18

STANDING COMMITTEE ON RAILWAYS (2005-06)

FOURTEENTH LOK SABHA

MINISTRY OF RAILWAYS (RAILWAY BOARD)

[Action taken by the Government on the recommendations/observations contained in the 8th Report of the Standing Committee on Railways (Fourteenth Lok Sabha) on 'Demands for Grants—2005-06' of the Ministry of Railways]

EIGHTEENTH REPORT

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

February, 2006/*Magha*, 1927 *(Saka)*

EIGHTEENTH REPORT

STANDING COMMITTEE ON RAILWAYS (2005-06)

(FOURTEENTH LOK SABHA)

MINISTRY OF RAILWAYS (RAILWAY BOARD)

[Action taken by the Government on the recommendations/observations contained in the 8th Report of the Standing Committee on Railways (Fourteenth Lok Sabha) on 'Demands for Grants—2005-06' of the Ministry of Railways]

Presented to Lok Sabha on 22.2.2006

Laid in Rajya Sabha on 22.2.2006

LOK SABHA SECRETARIAT
NEW DELHI

February, 2006/*Magha,* 1927 *(Saka)*

S.C.R. No. 99

Price : Rs. 55.00

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eleventh Edition) and Printed by Jainco Art India, New Delhi-110 005.

CONTENTS

COMPOSITION OF THE STANDING COMMITTEE ON RAILWAYS (2005-06)

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri A. Sai Prathap
3. Shri Dhirendra Agarwal
4. Shri Atique Ahamad
5. Shri Ajaya Kumar
6. Shri Subrata Bose
7. Shri Bapu Hari Chaure
8. Shri Kishan Lal Diler
9. Shri Giridhar Gamang
10. Smt. Paramjit Kaur Gulshan
11. Shri Anwar Hussain
12. Shri Mahesh Kanodia
13. Shri C. Kuppusami
14. Smt. Kalpana R. Narhire
15. Shri Rajendrasinh Rana
16. Shri Kishan Singh Sangwan
17. Shri Iqbal Ahmed Saradgi
18. Dr. Arun Kumar Sarma
19. Ch. Lal Singh
20. Mohd. Tahir
21. Vacant

Rajya Sabha

22. Smt. Kamla Manhar
23. Shri Karnendu Bhattacharjee
24. Maulana Obaidullah Khan Azmi

25. Shri Lalit Kishore Chaturvedi
26. Shri Su. Thirunavukkarasar
27. Shri Tarini Kanta Roy
28. Shri R. Kamraj
29. Shri Isam Singh
30. Shri Harendra Singh Malik
31. Shri Abani Roy

SECRETARIAT

1. Shri John Joseph	—	*Secretary*
2. Dr. (Smt.) P.K. Sandhu	—	*Additional Secretary*
3. Shri A.K. Singh	—	*Joint Secretary*
4. Shri V.S. Negi	—	*Director*
5. Shri Arun K. Kaushik	—	*Assistant Director*

INTRODUCTION

I, the Chairman of the Standing Committee on Railways (2005-06), having been authorized by the Committee to present the Report on their behalf, present this Eighteenth Report of the Committee on Action Taken by the Government on the Recommendations/Observations contained in the Eighth Report of the Standing Committee on Railways (2004-05) on 'Demands for Grants—2005-06' of the Ministry of Railways.

2. The Eighth Report was presented to Lok Sabha on 19.04.2005 and it contained 30 recommendations/observations. The Ministry of Railways have furnished their Action Taken Replies on all the recommendations/observations on 05.10.2005.

3. The Committee considered and adopted the Draft Action Taken Report at their sitting held on 18.01.2006.

4. An analysis of the action taken by the Government on the recommendations/observations contained in the Eighth Report of the Standing Committee on Railways (2004-05) Fourteenth Lok Sabha is given in Appendix-II.

NEW DELHI;
17 *February*, 2006
28 *Magha*, 1927 *(Saka)*

BASUDEB ACHARIA,
Chairman,
Standing Committee on Railways.

CHAPTER I

REPORT

This Report of the Committee deals with the Action Taken by the Government on the recommendations/observations contained in the Eighth Report of the Standing Committee on Railways (2004-05) on 'Demands for Grants (2005-06) of the Ministry of Railways' which was presented in Lok Sabha 19.04.2005.

1.2 Action Taken Notes have been received from the Government in respect of all the 30 recommendations/observations contained in the Report. These have been broadly categorized as follows:

(i) Recommendations/Observations which have been accepted by the Government—Para Nos. 180, 180 (i), 180 (ii), 180 (iii), 180 (iv), 180 (v), 180 (vi), 180 (x), 180 (xi), 180 (xii), 180 (xiii), 180 (xiv), 182, 183, 184, 185, 187, 191, 193 and 194.

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies—Para Nos. 180 (vii), 180 (ix), 181, 186, 189 and 195.

(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee—Para Nos. 188 and 190.

(iv) Recommendations/Observations in respect of which final replies are still awaited—Para Nos. 180 (viii), 192 and 196.

1.3 The Committee desire that final replies in respect of the recommendations in Chapter-V of the Report for which only interim replies has been given by the Government should be furnished to them expeditiously.

1.4 The Committee will now deal with the Action Taken by Government on some of their Recommendations/Observations.

A. Growth of Basic Infrastructure Facilities

Recommendation [Para No. 180 (i)]

1.5 The Committee had observed in the above paragraph that the growth of basic infrastructure facilities were not commensurate with the growth in economy and traffic. The new lines, gauge conversion, doublings, restoration of dismantled lines, constructing the missing links and easing the congested routes, track renewals bridge work, level crossing, traffic facilities (yard), electrification works, road safety works are a must not only to enhance the carrying capacity of the system but also smooth, efficient, prompt and safe running of trains. The Committee further observed that the projects were started without much justification and background work and after making huge investments were left without completion as new projects were taken up which caused spreading of the scarce resources very thinly without any remuneration from huge investments, creating missing links, last mile projects waiting completion and gross financial loss to Railways. The ongoing and pending project shelf of Railways was worth Rs. 46,000 crore. The Committee had, therefore, suggested that the investments should be made on priority for last mile projects, missing links or strengthening high density network or for port connectivity so that quick remuneration start flowing.

1.6 In their Action Taken Reply, the Ministry of Railways have stated that Railways have a throw forward of projects requiring over Rs. 47000 crore for completion. The throw forward of new line and gauge conversion projects itself is over Rs. 37000 crore. Many of these projects were included in the budget on socio-economic considerations for development of backward, remote, hilly and other under developed areas. However, need has been felt for strengthening of high density route falling on Golden Quadrilateral and Diagonals and other port connectivity works so as to deal with the anticipated growth in traffic. Rail Vikas Nigam Limited has been entrusted with the execution of bankable projects falling on these routes and the same will be completed in about next 3 years period.

1.7 The Ministry has further stated that the ongoing Doubling, Railway Electrification projects are expected to be completed in a period of next 2-3 years. The projects under New Lines and Gauge Conversion have been recently prioritised into the following categories:

(i) Last mile project—where expenditure already incurred is more than 60% of estimated cost and throwforward liabilities are less than Rs. 100 crore.

(ii) Viable projects/those required on operational considerations.

(iii) National Projects, Defence funded projects, cost sharing, public private partnership projects and those in North Eastern Region.

(iv) Other ongoing projects that are not covered in the above categories.

The above prioritisation will help in proper allocation of resources so that the projects in category (i) and (ii) are completed in next 2-3 years period.

1.8 The Committee are satisfied to note that the Railways have since prioritised the projects under new lines and Gauge Conversion. They hope that the Railways will be able to complete the projects in category (i) and (ii) above within the scheduled time frame. However the Committee desire that the projects under category (iii) and (iv) should not be lost sight of and all out efforts should be made for completion of these projects also within the reasonable timeframe.

B. Mobilization of Additional Resources

Recommendation [Para No. 180 (vi)]

1.9 The Committee in this paragraph had desired that mobilisation of additional resources should be made through internal generation, commercial utilization of their surplus land and other focused marketing strategies. Budgetary allocation should be enhanced.

