented to Lok Sabha on 02.12.2004**

**LOK SABHA SECRETARIAT  
NEW DELHI**

**December , 2004/Agrahayana , 1926(S)**

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**COMPOSITION OF ESTIMATES COMMITTEE**  
**(2004-2005)**

Shri C. Kuppusami - CHAIRMAN

**MEMBERS**

2. Shri A. Sai Prathap
3. Shri B. Vinod Kumar
4. Shri Chander Kumar
5. Shri Lalmuni Chaubay
6. Shri Adhir Ranjan Chowdhury
7. Shri Anant Gudhe
8. Shri Jai Prakash
9. Shri N.N. Krishnadas
10. Shri Samik Lahiri
11. Shri Bhartruhari Mahtab
12. Shri Sunil Kumar Mahato
13. Shri Sanat Kumar Mandal
14. Shri Zora Singh Mann
15. Shri Prabodh Panda
16. Shri Mahendra Prasad Nishad
17. Shri Sukhdeo Paswan
18. Shri Annasaheb M.K. Patil
19. Shri Harikewal Prasad
20. Prof. M. Ramadass
21. Shri K.S. Rao
22. Shri Iqbal Ahmed Saradgi
23. Shri Jyotiraditya Madhavrao Scindia
24. Shri Manabendra Shah
25. Shri Laxman Singh
26. Shri Sartaj Singh
27. Shri M.A. Kharabela Swain
28. Shri Akhilesh Yadav
29. Shri V. Kishore Chandra S. Deo
30. Shri Vijay Krishan

**SECRETARIAT**

1. Shri John Joseph - Additional Secretary
2. Smt. P.K. Sandhu - Joint Secretary
3. Shri A.K. Singh - PCPI
4. Shri Cyril John - Under Secretary
5. Smt. Meenakshi Sharma - Committee Officer

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## INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this First Report on action taken by Government on the recommendations contained in the Twelfth Report of Estimates Committee (Thirteenth Lok Sabha) on the Ministry of Railways (Railway Board) –‘Shifting of North-Western Railway Zonal Headquarters from Jaipur to Ajmer’.

2. The Twelfth Report (Thirteenth Lok Sabha) was presented to Lok Sabha on 12<sup>th</sup> March, 2003. The Government furnished their replies indicating action taken on the recommendations contained in that Report on 26<sup>th</sup> August, 2003. The Draft Report was considered and adopted by Estimates Committee (2004-05) at their sitting held on 14<sup>th</sup> October, 2004.

3. The Report has been divided into the following Chapters:

- I. Report;
- II. Recommendations/Observations which have been accepted by the Government;
- III. Recommendations/Observations which the Committee do not desire to pursue in view of Government’s replies;
- IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee; and
- V. Recommendations/Observations in respect of which final replies of Government are still awaited.

4. An analysis of action taken by Government on the recommendations contained in the Twelfth Report of Estimates Committee (Thirteenth Lok Sabha) is given in Appendix II. It would be observed therefrom that out of 11 observations/recommendations made in the Report, 6 recommendations, i.e. 54.5% have been accepted by Government. Replies of Government in respect of 5 recommendations, i.e. 45.5% have not been accepted by the Committee.

**NEW DELHI**  
**December 1, 2004**  
**Agrahayana 10, 1926(S)**

**C.KUPPUSAMI,**  
**Chairman,**  
**Committee on Estimates.**

## CHAPTER I

### REPORT

1.1 This Report of the Committee deals with the action taken by Government on the recommendations contained in their Twelfth Report (Thirteenth Lok Sabha) on the Ministry of Railways (Railway Board) - 'Shifting of North-Western Railway Zonal Headquarters from Jaipur to Ajmer'.

1.2 The Committee's Twelfth Report was presented to Lok Sabha on 12<sup>th</sup> March, 2003. It contained 11 observations/recommendations. Action Taken notes on all these recommendations/observations have been received from the Ministry of Railways(Railway Board).

1.3 Replies to the observations and recommendations contained in the Report have been categorized as under:-

- (i) Recommendations/Observations which have been accepted by the Government:  
Sl.Nos. 2,3,4, 7, 9,10  
(Total 6, Chapter II)
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's reply:  
Sl.Nos.1,5,6,8,11  
(Total 5, Chapter III)
- (iii) Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee:  
NIL  
(Total NIL, Chapter IV )

- (iv) Recommendations/Observations in respect of which final replies of Government are still awaited.

