

RAILWAY CONVENTION COMMITTEE
(2004)

(FOURTEENTH LOK SABHA)

EIGHTH REPORT

ON

ACTION TAKEN BY THE GOVERNMENT
ON THE RECOMMENDATIONS
CONTAINED IN THE FOURTH REPORT OF
RAILWAY CONVENTION COMMITTEE (2004)
ON REVIVAL OF CAPITAL FUND FROM 2005-06

Presented in Lok Sabha on

Laid in Rajya Sabha.....

S

E

A

L

2007/ 1929 (S)

Price Rs.....

CONTENTS

COMPOSITION OF THE RAILWAY CONVENTION COMMITTEE	(iii)
INTRODUCTION.....	(v)

PART-I

CHAPTER I	Report.....	1
CHAPTER II	Recommendations/Observations which have been accepted by the Government	6
CHAPTER III	Recommendations/Observations which the Committee do not desire Pursue in view of the reply of the Government.....	10
CHAPTER IV	Recommendations/Observations in respect of which replies of which replies of the Government have not been accepted by the Committee.....	11
CHAPTER V	Recommendations/observations in respect of which Replies of the Government are still awaited.....	12

APPENDICES

I-	Analysis of the Action Taken by Government on the Recommendations/Observations contained in the Fourth report of Railway Convention Committee (2004).....	13
----	---	----

PART-II

Minutes of the <u>26th</u> sitting of Railway Convention Committee(2004) held on <u>4th January, 2008</u>	14
---	----

INTRODUCTION

I, the Chairman of the Railway Convention Committee (2004), having been authorized by the Committee to present the report on their behalf, present this Eighth Report on Action Taken by the Government on the observations/recommendations contained in their Fourth Report on 'Revival of Capital Fund from 2005-06'.

2. The Fourth Report was presented to Lok Sabha on **22nd December, 2005** and laid on the Table of Rajya Sabha on the same day. It contained 2 observations/recommendations. Action Taken replies on all the 2 observations/recommendations were received from the Ministry of Railways (Railway Board).

3. The Committee considered and adopted this Report at their sitting held on **04th January, 2008**. The Minutes of the sitting form Part-II of the Report.

4. An analysis of Action Taken by the Government on the observations/recommendations contained in their Fourth Report is given at Appendix.

NEW DELHI;
04th January, 2008

14 Pausa, 1929(S)

GINGEE N. RAMACHANDRAN
Chairman,
Railway Convention Committee

RAILWAY CONVENTION COMMITTEE (2004)

Shri Gingee N. Ramachandran, MP - Chairman

MEMBERS

Lok Sabha

2. Shri Atique Ahamad
- *3. Prof. Rasa Singh Rawat
4. Shri Raghunath Jha
5. Shri Kailash Joshi
- &6. Shri Sartaj Singh Chhatwal
7. Shri Nizamoddin
8. Shri M. Rajamohan Reddy
9. Shri Madan Lal Sharma
10. Shri D. Venugopal
11. Shri Rajesh Verma
- \$12. Shri P. Rajendran

Rajya Sabha

13. Shri Vijay J. Darda
14. Shri Surendra Lath
15. Dr. Narayan Singh Manaklao
- #16. Shri Mahendra Mohan
17. Shri Dwijendra Nath Sharmah
18. Shri A. Vijaya Raghavan

SECRETARIAT

- | | | | |
|----------|--------------------------------|---|----------------------|
| 1. | Shrimati Paramjeet Kaur Sandhu | - | Additional Secretary |
| 2. | Shri Louis Martin | - | Joint Secretary |
| 3. | Sh T.K. Mukherjee | - | Director |
| 4. | Smt Rita Jaikhani | - | Deputy Secretary-II |
| _____ 5. | Smt Usha Gupta | - | Committee Officer |

* Nominated vide Bulletin dated 29.3.2005 as Member of RCC vice Shri S. Bangarappa, who resigned from Lok Sabha on 10th March, 2005

Nominated vide Bulletin dated 28.04.2006 as Member of RCC vice Shri K. Rama Mohana Rao, MP, retired from Rajya Sabha w.e.f 02.04.2006

\$ Nominated vide Bulletin dated 23.5.2006 as Member of RCC vice Late Shri Mahboob Zahedi, MP, Lok Sabha (died on 8 April, 2006)

& Nominated vide Bulletin dated 21.07.2006 as Member of RCC vice Shri Babu Lal Marandi, who resigned from Lok Sabha on 22nd May, 2006

PART -1

REPORT

CHAPTER-1

This Report of the Committee deals with the Action Taken by the Government on the observations and recommendations contained in their Fourth Report (Fourteenth Lok Sabha) on 'Revival of Capital Fund from 2005-06' which was presented to Lok Sabha on 22nd December, 2005 and laid on the Table of Rajya Sabha on the same day. It contained two observations/recommendations.