1.10 In their Action Taken Reply, the Ministry of Railways have stated that the Railways are striving to improve their financial health through higher earnings and reduced expenses as well as adopting measures for greater operational efficiency. As a result of vigorous efforts made by the Railways in recent years, the position of internal generation has improved considerably and internal generation has gone up from Rs. 3,455 cr. in 2001-02 to Rs. 6,124 cr. in 2005-06 (BE). A number of initiatives such as reduction in wagon turn round time, simplification and rationalization of goods traffic, new premium registration scheme, liberalization of engine-on-load scheme, development of private sidings through cost sharing, etc. mainly in freight business, public-private partnership, parcel business and passenger business have been taken for significantly enhancing the revenues and improving the services to customers. In regard to passenger traffic also a number of steps have been taken like introduction of new trains to carry additional volume of traffic, provision of additional coaches on well patronized trains to accommodate waitlisted passengers by redeployment of under utilized coaches on other trains expansion of PRS, UTS facilities, computerized Train Enquiry system across the country. This will help Railways in meeting the growth demand and increasing its passenger earnings. Railways have reshaped their priorities and business strategies, as outlined in the Budget of 2005-06 to cope up with the emerging demands of the economy as a whole. In the investment planned through the annual exercise of Works Programme for the year 2005-06, the focus has been to augment the capacity of the system to meet the operational requirements and bridge the critical gaps in high traffic density routes. Instead of spreading the sources thinly over all the Zonal Railways, a corridor-wise approach was adopted this year to meet the requirements of incremental traffic. A prioritised exercise of the projects has also been done and approval of the Government obtained. This will facilitate proper allocation of resources to derive the fruits of investment in a shorter time span.

1.11 The Ministry has further stated that to ensure the continued economic development of the country, Ministry of Railways have drawn up an ambitious plan for meeting the increasing and emerging demands of the economy through the provision of world-class infrastructure and by streamlining passenger services and initiating a gamut of commercial, operational and investment-oriented initiatives in the freight sector. These initiatives will help Railways in mobilization of additional resources to meet its present and future requirements.

1.12 The Committee are happy to note that Indian Railways has taken a number of initiatives in freight business, public private partnership, parcel business and passenger traffic. As a result of these initiatives the internal generation has improved considerably from Rs. 3455 crore in 2001-02 to Rs. 6124 crore in 2005-06 (BE). The Committee hope that the Railways shall continue to maintain this tempo. they desire that the Railways should chalk out a comprehensive plan to become self-sufficient and take measures to fully exploit the benefits of Government's policy of economic liberalization.

C. Rebate/Concession on Investment by Industrial Units for Investing on Installing Mechanical Devices

Recommendation (Para No. 183)

1.13 The Committee in the aforesaid para had *inter-alia* noted that difficulties were being faced at unloading points such as non-availability of complete godown, a complete cover shed at the unloading points, inability to unload directly to matching trucks within the given time frame etc. To address these difficulties certain measures have been proposed in the current budget *viz*. incentives to customers if they go for mechanization of direct truck loading, free time of two hours to customers provided there is nothing on the ground, Engine-on-load wagon availability, wagon utilization, wagon turn round to five days only, integrated rail side warehouse complexes with private participation as well. The Committee are of the opinion that the measures as proposed by the Railways would certainly provide them the additional freight traffic. However, they emphasise for prompt and effective implementation of these innovative schemes/measures. Railways should also think over to give some rebate/concession on investment by industrial units for investing on installing mechanical devices for loading/unloading arrangements in the industrial sidings in view of drastic reduction of time of loading and unloading by the Railways.

1.14 In their Action Taken Reply, the Ministry of Railways have stated that regarding rebate/concession on investment by industrial units for investing on installing mechanical devices for load/unloading arrangements in the industrial sidings in view of drastic reduction of time of loading and unloading by the Railways, a study has been entrusted to a professional agency regarding the extent of rebate/ concession which can be given. Report of the study undertaken by C TRAM is awaited.

1.15 The Committee note that a professional agency C TRAM has been entrusted with to study the extent of rebate/concession which can be given to industrial units on investment for installing mechanical devices for load/unloading arrangements in the industrial sidings. The Committee desire that the study made by C TRAM may be placed before them as and when the Report is submitted.

D. Introduction of New Trains

Recommendation (Para No. 187)

1.16 The Committee had in this paragraph *inter-alia* noted that it has become as usual practice of Railways to introduce the trains announced in the budget at the fag end of the financial year, if at all they were started. They stressed that a quarterly schedule for introduction of new trains should be prepared for the year and followed accordingly instead of starting all the announced trains at the fag end of the financial year.

1.17 In their Action Taken Reply, the Ministry of Railways have stated that the Committee's recommendation has been noted and appropriate action as deemed fit and feasible, will be taken.

1.18 The Committee note that the financial year 2005-06 is now in its last quarter. While reiterating their earlier recommendation, they desire that the quarterly schedule prepared and new trains introduced during first three quarters be intimated to them.

E. Participation of People's Representatives and Passenger Forms in IRTTC Meetings

Recommendation (Para No. 188)

1.19 The Committee in this paragraph had found that at times when the time tables of running trains were rescheduled, it caused more inconvenience to the passengers rather than benefiting them. They had desired that the representative of people and the Passenger forums be invited well in time to the IRTTC meeting for their suggestions before any change is carried out in the timings of the already existing/running trains to avoid inconvenience to the travelling public. They had also desired that the Ministry should also reschedule the time tables in such a manner that their earnings are raised to a higher level.

1.20 In their Action Taken Reply, the Ministry of Railways have stated that as regards rescheduling of trains, before changing the timings of trains, Zonal Railways consult the passengers associations, members of ZRUCC and people's representatives and do take their views into account before effecting the changes. Care is also taken to ensure that rescheduling does not lead to inconvenience in form of missing of connections at junctions, etc. Rescheduling of trains at time are necessitated due to operational reasons. However, the exercise of rescheduling of trains is done mainly to realize the twin aims of catering passengers in a better way and earn more revenue also to ensure smooth operation of trains. Inviting passengers forms at the IRTTC meeting is neither feasible nor desirable, as the discussions at the meeting and the decisions arrived thereat from the basis for preparation of Railway Budget, a secret documents until it is laid in the Parliament.

1.21 The Committee are not satisfied with the reply of the Government. While appreciating the fact that rescheduling of trains at times are necessitated due to operational reasons, they are unable to understand the problems in inviting the passenger's Forum and representatives of people to IRTTC meeting. The Committee are not convinced with the plea of the Government since the decision taken at IRTTC meeting form the basis for preparation of the Railway Budget, therefore, the passengers' forum cannot be invited to these

meetings. The Committee note that the rescheduling of the trains/ preparation of time table are taken up only after the presentation of the budget of each year. The contention of the Ministry is therefore untenable. The Committee reiterate their earlier recommendation that the representatives of people and the passenger forums should be invited to the IRTTC meeting.

F. Annual Plan 2004-05

Recommendation (Para No. 190)

1.22 In this paragraph, the Committee had noted that despite a substantial Capital Support from the General Exchequer, the Railways have not been able to manage their developmental Plan 2004-05. Though the Capital Support has contributed about 56% of the total Annual Plan, the physical targets under important Plan Heads such as New Lines, Gauge Conversion and Electrification have contrarily been reduced. Moreover, the expenditure incurred upto December, 2004 has been assessed about 65% of the revised estimates, which shows a very slow pace of expenditure during the initial three quarters of the year 2004-05. The Committee further noticed that the Railway's Plan seems to be propelled by the Capital Support being received from the General Exchequer instead of the resources managed by the Railways either through internal generation or by public/private investment initiatives/ market borrowings. The Committee have over the last few years observed that the Railways do not reflect the requisite delivery instinct. Despite the pumping of huge resources into the development needs, the Railways could not produce any mile stones or slow any significant/remarkable change. They were of the considered view that the Railways should manage their plan in a more professionalized way rather than the traditional one being practised currently. They had further stressed that financial and physical targets of Railway should move in direct proportion.

1.23 In their reply the Government have stated as under:

"During 2004-05 target for completion of 273 kms of New Lines, 999 kms Gauge Conversion and 381 kms of doublings was fixed at the Budget stage. However, only 150 kms of New Line, 779 kms of Gauge Conversion and 282 kms of Doublings *i.e.* total 1211 kms of BG Railways Lines against target of 1653 kms could be completed during the year. The progress has been less because of following reasons:

(a) Non-deposition of share by the State Governments for cost sharing projects.

(b) Delay in land acquisition and forestry clearance.

(c) Unprecedented hike in steel prices, as a result of which several contracts had to be terminated.