NIL

(Total NIL, Chapter V )

1.4 The Committee will now deal with the action taken by Government on some of the recommendations.

**Delay in making North-Western Railway Zonal Headquarters at Jaipur operational**

**Observation/Recommendation(SI.No.7, Para No.2.7)**

**1.5** Taking note of the delay in making North-Western Railway Zonal Headquarters at Jaipur operational even after six years of its inauguration way back in October, 1996, the Committee had observed as follows :-

“The Committee note with concern that North-Western Railway Zonal Headquarter which was inaugurated on 17<sup>th</sup> October, 1996 is still not operational. The reason furnished by Ministry of Railways for its not being operational is that it has not been possible to create proper infrastructure for the full-fledged functioning of the Zone i.e. Zonal Office, residential quarters, communication network, etc. are yet to be created. Temporary offices have, however, been provided for skeleton officers and staff comprising of 20 officers and 98 staff members posted at Jaipur. The Committee further note with concern that though the anticipated cost for setting up new Zone is Rs.156 crore approximately, upto December, 2001 only Rs.6.28 crore was allocated. Out of this, Rs.2.1 crore is being spent on staff quarters, some on salary and Rs.88 lakh on making temporary accommodation for the office. It is quite disturbing to find that even after six years the Zonal Headquarters at Jaipur is functioning from four different distant places in hired buildings. It is evident that the Zonal Office cannot function efficiently under such circumstances.”

1.6 In the action taken reply, the Ministry of Railways(Railway Board) stated as follows:-

“It is noteworthy that the North-Western Railway,Jaipur had already been made operational w.e.f. 01.10.2002, as already mentioned in the Paras above. The revised cost of setting up of new zone-North Western Railway, Jaipur is Rs.87 crore and various works of creation of permanent infrastructure for new zone are in progress. An allocation of Rs.8.8 crore has been made in the current year (2003-04) for the same.”

1.7 The Headquarters of North-Western Zonal Railway at Jaipur was inaugurated on 17<sup>th</sup> October, 1996, but was not operational for six years due to non creation of proper infrastructure for its full-fledged functioning. The Committee had voiced their concern that as the Zonal Headquarters at Jaipur was functioning from four different distant places in hired buildings, it obviously could not function as efficiently as it should. From the reply now furnished by the Ministry, the Committee note that North-Western Railway Zonal Headquarters at Jaipur has been made operational from 1.10.2002 and the work of creating permanent infrastructure is in progress. They also note that the revised cost of setting up the Zonal Headquarters is Rs. 87 crore as against the original anticipated cost of Rs. 156 crore. However, out of the budgetted cost of Rs. 87 crore, only Rs.8.8 crore was allocated during the year 2003-2004 for the development of infrastructure. It goes without saying that proper functioning of North- Western Zonal Headquarters would be a crucial factor for efficient functioning of Railways in that Zone. Therefore, the Committee stress that all the necessary infrastructure for full-fledged functioning of North-Western Zonal Headquarters should be set up as early as possible. The Committee would like to be apprised of the actual amount spent during 2003-04 and the Budget allocation made for setting up of the Zonal

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**Headquarter in the year 2004-2005 and the progress already made in establishing the required infrastructure.**

## **Resource Constraints faced by Railways**

### **Observations/Recommendations (Sl.Nos.9 & 10, Para Nos. 2.9 & 2.10)**

1.8 Taking note of the resource constraint affecting the setting up of fullfledged Railway Zones at Jaipur and other places, the Committee had recommended as under:-

“The Ministry of Railways, however, put forward various justifications in their defence for the Zonal Railway Headquarters not becoming functional at Jaipur and at other places. The reasons included resource constraints, non-receipt of subsidies for public service obligations, additional liabilities on account of implementation of Fifth Pay Commission recommendations, etc. on account of which expenditure of Railways witnessed a steep rise resulting in drop in generation of internal resources. Even freight traffic earnings of Railways which contribute about two-third of the receipts had a serious setback in 1998-99 due to external factors. The combined effect of these two factors depressed the internal resource generation capacity of the Railways. Hence earnings of the Railways have not been able to keep pace with the sudden spurt in expenditure. The expenses of Railways have increased by 80% during the period from 1996-97 to 2001-2002; whereas the earnings increased only by 55%. The Railways have also given support to the Konkan Railway Corporation which is of the tune of Rs. 1398 crore till 31.03.2002. Another area of concern is non-clearance of dues by the Railway users. The dues pertaining to State Electricity Boards and Power Houses stand at Rs. 1865 crore as on 28.02.2002. As a result of shortfall in earnings and non-clearance of outstanding dues, the internal generation of

resources fell during the year. Consequently, budgeted Plan expenditure of the Railways was reduced from Rs.11,090 crore to Rs.9,395 crore.

In view of the precarious situation being faced by the Railways, the Committee desire that the Ministry should take all possible measures to check the expenditure through economy and austerity measures and to augment the earnings through conventional and non-conventional measures. The Committee take note that the Railways have resorted to certain non-conventional sources of resource generation like commercial utilisation of railway land and space, commercial advertising on railway premises and assets and leasing of right of way for laying Optical Fibre Cable. The Committee also desire that concerted efforts should be made by the Railways at the highest level for effecting recovery of the dues.”

1.9 In the action taken replies, the Ministry of Railways (Railway Board) stated as follows:-

“It is a fact that delay in operationalisation of these already announced new zones has been on account of the above said reasons apart from conflicting views being aired from various forums in regard to jurisdiction of these zones.