2. The Action Taken replies on both the observations and recommendations have been received from the Ministry of Railways (Railway Board) and the same have been categorized as under:

- (i) Recommendations/Observations which have been accepted by the Government:

Paras No. 10 & 11

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies:

NIL

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

NIL

- (iv) Recommendations/Observations in respect of which final reply of the Government is still awaited.

NIL

3. The Committee will now deal with the Action Taken by the Ministry of Railways (Railway Board) on their recommendations/observations.

4. The Committee had, in paras 10 & 11 of their report observed as under:-

“ After taking into account the financial performance of the Railways for the year 2004-05 and 2005-06 and also the observations of the Ministry of Finance on the subject ‘Revival of the Capital Fund’, the Committee are of the view that there is a need of revival of the Capital Fund for operationally required throughput enhancement and traffic facility works. Therefore, the Committee recommend that the Capital Fund may be made operative from 2005-06 onwards so that surplus fund is ploughed back into the system (Railways) to give return to the system by way of improved efficiency.

However, the Committee desire that the exact amount appropriated in the Capital Fund; Railway projects/works taken up/to be taken up for execution from this Fund; their target

dates of completion; time and cost over-run, if any, may be placed before the Committee.”

5. The Ministry of Railways have stated in their reply that as recommended by the Committee, the Capital Fund has been made operative from 2005-06(RE). The Ministry have also furnished information as desired by the Committee regarding the amount appropriated in the Capital Fund, works taken up under this Fund, dates of completion, etc.

“As per provisional accounts for 2005-06, an amount of Rs.4031.68 cr, comprising Rs.2416.09 cr for the capital works and Rs.1615.59 cr. for payment of the principal component of the lease hire charges payable to Indian Railway Finance Corporation (IRFC), has been appropriated to the Capital Fund. In 2006-07 (BE), the appropriation has been kept at Rs.5432.94 cr, out of which Rs.3712.82 cr. are for capital works and the balance for payment of lease charges.

Railway projects being taken up from Capital Fund, their anticipated costs and outlays in 2005-06 (RE) and in 2006-07 (BE) are given in the Orange Book entitled Works, Machinery and Rolling Stock Programme of Railways for 2006-07 Part-II (C) (Detailed

Programme) [Throughput Enhancement Works to be funded through Capital Fund] – Ministry of Railways.

Regarding target dates of completion of the projects, it may be mentioned that during 2005-06, certain doubling, traffic facility and gauge conversion works were identified for faster implementation through Capital Fund. The position has further changed and there is an overall improvement in the availability of railway's internal resources. Now from 2006-07, all doubling projects are being funded through Capital Fund. Apart from doubling projects, a number of traffic facility works and few gauge conversion projects are being funded through this fund.

All the doubling projects are expected to be completed in a period of about 3 to 4 years. There are 7 gauge conversion projects which have been transferred to Capital Fund and following projects have been targeted for completion during 2006-07:-

1. Katihar-Barsoi (39 Kms)
2. Mudkhed-Adilabad (167 Kms)
3. Ajmer-Chittorgarh-Udaipur (185 Kms)
4. Neemuch-Ratlam (135 Kms)
5. Samastipur-Khagaria (84 Kms)

The two other projects i.e. Jaynagar-Darbhanga-Narkatiaganj (268 Kms) and Kanpur-Farrukkabad-Kasganj (544 Kms)

are being implemented in phases and are planned for completion by 2008-09.

A thrust has also been given for expeditious execution of traffic facility works and the endeavor is to complete traffic facility works within two years of sanction.

The concept of time and costs overrun in its strict sense is applicable to the projects where financial closure has been achieved and full funds are tied up/assured before the start of project unlike yearly allocation of fund to individual project based on overall availability of resources. However, efforts are made to avoid time and cost overrun for these projects.”

6. The Committee are happy to note that their recommendation for revival of the Capital Fund has been accepted and the Capital Fund has been made operative from 2005-06. The Committee urge that it should be ensured that the projects taken up under the Fund are planned properly and executed within the originally scheduled date of completion and within the originally anticipated cost.