(d) Slow progress against contracts on various reasons by the contractors.

(e) Delay in supply of PSC sleepers, Elastic Rail Clip due to hike in steel prices.

As far as Railway electrification is concerned, during 2004-05, total 320 RKM were electrified against the target of 375 RKM. The shortfall is marginal. However, the target of 1800 RKM for X Plan will be achieved as only 521 RKM are required to be electrification in the balance 2 years of the Plan.

Penal/Route Relay/Electronic Interlocking have been commissioned at 351 stations against the target of 300 stations which is an all time high. Track circuiting has been commissioned at 1545 locations against a target of 1264 locations which includes all time high of 853 locations commissioned under SRSF. Rehabilitation works have been done at an all time high of 262 stations against the target of 234 stations. Interlocking of Level Crossing (LC) gates have been provided at 325 LC gates against a target of 300 LC gates while telephone has been provided at 380 LC gates against a target of 300 LC gates, thus exceeding the targets"

1.24 The Government have further stated that the increase in allocation/expenditure under various plan heads has been mainly for taking up activities on large number of projects and expediting progress on some of the projects which could be targeted for completion in the coming years.

1.25 The Committee are dissatisfied to note that against the target for completion of 273 kms of New Lines, 999 kms of Gauge Conversion 381 kms of Doublings during 2004-05 only 150 kms of New Line, 779 kms of Gauge Conversion and 282 kms of doublings could be completed. This confirms the Committee's observation that despite the pumping of huge resources into the development needs, the Railways could not produce any milestones or show any significant/remarkable change.

1.26 The Committee also observe that the reply of the Government is silent on the recommendations of the Committee that the Railways should manage their plan in a more professionalised

way rather than the traditional one being practised currently. They reiterate their earlier recommendation and desire the Government to inform the Committee about the specific steps taken in this regard within three months.

G. Staff Quarters and Amenities for Staff

Recommendation (Para No. 194)

1.27 The Committee had noted that the policy of Railways is to provide quarters for essential staff on programmed basis. The housing satisfaction over Indian Railway is about 48%. For the year 2004-05 the funds allocated for Staff Quarters and Amenities for staff were Rs. 75 crore and Rs. 65 crore respectively, which were later revised to Rs. 65 crore and Rs. 73 crore respectively. For 2005-06 the same has been projected to Rs. 80 crore and Rs. 93 crore respectively. The Committee were concerned about the pathetic, shabby and unhygienic conditions of quarters especially for running staff, safaiwallas and C&D category staff. They were informed that Ministry of Railways have gone for 10 years Corporate Welfare Plan in this regard. Also a 'Quality Audit Team' had been set up to monitor the quality of work being done for construction of staff quarters. The Committee had stressed that the Corporate Welfare Plan of the Ministry should be implemented promptly to improve the housing conditions *viz*. sanitation, drainage, clean water supply, other additions/alterations and upgradation of substandard quarters of the staff. They had also emphasized that the Quality Audit Team should effectively monitor the quality of construction work of these quarters regularly. In addition to this, a senior officer from the Zonal Railway should visit the staff colonies periodically to see the works being undertake in these colonies and submit his report to the Railway Board.

1.28 In their Action Taken Reply the Government have stated that the progressively increasing allotments under Demand no. 11 (MH-500-Residential Building-Repairs and Maintenance and Welfare) were made during the last four years raising from Rs. 483 crore in 2000-01 to Rs. 576 crore in 2003-04. Increasing funds are being provided under the Plan Heads-"Staff Quarters" and "Amenities for Staff" for construction of staff quarters both on new/replacement accounts and of improvements to staff quarters. Higher allotments have been given to above Plan Heads during the last five years raising from Rs. 60 crore in 2000-01 to Rs. 80 crore in 2005-06.

Out of about 1.40 lakh sub-standard quarters as reported by the Zonal Railways about 75000 substandard quarters have already been improved. Based on the Zonal Railways report, there are still about 65000 substandard quarters requiring standardization. In compliance with the announcement of the Hon'ble Minister for Railways through Railway Budget Speech 2005-06, a Corporate Welfare Plan is under formulation for paying special attention towards maintenance and improvement of substandard quarters as also Railway colonies including roads, sewerage, drainage, lighting etc. Relevant data is under collection. On receipt of complete data from the Zonal Railways, Corporate Welfare Plan spreading over a period of ten years will be formulated in consultation with the Union Federations. This is likely to take about three more months.

As regard suggestion of the Committee to ensure that the Quality Audit Team should effectively monitor the quality of construction works of the staff quarters, necessary instructions in this regard have been issued to all the Zonal Railways for compliance.

As regard periodical inspection of staff colonies/quarters by a Senior Officer of the Zonal Railways to see the works being undertaken in the colonies and submit of its report to the Railway Board, it is stated that it may not practically feasible to monitor all such inspections at the apex level of the Railways. However, instructions have been reiterated to Railways to perform adequate higher level checks on colony maintenance.

1.29 The Committee are satisfied to note that higher allotments have been given to the Plan Heads-"Staff Quarters" and "Amenities for Staff" during 2005-06. They also appreciate that necessary instructions have been issued to all the Zonal Railways for effectively monitoring the quality of construction works of staff quarters. However, the Committee are not convinced with the reply of the Government that it may not be practically feasible to monitor the inspections at the apex level of Railways. As an apex body it is the responsibility of the Railway Board that its instructions are followed scrupulously by the Zonal Railways. The Committee are unable to understand as to how in the absence of feed-back from the Zonal Railways, the Railway Board will ascertain whether its instructions are being followed or not. The Committee therefore, desire that the Railways should evolve some suitable mechanism for the same.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1.80)

From a small beginning of 34 Kms. from Boribunder to Thane in 1853, the Indian Railways have expended its network significantly. Today, Indian Railways are operating through the length and breadth of the country with 63,221 route Kms. comprising 46,807 Km. broad gauge, 13,290 km. of metre gauge and 312 Km. of narrow gauge. It has a fleet of 2,28,170 wagons (units), 40781 coaches, 7817 locomotives, running daily 13,684 trains including 8,622 passenger trains carrying 1.6 million tones of freight traffic and about 14 million passengers covering 7031 stations. This system is being managed with 67 operating Divisions and 16 Zones. The Committee felt that Railways need to pay attention in various important fields such as safety maintenance of Railway assets, laying of new lines and track renewal. There are number of pending and ongoing projects which require huge financial resources. Keeping in view the growing competition with Road sector the Railways have to strive for cutting cost in passenger and freight operations and plugging their revenue leakages. The Committee also feel that there is an urgent need for the Railways to review their tariff policy as well as attract freight and passenger traffic and reduce the impact of cross subsidization. Railway being the prime infrastructure sector in the country need to expand, develop and modernize to keep pace with the growth of Indian economy. For this they have to promptly address the major difficulties being faced in their operations. Some of the areas require to be attended to are:

Recommendation [Para No. 180 (i)]

Growth of basic infrastructure facilities are not commensurate with the growth in economy and traffic. The new lines, gauge conversion, doublings, restoration of dismantled lines, constructing the missing links and easing the congested routes, track renewals bridge work, level crossings. Traffic facilities (yard), electrification works, road safety works are a must not only to enhance the carrying capacity of the system but also smooth, efficient, prompt and safe running of trains. The projects are started without much justification and background work and after making huge investments are left without completion as new projects are taken up. This has caused spreading the scarce resources very thin without any remuneration from huge investments, creating missing links, last mile projects waiting completion and gross financial loss to Railways. As on date the ongoing and pending project shelf of Railways is worth Rs. 46,000 crore. The Committee, therefore, suggested that the investments should be made on priority for last mile projects, missing links or strengthening high density network or for port connectivity so that quick remuneration start flowing.

Reply of the Government

Railways have a throw-forward of projects requiring over Rs. 47000 crore for completion. The throw-forward of new line and gauge conversion projects itself is over Rs. 37000 crore. Many of these projects were included in the budget on socio-economic considerations for development of backward, remote, hilly and other under developed areas. However, need has been felt for strengthening of high density route falling on Golden Quadrilateral and Diagonals and other port connectivity works so as to deal with the anticipated growth in traffic. Rail Vikas Nigam Limited has been entrusted with the execution of bankable projects falling on these routes and the same will be completed in about next 3 years period.