The present financial position (2001-02) of the Railways is on the upswing as indicated below. Savings in Ordinary Working Expenses are Rs.1487 crore compared to Budget Estimates and Rs.397 crore compared to Revised Estimates. Operating Ratio improved from 98.8% (Budget Estimates) to 96.6% (Revised Estimates) and to 96.0% (Actuals). Loan of Rs.249 crore to Capital Fund from General Exchequer taken in 2000-01 alongwith interest thereon is now fully repaid. Against safety surcharge of Rs.400 crore initially expected, Railways received only about Rs.300 crore.

However, the balance of nearly Rs.100 crore was made good from Railways internal generation and expenditure from Special Railway Safety Fund as budgeted was ensured. Special Railway Safety Fund: Expenditure on safety works through Special Railway Safety Fund was Rs.34.29 crore more than Rs.1400 crore budgeted. Depreciation Reserve Fund balance has gone up from Rs.78.04 crore on 31.3.2001 to Rs.632.99 crore on 31.3.2002 (increase of nearly Rs.555 crore).

Special Railway Safety Fund, to the tune of Rs.17,000 crore, has been created by the Cabinet last year (2001) in which replacement of arrears on track renewals, rolling stock, signalling gears and other safety enhancement works are to be executed in a period of five years. This would indicate that the financial situation is much better today. However, reducing expenditure through economy measures and augmentation of resources is an ongoing process.”

**1.10 The Zonal Railway Headquarters at Jaipur and other places could not become operational on account of resource constraints faced by Railways which was caused as a result of shortfall in earnings and non-clearance of outstanding dues. The Ministry of Railways has reported that financial position of the Railways improved in the year 2001-2002. The reply of the Ministry, however, is silent on the recommendation of the Committee that concerted efforts should be made at the highest level for effecting recovery of dues from Railway users like Electricity Boards and Power Houses. The Committee had noted with concern that the dues pertaining to State Electricity Boards and Power Houses stood at Rs. 1865 crore as on 28.02. 2002. On account of this, Budgetted Plan expenditure of Railways had to be cut down in 2001-2002 owing to shortfall in internal generation of resources. Therefore, the Committee should have been informed of the steps taken by the Railways for effecting recovery of dues from Railways users. They would like to be apprised of the steps taken alongwith the outcome thereof.**

**Implementation of Recommendations**

**1.11 The Committee would like to emphasise that they attach the greatest importance to implementation of the recommendations accepted by the Government. They would, therefore, urge that the Government should keep a close watch so as to ensure expeditious implementation of the recommendations accepted by them. In case it is not possible to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation.**

**NEW DELHI  
December 1, 2004  
Agrahayana 10, 1926(S)**

**C.KUPPUSAMI,  
Chairman,  
Committee on Estimates.**

**APPENDIX-I**

**MINUTES OF SITTING OF THE ESTIMATES COMMITTEE**

(2004-2005)

**SIXTH SITTING**

**The Committee sat on Thursday, the 14<sup>th</sup> October, 2004  
from 1100 to 1200 hours.**

**Present**

Shri C. Kuppusami - Chairman

**Members**

2. Shri Anant Gudhe
3. Shri Sunil Kumar Mahato
4. Shri Sanat Kumar Mandal
5. Shri Zora Singh Mann
6. Shri Prabodh Panda
7. Shri Mahendra Prasad Nishad
8. Shri Harikewal Prasad
9. Shri K.S. Rao
10. Shri Iqbal Ahmed Saradgi
11. Shri Sartaj Singh
12. Shri M.A. Kharabela Swain
13. Shri Vijoy Krishna

**Secretariat**

1. Smt. P.K. Sandhu - Joint Secretary
2. Shri A.K. Singh - Principal Chief  
Parliamentary Interpreter
3. Shri Cyril John - Under Secretary
4. Shri M.K. Madhusudhan - Assistant Director

2. The Committee considered and adopted the following draft Reports with/without modifications :-

(i) Report on action taken by Government on the recommendations contained in the Twelfth Report of Estimates Committee (13<sup>th</sup> Lok Sabha) on Ministry of Railways (Railway Board) – ‘Shifting of North – Western Railway Zonal Headquarters from Jaipur to Ajmer’ (without any modification).

(ii) xxxxxx xxxxxxxx xxxxxxxx

3. The Committee authorized the Chairman to finalise the Reports in the light of modifications and also to make verbal and other consequential changes, if any, arising out of factual verification by the Ministry and present the same to the House.

**The Committee then adjourned.**

**APPENDIX II**

*(Vide Introduction to Report)*

**ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TWELFTH REPORT OF THE ESTIMATES COMMITTEE (THIRTEENTH LOK SABHA)**

<b>I.</b>	<b>Total Number of Recommendations/observations</b>	<b>11</b>
<b>II.</b>	<b>Recommendations/Observations which have been accepted by the Government (Nos.2,3,4,7,9,10)</b>	<b>6</b>
	<b>Percentage</b>	<b>54.5%</b>
<b>III.</b>	<b>Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies (Nos.1,5,6,8,11)</b>	<b>5</b>
	<b>Percentage</b>	<b>45.5%</b>
<b>IV.</b>	<b>Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee.</b>	<b>NIL</b>
<b>V.</b>	<b>Recommendations/Observations in respect of which final replies of Government are still awaited.</b>	<b>NIL</b>

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