CHAPTER-II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT:

Recommendation (Para No. 10)

“After taking into account the financial performance of the Railways for the year 2004-05 and 2005-06 and also the observations of the Ministry of Finance on the subject ‘Revival of the Capital Fund’, the Committee are of the view that there is a need of revival of the Capital Fund for operationally required throughput enhancement and traffic facility works. Therefore, the Committee recommend that the Capital Fund may be made operative from 2005-06 onwards so that surplus fund is ploughed back into the system (Railways) to give return to the system by way of improved efficiency.”

Reply of the Government

“As recommended, the Capital Fund has been made operative from 2005-06 (RE).”

**[Ministry of Railway (Railway Board) O.M.
No.2004/RCC/206/4 Dated 11th July, 2006]**

Recommendation (Para no.11)

“However, the Committee desire that the exact amount appropriated in the Capital Fund; Railway projects/works taken up/to be taken up for execution from this Fund; their target dates of completion; time and cost over-run, if any, may be placed before the Committee.”

Reply of the Government

“As per provisional accounts for 2005-06, an amount of Rs.4031.68 cr, comprising Rs.2416.09 cr for the capital works and Rs.1615.59 cr. for payment of the principal component of the lease hire charges payable to Indian Railway Finance Corporation (IRFC), has been appropriated to the Capital Fund. In 2006-07 (BE), the appropriation has been kept at Rs.5432.94 cr, out of which Rs.3712.82 cr. are for capital works and the balance for payment of lease charges.

Railway projects being taken up from Capital Fund, their anticipated costs and outlays in 2005-06 (RE) and in 2006-07 (BE) are given in Works, Machinery and Rolling Stock Programme of Railways for 2006-07 [see Part-II (C) of Railway Budget]

Regarding target dates of completion of the projects, it may be mentioned that during 2005-06, certain doubling, traffic facility and gauge conversion works were identified for faster implementation through Capital Fund. The position has further changed and there is an overall improvement in the availability of railway's internal resources. Now from 2006-07, all doubling projects are being funded through Capital Fund. Apart from doubling projects, a number of traffic facility works and few gauge conversion projects are being funded through this fund.

All the doubling projects are expected to be completed in a period of about 3 to 4 years. There are 7 gauge conversion projects which have been transferred to Capital Fund and following projects have been targeted for completion during 2006-07:-

- 1 Katihar-Barsoi (39 Kms)
- 2 Mudkhed-Adilabad (167 Kms)
- 3 Ajmer-Chittorgarh-Udaipur (185 Kms)
- 4 Neemuch-Ratlam (135 Kms)
- 5 Samastipur-Khagaria (84 Kms)

The two other projects i.e. Jaynagar-Darbhanga-Narkatiaganj (268 Kms) and Kanpur-Farrukkabad-Kasganj (544 Kms) are being implemented in phases and are planned for completion by 2008-09.

A thrust has also been given for expeditious execution of traffic facility works and the endeavor is to complete traffic facility works within two years of sanction.

The concept of time and costs overrun in its strict sense is applicable to the projects where financial closure has been achieved and full funds are tied up/assured before the start of project unlike yearly allocation of fund to individual project based on overall availability of resources. However, efforts are made to avoid time and cost overrun for these projects. “

**[Ministry of Railway (Railway Board) O.M. No.2004/RCC/206/4
Dated 11th July, 2006]**

Comments of the Committee
(Please see para 6 of the report)

CHAPTER III

**RECOMMENDATIONS/OBSERVATION WHICH THE COMMITTEE
DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLY OF THE
GOVERNMENT**

____NIL____

CHAPTER IV

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH
REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED
BY THE COMMITTEE AND WHICH REQUIRE REITERATION.**

-----NIL-----

CHAPTER V
RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH
FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED.

-----NIL-----

NEW DELHI;
4th January, 2008
14th Pausa , 1929 (S)

GINGEE N. RAMACHANDRAN
Chairman,
Railway Convention Committee

APPENDIX
(Vide para 4 of Introduction)

Analysis of the Action Taken by Government on the Recommendations/Observations contained in the Fourth report of Railway Convention Committee (2004)

I	Total number of recommendations:	02
II.	Recommendations/Observations, which have been Accepted by the Government : Paras No. 10 & 11	02 100%
III	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies: NIL	
IV	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: NIL	
V	Recommendation/Observation in respect of which final reply of the Government is still awaited: NIL	

**MINUTES OF THE TWENTY-SIXTH SITTING OF THE RAILWAY
CONVENTION COMMITTEE HELD ON 04TH JANUARY, 2008.**

* * *

The Committee sat on Friday, the 04th January, 2008 from 1500 hrs. to 1625 hrs. in Committee Room `B`, Parliament House Annexe, New Delhi.