The ongoing Doubling, Railway Electrification projects are expected to be completed in a period of next 2-3 years. The projects under New Lines and Gauge Conversion have been recently prioritised into the following categories:

(i) Last mile project—where expenditure already incurred is more than 60% of estimated cost and throwforward liabilities are less than Rs. 100 crore.

(ii) Viable projects/those required on operational considerations.

(iii) National Projects, Defence funded projects, cost sharing, public private partnership projects and those in North Eastern Region.

(iv) Other ongoing projects that are not covered in the above categories.

The above prioritisation will help in proper allocation of resources so that the projects in category (i) and (ii) are completed in next 2-3 years period.

(For Comments of the Committee *see* Para 1.8 of Chapter-I of the Report)

Recommendation {Para No. 180 (ii)}

The Railways assets in the form of Rolling Stocks viz. coaches, wagons, containers are out dated. Efforts should be made to modernize the coaches into more comfortable, accident proof, fire proof and the wagons with capacity for more axle on load and container with larger capacities. These technological up-gradation of assets should be promptly taken up for improving efficiency, throughput and increasing average speed of trains.

Reply of the Government

1. Indian Railways have recently acquired the latest technology coaches, which are now being produced in Railways own Production Units through transfer of technology.

2. A study is also in hand to enhance crashworthiness of coaches, specifically those types of coaches the mostly remain at the end of trains. For validating this type of design developed through computer simulation on actual crash test also been conducted and results of the same are being analysed. Once this project succeeds it is expected that in the events of unfortunate accidents coaches will be able to absorb greater crash energy thereby given higher protection to passengers.

3. Various materials used in coach furnishings have been updated for fire retardancy and reduce toxicity so that the time available to passengers for evacuation, in case of fire, increase. Further developments in this direction are going on.

4. Wagons are designed as per axle load permitted on track and bridge considerations. For increasing through put, wagons with high speed (100 kmph) potential have been introduce. In addition, light weight Stainless Steel and Aluminum wagons are being procured.

Recommendation {Para No. 180 (iii)}

There have been a information technology revolution world over during the last few years due to introduction of computer, cable lines etc. The Railways have introduced Railway booking and enquiries to passengers through internet, SMS and E-mail etc. Also, FOIS has been introduced to keep complete information about the wagon requirement, wagon utilization, wagon whereabouts and empty haulage. The

Committee stressed that these facilities should be introduced in the entire system promptly so that there is sufficient data base for proper planning about allotment of rakes and Passenger Profile Management System.

Reply of the Government

All the facilities mentioned above are being introduced in the entire system. Internet Booking of tickets is now available at more than 150 cities/towns throughout the country. Enquiries to passengers for all reservation and trains running related enquiries is available through internet sites *http://indianrailway.gov.in* and trainequiry.com. In addition queries are also available through major mobile phone service providers across the country. FOIS is now available at over 237 locations for Rake Management System (RMS) and 212 locations for Terminal Management System (TMS). FOIS is targeted for completion by June, 2006 in over 525 TMS locations. Recently, Passenger Profile Management System has been set up in Railway Board for analysing data of passenger services.

Recommendation [Para No. 180 (iv)]

With the growth in the economy, a number of new units of iron, steel, cement and thermal power have come up at various places. Due to non-availability of wagons, these units are facing difficulties. The Committee desired that the Railways should prepare a Perspective Plan to cater to the needs of the industry and sufficient wagons should be made available so that industrial units may not suffer.

Reply of the Government

For the Tenth Plan figures for wagon procurement as contained in the document was 65000 Four Wheeler Units. In the mid term review it has been revised to 94,214 Four Wheeler Units. These figures do not include departmental wagons.

Recommendation [Para No. 180 (v)]

There was a backlog of safety works to the extent of about Rs. 17000 crore in 2001. A Special Railway Safety Fund was introduced to clear the backlog by replacement of over-aged assets within a period of 5 years. The Committee urged that sufficient provision should be made in Depreciation Fund henceforth to meet the current arising on year to year basis. Besides safety infrastructure should be upgraded through induction of technical aids to support human element and increment asset reliability.

Reply of the Government

Railway Safety Review Committee-1998 recommended that the Central Government should provide a one time grant of Rs. 15000 crore to the Railways so that arrears in renewals of vital safety equipment are wiped out within a fixed time frame. The cost of replacement of such overaged assets when reassessed at current prices (2001) came to Rs. 17000 crore. Therefore, in order to implement this recommendation, a non-lapsable "Special Railway Safety Fund" (SRSF) of Rs. 17000 crore has been set up with effect from 01.10.2001, to wipe out the arrears in renewal/replacement of over aged assets of track, bridges, rolling stock, signalling gears etc. and for certain Safety enhancement works, within a fixed time frame of 6 years.

With the non-lapsable Special Railway Safety Fund that has been set up, the Railways are making conscious efforts to ensure that accumulation of arrears of replacement/renewals of assets does not take place again. However, it has to be appreciated that contribution to Depreciation Reserve Fund (DRF) depends on the extent of internal generation through operations. Factors like steadily rising cost of operation and maintenance, which include increasing staff and fuel cost, a debt servicing liability and limited options for augmenting traffic revenue and the fact that as transporter for the masses, Railways have to exercise restraint when it comes revision of fares and freight have also to be taken into account. Provisioning of the DRF depends upon the operational surplus available with the Railways and all efforts are being made to maximize it. Accordingly, appropriation to DRF has been increased from Rs. 2367 crore in 2004-05 (BE) to Rs. 2762 crore in 2004-05 (RF) and further to Rs. 3704 crore in 2005-06 (BE). The balances in DRF, which came down to Rs. 51 crore as on 31.03.2000, have also been built up in recent years and are expected to be at Rs. 4778 crore by end of March 2006 as per 2005-06 (BE).

Safety is the prime concern of Indian Railways and adoption of new measures, which include induction of technical aids to support human element, as also to increase asset reliability, is a continuous process. The measures being taken by India Railways to improve safety include adoption of suitable and modern technology for interlocking and signalling system, upgradation of standards of track and rolling stock, modernisation of maintenance practices, replacement of over-aged assets, upgradation of training aids like simulators, checks on observance of safety precautions and Anti Collision Device.

Indian Railways have also formulated a Corporate Safety Plan for the period 2003-2013, which has already been presented to the

Parliament. This Plan states the objectives, strategies and targets for which the Indian Railways would be striving in the next decade. The document encompasses the priorities of the safety related works and indicates a broad time frame to complete them along with assessed approximate requirement of financial investments. The Corporate Safety Plan of the IR (2003-2013) also envisages a safety action plan directed towards continuous reduction in risk level to its customers, implementation of suggested system reforms, imbibing better safety culture enhancement of asset reliability etc. This covers continuous rehabilitation and modernization of assets, qualitative changes in men and machines, induction of appropriate technologies in support of human efforts etc.

Recommendation [Para No. 180 (vi)]

The Committee desired that mobilisation of additional resources should be made through internal generation, commercial utilization of their surplus land and other focused marketing strategies. Budgetary allocation should be enhanced.

Reply of the Government

The Railways are striving to improve their financial health through higher earnings and reduced expenses as well as adopting measures for greater operational efficiency. As a result of vigorous efforts made by the Railways in recent years, the position of internal generation has improved considerably and internal generation has gone up from Rs. 3,455 crore in 2001-02 to Rs. 6,124 crore in 2005-06 (BE).

A number of initiatives mainly in freight business, public-private partnership, parcel business and passenger business have been taken for significantly enhancing the revenues and improving the services to customers. These include plan to improve throughput through increased productivity and efficiency, reduction in wagon turn round time, simplification and rationalization of goods traffic, new premium registration scheme, liberalization and simplification of preferential traffic schedule for supply of wagons, electrification of diesel sidings located on electrified sections, liberalization of engine-on-load scheme, formulation of Terminal Incentive Scheme, up-gradation of facilities at freight train examination centres, implementation of electronic payment gateway facility for BTPS and its extension to major customers, development of private sidings through cost-sharing, integrated warehouses complexes to provide single window service, etc.

In regard to passenger traffic also a number of steps have been taken like introduction of new trains to carry additional volume of traffic, provision of additional coaches on well patronized trains to accommodate wait listed passengers by redeployment of under utilized coaches on other trains, expansion of PRS, UTS facilities, Computerized Train Enquiry system across the country. This will help Railways in meeting the growing demand and increasing its passenger earnings. Railways have reshaped their priorities and business strategies, as outlined in the Budget of 2005-06, to cope up with the emerging demands of the economy as a whole. In the investment planned through the annual exercise of Works Programme for the year 2005-06, the focus has been to augment the capacity of the system to meet the operational requirements and bridge the critical gaps in high traffic density routes. Instead of spreading the resources thinly over all the Zonal Railways, a corridor-wise approach was adopted this year to meet the requirements of incremental traffic. A prioritisation exercise of the projects has also been done and approval of the Government obtained. This will facilitate proper allocation of resources to derive the fruits of investment in a shorter time upon.

Commercial utilization of surplus land including property development has been identified as one of the priority items and Railways are making all out efforts to maximum its earnings. Earnings due to land utilization during 2002-03, 2003-04 and 2004-05 were Rs. 93.96 crore, 116.53 crore and 200.85 crore (Provisional) respectively.

It has also been decided to set up an Authority *viz*. Rail Land Development Authority (RLDA) to undertake all tasks connected with property development. Railways (Amendment) Bill, 2004, for setting up of the Authority and to include commercial utilisation of the Railway land/air-space as a part of work of Railways' activity, has been introduced in Rajya Sabha on 20.12.2004 which has been referred to the Standing Committee.

The Standing Committee has since presented its Report in both the Houses of Parliament on 11.05.2005. The Recommendations/ Observations of the Committee are under examination.

Thus, to ensure the continued economic development of the country, Ministry of Railways have drawn up an ambitious plan for meeting the increasing and emerging demands of the economy through the provision of world-class infrastructure and by streamlining passenger services and initiating a gamut of commercial, operational and investment-oriented initiatives in the freight sector. These initiatives will help Railways in mobilization of additional resources to meet its present and future requirements.

(For comments of the Committee please *see* Para 1.12 of the Chapter-I of the Report)

Recommendation [Para No. 180 (x)]

There is a need for empowerment of staff at cutting edge level for greater customer orientation. The Committee felt that more delegation of power would result in quicker response to various situations and improvement in equality of service. Delegation of powers should be effected by undertaking a study of various feedback received from customers/passenger based on their requirement.

Reply of the Government

It is agreed that there should be more customer orientation of staff at the cutting edge level. For this to achieve, the prime need is to impart proper customer care training to such staff apart from delegation of more powers. Railways have already been taking the required action in this direction.

Recommendation [Para No. 180 (xi)]

Passenger amenities/services/cleanliness and general ambience are yard stick of the performance and life line of business of Indian Railways. Rail users are ready to pay more if they are provided the services of quality and satisfaction. Therefore, all out efforts should be made to improve and maintain the quality of passenger amenities in running trains as well as at stations. They also stressed that accountability should be enforced by fixing responsibility.

Reply of the Government

All endeavours are made by the railway administration to improve and maintain the quality of passenger amenities at stations and in trains. The following steps have been taken in this regard in the recent past which are as under:

(i) In order to provide upgraded passenger amenities over Indian Railways, 327 stations have so far been selected as model stations out of which 101 stations have already been developed as model stations.

(ii) With a view to improve the standard of cleanliness, a number of initiatives have been taken which include introduction of mechanised cleaning, provision of washable aprons, 'Pay & Use' toilets etc. As per the Integrated Railway Modernisation Plan (2005-2010), it has been planned to extend mechanised cleaning at 250 A&B category stations by 2007-2008. Regular drives are also being undertaken from time to time.

To control the rodent and cockroach menace in coaches, Railways are taking preventive action on priority to cover yard, drains, station buildings and other service buildings so that the breeding of rodents and cockroaches is prevented in addition to disinfestations of coaches and pantry cars.

For improving cleanliness in trains, during Primary and Secondary Maintenance, the trains are cleaned thoroughly both internally and externally.

For periodic cleaning of coach toilets and removal of garbage etc. from running trains, a process has been developed with suitable mechanization. This has been given the name 'Clean Train Station'. This system is presently working at Rattlam station of Western Railway and Bhusawal of Central Railway and it is planned to provide this facility at 16 stations by March 2006 and at 50 stations by March 2010.

(iii) To improve telephone enquiry, Railways are setting up Integrated Train Enquiry System (ITES) which will consist of both Interactive Voice Response System (IVRS) and manual enquiry provisions for dissemination of information on train running status, PNR status & availability of accommodation. There will be a universal number 139 which will get connected as a local call.

(iv) With a view to facilitate issue of unreserved tickets, Computerized Unreserved Ticketing System (UTS) has been started and is being extended to all Zonal Railways.

(v) Reservation on internet has been started with assistance of Indian Railway Catering & Tourism Corporation (IRCTC). The Ticket delivery facility is currently available in more than 170 cities.

(vi) Recently the scheme of e-ticketing has also been introduced on pilot basis in two pairs of Shatabadi Express trains in which no physical ticket is required to undertake a reserved journey. Based on experience more trains will be covered under this scheme.

(vii) Tatkal Reservation has been extended to all Mail/Express trains and in all required classes.

(viii) For physically disabled persons, production of modified luggage-cum brake vans ahs started.

Recommendation [Para No. 180 (xii)]

Railways have failed to plug the revenue leakages and corruption prevalent due to existing administrative inefficiencies. They should take concrete measures to plug revenue leakages, specially, in areas such as scrap disposal and ticketless travel.

Reply of the Government

The Ministry of Railways have taken a number of steps to tackle the problem of losses due to revenue leakage in various areas such as ticketless travel, parcel, goods, scrap disposal and unauthorised payment to staff. Some of the result oriented measures are as under:

Passenger, Parcel and Goods Booking

In passenger booking, intensive preventive checks at important stations, including booking/reservation, platforms and trains are being organised by Railway Vigilance in addition to the regular ticket checking done by the Commercial Department. In parcel and baggage booking, checks are being organised to detect cases of wrong classification and overloading. In goods rakes, ransom checks are carried out to detect incidences of overloading. In addition to existing mechanical weighbridges, electronic-in-motion weighbridges have been installed at various strategic locations to facilitate checking of rakes, while in motion, without causing detentions.

Scrap Disposal

In the area of scrap disposal following steps have been taken to prevent leakage of revenue:

(a) Intensive checks are carried out to reduce incidences of leakages and to curb the malpractices.

(b) In addition to existing mechanical weighbridges, electronic weighbridges are being provided at depots and sheds from where scrap material is delivered to purchaser.

(c) Accountal of rail and Permanent-way material is being computerised.

Payment to Staff

Checks in various areas such as salaries, allowances, bonus, loans/ advances, involving payments to staff and leave accounts have been intensified by Zonal Railways and regular monitoring in these areas is done by Railway Board to detect cases of fraudulent/over payments.

Recommendation [Para No. 180 (xiii)]

Railways should emphasise reducing the energy bill by purchasing directly from Central Generating Agencies or Joint ventures for setting up power plants with generating agencies.

Reply of the Government

Railways are pursuing the efforts for availing direct power supply from Central Generating Agencies like National Thermal Power Corporation (NTPC), Nuclear Power Corporation of India Limited (NPCIL) etc.

Railways have already started availing direct power supply from NTPC on Ghaziabad-Kanpur section of North Central Railway.

Another similar scheme for taking power NTPC in state of Chhattisgarh sanctioned in 2002-03 is under implementation.

Action has been initiated for signing of Memorandum of Understanding (Mou) with NPCIL for taking power Tarapur plant.

It is also proposed to set up 1000 MW coal based power plan in Joint venture with NTPC at Nabinagar, Bihar by establishing a company "Bhartiya Rail Bijlee Company Limited".

Recommendation (Para No. 180 (xiv)

The Committee found that in the MEMU/DEMU trains which covers long distances over three hours, no toilet facilities are being provided which causes difficulties to passengers travelling in these trains. The Committee desired that such long distances MEMU/DEMU trains should be converted into conventional trains and requisite amenities be provided.

Reply of the Government

On the basis of recommendations of Standing Committee on Railways for conversion of long distance MEMU/DEMU/DMU trains with a journey time of more than three hours into conventional trains with requisite amenities, all Zonal Railways have been advised that all the MEMU/DEMU and other toilet-less trains running more than 160 kms or with journey time of more than 4 hours should be provided a halt of 30 minutes at an intermediate and convenient station for the benefit of commuters. Zonal Railways have also been advised that if such a halt is not operationally feasible, the commuter train may be converted into conventional train. Instructions have also been issued to make necessary changes in links of MEMU/DMU Trains if they are running for more than 160 kms or more than 4 hours.