PRESENT

Shri Gingee N. Ramachandran

- Chairman

MEMBERS

LOK SABHA

1. Prof. Rasa Singh Rawat
2. Shri Sartaj Singh Chhatwal
3. Shri M. Raja Mohan Reddy
4. Shri D. Venugopal
5. Shri P. Rajendran

RAJYA SABHA

1. Shri Vijay J. Darda
2. Shri Dwijendra Nath Sharmah
3. Dr. Narayan Singh Manklao
4. Shri Surendra Lath

SECRETARIAT

- | | | | |
|-----|---------------------|---|---------------------|
| (1) | Shri T.K. Mukherjee | - | Director |
| (2) | Smt. Rita Jailkhani | - | Deputy Secretary-II |

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS

- | | | |
|-----|--------------------|--|
| (1) | Shri K.C. Jena | Chairman, Railway Board and
ex-officio Principal Secretary to the
Government of India. |
| (2) | Ms. Sudha M. Chobe | Financial Commissioner, Railways and ex-
officio Secretary to the Government of
India |
| (3) | Shri S.K. Viji | Member, Engineering and ex-officio
Secretary to the Government of India |

- | | | |
|-----|------------------|---|
| (4) | Shri P.K. Sanghi | Executive Director, Works |
| (5) | Ms. Sushma Pande | Additional Member, Budget |
| (6) | Ms. Anjali Goyal | Executive Director, Finance
(Budget) |

REPRESENTATIVES OF THE MINISTRY OF DEFENCE

- | | | |
|-----|------------------------|------------------------|
| (1) | Shri P.K. Rastogi | Special Secretary |
| (2) | Shri Binoy Kumar | Joint Secretary |
| (3) | Maj. Gen. Raja Goswami | VSM, ADG (Mov) |
| (4) | Col. PC Thimmaya | Director, (Ops & Plg.) |
| (5) | Brig. Vijay Sharma | DDGMO (C) |

2. At the outset the Hon'ble Chairman welcomed the Members to the sitting of the Committee, the Representatives of the Ministry of Railways (Railway Board) and Ministry of Defence. Thereafter, the Committee heard the views of the Chairman, Railway Board and the Special Secretary of Ministry of Defence regarding the issues relating to

- (i) Extension of concessions available on construction of new lines on strategic consideration to gauge conversion works taken up on strategic consideration and
- (ii) Revival of Capital Fund from 2005-06.

3. During the discussion the Committee raised certain queries addressed to Chairman, Railway Board about the details of concessions made available to strategic gauge conversion works with effect from 2005-06 and details of the strategic line gauge conversion projects taken up during that period; money that has been spent, the number of projects that have been completed and the number of projects that are yet to be completed, priority given to each such project, the details of the expenditure incurred by the Railways on construction of new lines and the details of the funds appropriated for the railway projects from the Capital Fund after being revived and made operative from 2005-06. The Chairman, Railway Board responded to these queries and assured to send replies in respect of those queries which he could not readily respond.

4. Thereafter, the Committee desired to know from the Special Secretary, Ministry of Defence about the criteria on which projects for construction of new lines to gauge conversion works are identified as “strategic”; the projects that are facing cost escalations and time over-run; the steps that have been proposed or taken to overcome delays and complete the project as per the scheduled time. The Special Secretary was asked to send written replies in respect of those queries.

The Representatives of both the Ministry of Railways and Ministry of Defence withdrew.

A verbatim record of proceedings is kept.

5. Thereafter, the Committee took up for consideration the following two Draft Action Taken Reports for consideration:-

- (i) Extension of concessions available on construction of new lines on strategic consideration to gauge conversion works taken up on strategic consideration and
- (ii) Revival of Capital Fund from 2005-06.

The Committee adopted the above reports without any modification and authorized the Chairman to present the same to both the Houses of Parliament after making consequential changes, if any, arising out of the factual verification by the Ministry of Railways or otherwise.

The Committee then adjourned.