Recommendation (Para No. 182)

The Committee noted that to enhance their earnings in freight segments, Railways have proposed certain initiatives measures for the year 2005-06 such as wagon turn round to five days, preferential traffic schedule, Electronic Payment Gateway facility, Premium Registration Scheme, Wagon Investment Scheme, Terminal Incentive Scheme, reclassification of commodity groups, public private partnership and introduction of Double Stake Containers etc. They also noted that the Railways have implemented certain effective measures such as Freight Operation Information System, Rake Management System, Engine-on-Load, electrification of diesel sidings, reducing the examination time of rake, improvement in facilities at the train examination centers, customers encourage to develop private sidings through cost sharing etc. They found that GDP growth for the whole year (2005-06) is expected to be 6.9% which is good enough to give 7.7% traffic growth to Railways. The Committee were of the concerted view that the positive fall out of above mentioned effective measures should also be taken into consideration while projecting the budget targets for the year.

Reply of the Government

Budget Estimates of freight earnings are based on originating freight loading targeted for the year which is assessed keeping in view the traffic offerings projected by user industries and historical growth. Besides, estimated of freight earnings also include the impact of contemplated modification in freight structure. Other marketing initiatives outlined in the Budget are aimed to bring a further improvement in freight business during the course of the year.

The freight earnings of Rs. 33,480 crore envisaged in Budget Estimates, 2005-06 are based on 635 mt. of freight loading targeted in the budget and additional Rs. 650 crore anticipated from rationalization of freight structure and other initiatives proposed for 2005-06. There has been a set practice on the Railways to review the performance *vis-a-vis* the budgeted target in each segment on a monthly basis. accordingly, freight performance during the course of the fiscal year will be reviewed in the light of gradual implementation of various marketing initiatives proposed in the Budget and will be appropriately reflected in the Revised Estimates.

Recommendation (Para No. 183)

The Committee were informed that the Railways have regained its market share of freight loading which had gone to the road sector to a certain extent during previous years. They found that the Railways have not only maintained their share in the two major bulk commodities viz. coal and iron ore which constitute 60% of the Railways total freight traffic but have also marginally increased their share. The share of food grains and fertilizers is being maintained at a higher level. However, the Railways share of freight loading in cement, steel & POL products has been affected due to continuous hike in freight rates. During the evidence the Chairman, Railway Board explained that when the growth centres increase as in the case of Cement industry, the leads go shorter and the road mobility transport becomes more viable for a customer thereby leading to loss of traffic to roads. The Committee were also informed that difficulties were being faced at unloading points such as non-availability of complete godown, a complete cover shed at the unloading points, inability to unload directly to matching trucks within the given time frame etc. To address these difficulties certain measures have been proposed in the current budget viz. incentives to customers if they go for mechanization of direct truck loading, free time of two hours to customers provided there is nothing on the ground, Engine-on-Load wagon availability, wagon utilization, wagon turn round to five days only, integrated rail side warehouse complexes with private participation as well. The Committee were of the opinion that the measures as proposed by the Railways would certainly provide them the additional freight traffic. However, they emphasised for prompt and effective implementation of these innovative schemes/measures. They also stressed that retrieval of the Railways share of freight traffic from road should not be one time achievement and should be sustained and enhanced over a period of time through a focused approach. Simultaneously, Railways should extend their capacity to carry this enhanced load. Railways should also think over to give some rebate/concession on investment by industrial units for investing on installing mechanical devices for loading/unloading arrangements in the industrial sidings in view of drastic reduction of time of loading and unloading by the Railways. The Committee noted that without requisite infrastructure at siding freight loading and unloading to 24 hours time has been imposed and demurrages are charged for delay. They recommended that the Railways should review its decision and this scheme should be introduced only after providing requisite infrastructure such as tracks, lighting, security arrangement, availability of labour during night.

Reply of the Government

Innovative measures proposed in the current Budget such as incentives to customers if they go for mechanization of direct truck loading, free time of two hours to customers provided there is nothing on the ground. Engine-on-load wagon availability, wagon utilization, wagon turn round to five days only, integrated rail side warehouse complexes with private participation etc. have all been notified and necessary instructions issued for implementation.

Regarding rebate/concession on investment by industrial units for investing on installing mechanical devices for loading/unloading arrangements in the industrial sidings in view of drastic reduction of time of loading and unloading by the Railways, a study has been entrusted to a professional agency regarding the extent of rebate/concession which can be given. Report of the study undertaken by C TRAM is awaited.

Regarding imposition of 24 hours time to freight loading/unloading and charging demurrages for delay. Zonal Railways have been asked to improve the existing infrastructure such as tracks, lighting, security arrangements etc. Loading/Unloading time have been relaxed to some extent.

(For Comments of the Committee please *see* Para 1.15 of Chapter-I of the Report)

Operating Ratio

Recommendation (Para No. 184)

The operating ratio (ratio of total Working Expenses excluding 'Suspense' to the total Traffic Earnings) of the Zonal Railway *viz*., Eastern Railway, East Central Railway, North Eastern Railway, Northeast

Frontier Railway, North Western Railway, Southern Railway, South East Central Railway, South Western Railway and Western Railways is hovering beyond 100% during the last few years. The Committee were aware that Zonal Railways by virtue of their jurisdiction and geographical location, are not placed evenly with regard to traffic earnings. Also each Zonal Railway would be incurring operating expenses which includes an element of fixed costs necessary to keep the system operative irrespective of their traffic output. However, they insisted that Railway Board should emphasise on each Zonal Railway to curb the undesirable expenditure and work towards enhancing efficiency and productivity to raise their earnings.

Reply of the Government

Railways, in order to bring about an overall improvement in the Operating Ratio, are working for maximizing traffic earnings through increased traffic output and preventing leakage of revenue; simultaneously observing strict austerity and economy to minimize the operating expenses. With a view to improve the operational efficiency of each zone, zonal railways are given targets of physical traffic output and traffic earnings and on expenditure side, spending limits lower than the budgetary allocation are fixed so as to encourage economy.

As desired by the Committee, zonal railways with an operating ratio above 100%, have been addressed to curb undesirable expenditure and to enhance the efficiency and productivity.

Recommendation (Para No. 185)

Further, the Committee observed that the Railways are anticipating to improve their operating ratio to 91.2% as against 92.6% anticipated in 2004-05 and have projected the same at 90.8% (BE) in 2005-06. According to the Railways 90% is an ideal operating ratio as was during the last decade and is comparable with some of the countries like China, France etc. However, the Committee desired that the Railway finances should be monitored and managed continuously and regularly by keeping check on undesirable expenditure so that the operating ratio may further improve towards ideal ratio.

Reply of the Government

Traffic earnings for the fiscal year 2004-05, as per the approximate account are Rs. 46,762 crore. These indicate a significant increase on account of excellent physical performance. While the ordinary working expenses at Rs. 33,386 crore do indicate an excess expenditure over the revised estimates, this is mainly on account of the multiple hike in diesel prices effected during the year. Despite increase in working expenses, the operating ratio for 2004-05 shows an improvement against the revised target of 91.2%.

As desired by the Committee, the financial performance of the Railways is being monitored on regular basis. As stated in reply to Point No. 184, zonal railways have been instructed to curb undesirable expenditure. Railways are also working for improving the operating ratio to an ideal level in the coming year.

Recommendation (Para No. 187)

The Committee found that out of the 32 pairs of new trains announced in budget 2004-05, only 13 pairs of trains have been introduced by the Railways till February, 2005. The Ministry of Railways have assured that all the trains announced in Rail Budget 2004-05 would be introduced during the current financial year itself as proposed except that of Mansi-Saharsa passenger train where the gauge conversion work is still going on. The Committee noted that it has become a usual practice now of Railways to introduce the trains announced in the budget at the fag end of the financial year, if at all they are started. They stressed that a quarterly schedule for introduction of new trains should be prepared for the year and followed accordingly instead of starting all the announced trains at the fag end of the financial year.

Reply of the Government

The Committee's recommendation has been noted and appropriate action, as deemed fit and feasible, will be taken.

(For Comments of the Committee please *see* Para 1.15 of Chapter-I of the Report)

Annual Pan 2005-06

Recommendation (Para No. 191)

The Plan outlays for the year 2005-06 have been estimated at Rs. 15349 crore, which is short of Rs. 326 crore from the revised estimates of Rs. 15675 crore of the Annual Plan 2004-05. The Committee, however, appreciated the fact that the Railways have increased their share from internal generation by about 25% during the year 2005-06 compared to that of the year 2004-05. The share of the internal generation of the Annual Plan 2005-06 has been projected at Rs. 4718.19 crore *vis-a-vis* Rs. 3775.80 crore revised estimates of 2004-05. However, the share of Capital from General Revenues fall short of about Rs. 1627 crore during the year 2005-06 as compared to the year 2004-05. The Railways have allocated Rs. 7230 crore during the year 2005-06 vis-à-vis Rs. 8857 crore provided in the year 2004-05 under the source. The shortage is mainly in the Capital Head. It is a noteworthy fact that share of resources other than the Internal Generation and Extra Budgetary Sources (market borrowings/private-public investments) has substantially increased over the last few years. The share of resources from General Exchequer has reached almost 53% in the Annual Plan 2005-06. The Committee were informed during the evidence that about Rs. 2500 crore additional support are also to be provided by the General Exchequer and about Rs. 2500 crore are expected to be mobilised through Special Purpose Vehicles (SPVs) under the aegis of Rail Vikas Nigam Limited. The Committee were apprehensive of the phenomena of decreasing share of internal resources and increasing share of resources outside the Railways' kitty. They had reasons to believe that the size of the Annual Plan 2005-06. *vis-a-vis* Annual Plan 2004-05 has remained low only because of the lesser resources mobilised from internal generation. More importantly it has been noticed that no provision of investment under Build Operate and Transfer (BOT) either in Rolling Stock or in infrastructure projects has been made during the year 2005-06. Therefore, the Committee were concerned about the developmental needs of the Railways in the light of the growing economy on the one hand and the inadequate availability of requisite funds due to internal generation with the Railways on the other hand. They were of the view that it is imperative for the Railways to recast their priorities and business strategies to cope up with the emerging demands of the economy as a whole. They also urged that all out efforts should be made by Ministry of Railways to enhance their internal generation share of the total resources.

Reply of the Government

The budgeted net plan outlay for 2005-06 at Rs. 15,349 crore is, no doubt, Rs. 326 crore less than the revised plan outlay of Rs. 15,675 crore for the previous year. However, the reduction is on account of decline in the budgetary support extended to the Railways in 2005-06 over 2004-05 (RE). The internal generation component, which was Rs. 3,106 crore in 2004-05 (RE) has increased to Rs. 3,895 crore in 2005-06 (BE). It is however, to be kept in view that in addition to the

Plan outlay of Rs. 15,349 crore for 2005-06, additional funds to the tune of Rs. 1,365 crore have been sought for the national project of Udhampur-Srinagar-Baramulla new line and the newly declared national projects of the North Eastern Region 2004-05 (RE) include Rs. 700 crore on this account. Release of funds to these is to be made in the course of the year based on the pace of work. Similarly, the additional funds of Rs. 358 crore (in addition to Rs. 493 crore included in Plan outlay) sought for the works being executed by RVNL would also be released as necessary during the course of the year.

As a result of vigorous efforts made by the Railways in recent years, the position of internal generation has improved considerably and internal generation has gone up from Rs. 3,455 crore in 2001-02 to Rs. 6,124 crore in 2005-06 (BE). Out of this internal resources deployed in the Plan have also increased accordingly. Excluding the Railways' contribution to SRSF from its internal resources, the share of internal resources in Railway's plan has increased from 20% in 2001-02 to 25% in 2005-06 (BE). It may be noted that excluding the contribution received from General Exchequer towards Special Railway Safety Fund and Railway Safety Fund-which are for specific purpose, the share of Capital from General Exchequer in Railways' plan has infact reduced from 43% in 2001-02 to 25% in 2005-06.

The resources made available through BOLT/BOT/OYWS during the last five years have been less than even Rs. 100 crore. Due to this no provision of investment under these categories has been made during the year 2005-06, to be on conservative side. However, a modified scheme called Wagon Investment Scheme has been introduced in order to encourage public-private partnership in procurement of wagons to meet the anticipated incremental freight traffic in the coming years.

Railways have indeed reshaped their priorities and business strategies, as outlined in the Budget of 2005-06, to cope up with the emerging demands of the economy as a whole. In the investment planned through the annual exercise of Works Programme for the year 2005-06, the focus has been to augment the capacity of the system to meet the operational requirements and bridge the critical gaps in high traffic density routes. Instead of spreading the resources thinly over all the zonal railways, a corridor-wise approach was adopted this year to meet the requirements of incremental traffic. A prioritisation exercise of the projects has also been done and approval of the Government obtained. This will facilitate proper allocation of resources to derive the fruits of investment in a shorter time span.

A number of initiatives mainly in freight business, public-private partnerships, parcel business and passenger business have been taken for significantly enhancing the revenues and improving the services to customers. These include plans to improve throughput through increased productivity and efficiency, reduction in wagon turn round time, simplification and rationalization of goods tariff, new premium registration scheme, rationalization and simplification of preferential traffic schedule for supply of wagons, electrification of diesel sidings located on electrified sections, liberalization of engine-on-load scheme, formulation of Terminal Incentive Scheme, upgradation of facilities at freight train examination centers, implementation of electronic payment gateway facility for BTPS and its extension to major customers, development of private sidings through cost-sharing, integrated warehouses complexes to provide single window service, etc.

Thus, as brought out above, realizing fully that the Indian Railways have a critical role in ensuring the continued economic development of the country, Ministry of Railways have drawn up an ambitious plan for meeting the increasing and emerging demands of the economy through the provision of world-class infrastructure and by streamlining passenger services and initiating a gamut of commercial, operational and investment-oriented initiatives in the freight sector.

Throughput Enhancement

Recommendation (Para No. 193)

The Railways have at last acknowledged the fact that the efficiency and productivity of their system can be improved without huge investment required for their capacity augmentation. This can be done by decongesting the routes which are over saturated with traffic. By removing the bottlenecks on these viable routes with small investment on throughput enhancement work such as deployment of modern signalling and telecommunication devices, better management of terminals, doubling of lines, electrification of diesel sidings etc. the speed of both passenger and goods trains can be increased to 150 km and 100 km per hour respectively. This will directly result in better productivity and efficiency of rolling stock and further bring down their turn around. The Committee were happy to note that the Ministry of Railways have made a budgetary provision of Rs. 487.59 crore for the year 2005-06 under the head Traffic Facilities for their throughput enhancement works. Simultaneously, they also think that with the improvement in throughput stepping up its investments towards improving track capacity and 7% growth of GDP in the future, there will be a larger requirement of rolling stock. Therefore, the Railways should explore the wayout to enhance the axle load as per international standard alongwith procurement of larger number of rolling stock. They urge the Ministry of Railways to consider extending present external dimensions of wagons so as to enhance the total surface area and volume of goods that could be transported in wagons. They also suggested the Ministry to study the feasibility of using aluminium wagons that can carry an additional 4.2 tonnes of revenue generating weight than the steel wagons. They stressed that the Railways should go for all such works which ensure speedy delivery of goods. They also emphasized that application of Information Technology be exploited to a great extent to improve the efficiency and productivity of the Railways.

Reply of the Government

The Ministry of Railways has initiated series of steps for Capacity Enhancement, and efficiency and productivity of the system. The works under "Traffic Facilities" Plan-Head have been given allocation of Rs. 487.59 crore for 2005-06 which is 32% higher then that of 2004-05. The Traffic Facilities works are normally small works bringing in Capacity Enhancement and will be completed on priority. At present axle load on Indian Railways' system is limited to 20.32 tonnes. This in turn limits the carrying capacity of wagons. Only on some selected sections, wagons with axle load of 22.9 tonnes are operating. High axle load wagons are able to carry more payload in one train consist which improves throughput substantially. With minor modifications in bogie of conventional wagons along with strengthening of body, the wagons can be permitted to operate at 22.9 tonnes axle load. Open wagons mainly operation in the coal circuits corrode on account of combined effect of corrosive acids and high abrasions due to mechanized loading/unloading corrosion resistant stainless steel body for open wagons have been inducted to minimise this adverse effect.

The improved quality of these wagons would enable extension of the first Periodic Overhaul (POH) to 7.5 years against 6 years and 6 years for subsequent POH against the present 4.5 years. Introduction of stainless steel body wagons will improve availability of wagons as corrosion and consequent repairs will be eliminated, enhancing the life of the asset.

After successful trials Indian Railways will introduce 10000 open wagons of stainless steel body from 2005-06 at the incremental cost of

Rs. 2.25 lakh per wagon over cost of conventional wagons at a total cost of approximately Rs. 225 crore.

As far as the application of Information Technology on the Indian Railways is concerned, Computerized Unreserved Ticketing System (UTS), Passenger Reservation System (PRS), Freight Operating Information System (FOIS) and Management Information System (MIS) will be expanded and their remote locations will be linked to Railway owned Satellite HUB by Remote V-SAT Terminals. Integrated and Extended National Train Enquiry System will be introduced for the on-line train running position. This system is targeted to be commissioned by 2008-09.

Staff Quarters and Amenities for Staff

Recommendation (Para No. 194)

The Committee noted that the policy of Railways is to provide quarters for essential staff on programmed basis. As on date the housing satisfaction over Indian Railways is about 48%. For the year 2004-05 the funds allocated for Staff Quarters and Amenities for staff were Rs. 75 crore and Rs. 65 crore respectively, which were later revised to Rs. 65 crore and Rs. 73 crore respectively. For 2005-06 the same has been projected to Rs. 80 crore and Rs. 93 crore respectively. However the Committee were concerned about the pathetic, shabby and unhygienic conditions of quarters, especially for running staff, safaiwallas and C&D category staff. They were informed that Ministry of Railways have gone for 10 years Corporate Welfare Plan in this regard. Also a 'Quality Audit Team' has been set up to monitor the quality of work being done for construction of staff quarters. The Committee stressed that the Corporate Welfare Plan of the Ministry should be implemented promptly to improve the housing conditions *viz*. sanitation, drainage, clean water supply, other additions/alterations and upgradation of substandard quarters of the staff. They had also emphasized that the Quality Audit Team should effectively monitor the quality of construction work of these quarters regularly. In addition to this, a senior officer from the Zonal Railway should visit the staff colonies periodically to see the works being undertake in these colonies and submit his report to the Railway Board.

Reply of the Government

Progressively increasing allotments under Demand no. 11 (MH-500-Residential Building-Repairs and Maintenance and Welfare) were made during the last four years raising from Rs. 483 crore in 2000-01 to Rs. 576 crore in 2003-04. Increasing funds are being provided under the Plan Heads—"Staff Quarters" and "Amenities for Staff" for construction of staff quarters both on new/replacement accounts and for improvements to staff quarters. Higher allotments have been given to above Plan Heads during the last five years raising from Rs. 60 crore in 2000-01 to Rs. 80 crore in 2005-06.

Out of about 1.40 lakh sub-standard quarters as reported by the Zonal Railways in 1996, about 75000 substandard quarters have already been improved. Based on the Zonal Railways report, there are still about 65000 substandard quarters requiring standardization. In compliance with the announcement of the Hon'ble Minister for Railways through Railway Budget Speech 2005-06, a Corporate Welfare Plan is under formulation for paying special attention towards maintenance and improvement of substandard quarters as also Railway colonies including roads, sewerage, drainage, lighting etc. Relevant data is under collection. On receipt f complete data from the Zonal Railways, Corporate Welfare Plan spreading over a period of ten years will be formulated in consultation with the Union Federation. This is likely to take about three more months.

As regard suggestion of the Committee to ensure that the Quality Audit Team should effectively monitor the quality of construction works of the staff quarters, necessary instructions in this regard have been issued to all the Zonal Railways for compliance.

As regard periodical inspection of staff colonies/quarters by a Senior Officer of the Zonal Railways to see the works being undertaken in the colonies and submit of its report to the Railway Board, it is stated that it may not practically feasible to monitor all such inspections at the apex level of the Railways. However, instructions have been reiterated to Railways to perform adequate higher level checks on colony maintenance.

(For Comments of the Committee please *see* Para 1.29 of Chapter-I of the Report)

CHAPTER III

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

Recommendation [Para No. 180 (vii)]

The Committee stressed that apart from optimum utilisation of assets proper, adequate and timely maintenance norms should be laid down for zero failure of fixed installations and rolling stock. This, in turn, may yield not only safe transit and travel but also improve reliability, productivity and capacity.

Reply of the Government

With regard to Electric Locomotives, it is submitted that Maintenance schedule of rolling stock as well as fixed installation are being followed, based on the recommendations/guidelines issued by RDSO. In addition, relevant sections contained in manual of AC traction are also being followed.

Besides this, yearly reliability action plan is drawn by the Railways to bring down asset failure and further improve the reliability index achieved.

Corporate Safety Plan 2003-2013 also envisages reduction in failure incidents, which will lead to increase in safety of operation and improve asset reliability. Based on the Action Plan contained in the Corporate Safety Plan to reduce asset failures, committees have been set up and strategies formulated for achieving minimum level of failures.

As regards Signalling, Maintenance norms for conventional preventive maintenance already exist. Zero failure of fixed installation is a very comprehensive subject requiring online continuous monitoring of parameters of assets. Any degradation in specified parameters of the assets is pre-warned and preventive action is taken before the failure takes place. This concept is being gradually inducted using data loggers.

Recommendation {Para No. 180 (ix)}

The Committee emphasised to adopt a policy of modernising the system with state of the art technology and provide proper training to the large unskilled manpower so that they could be utilised for the betterment of the Railways. Intensive training programme for behavioural changes in the operational as well as the commercial staff should be undertaken.

Reply of the Government

Continuous training of staff at various stages is being given due attention to cater to the rising customer expectations, to assimilate rapid technological changes taking place within the system and also to provide the necessary motivation to the staff. Training plan for the railway staff is divided into initial, promotional, refresher and specialized type of courses. Training courses have been designed both for Group 'C' & 'D' staff to continuously upgrade their knowledge and skills.

A comprehensive training need analysis of all categories of staff is done through a serious of meeting with Principals of training centres on a regular basis. Based on the feedback received, training modules are modified/revised to suit the training requirement of staff.

Training in 'Customer Care' for initiating behavioural changes in staff coming in contact with public are being organised. This is arranged with special emphasis on behavioural aspects of customer-service provider interface.

Funds have been provided to training centres to upgrade their training aids, models, equipment, etc. in line to undertake the changing technology within the Railways.

Efforts are also made to use IT enabled equipment to develop better training contents and effective dissemination of the same amongst the staff.

Freight

Recommendation (Para No. 181)

The target for originating revenue earning freight traffic for the year 2003-04 kept at 540 MT was revised to 550 MT at the revised estimates stage. The actual achievement make during the year was 557.39 MT which was 7.39 MT more than the revised estimates and 38.65 MT more than the performance in 2002-03. Similarly, the freight loading target for the year 2004-05 has been increased to 600 MT at revised estimates stage as against the Budget Estimates of 580 MT.

During the year 2005-06, a target of 635 MT has been projected for freight loading as the buoyancy in traffic is expected to be maintained during this year also as in 2004-05 on account of uniform growth path in economy of the country. As compared to 684.8 in 2004-05, a slightly lower lead of 680.4 has been projected for 2005-06. The Committee found that the Railways were not estimating the freight traffic realistically at the Budget Estimates stage and enhancing the targets subsequently at Revised Estimates stage. They were of the opinion that incremental loading should also be taken into account while projecting the target for the next fiscal year.

Reply of the Government

The target for revenue earning originating freight loading is prepared based on the broad indications obtained from the various user sectors. In addition, the performance in previous years are also taken into consideration, which is utilised for firming up of the target.

The projection for lead is also made on the basis of indications of pattern of traffic which emerges during interaction with the various user sectors. The target for average lead has been fixed as 680 Kms for 2005-06 as compared to the average lead of 683 kms (prov.) for 2004-05. A slightly lower lead has been fixed based on the indication given by the Food Sector that 2005-06 may not witness export of foodgrain. Foodgrain movement from northern region for export helps railways in improving its average lead, the absence of which will have its negative impact over the average lead. Therefore, slightly lower target for lead has been fixed.

New Trains

Recommendation (Para No. 186)

The Committee found that 54 new trains have been announced in the Budget 2005-06 besides extension of 28 trains and increasing the frequencies of 10 trains. Time and again the Committee have raised their apprehensions over the announcement of new trains on a system which is already over stressed. The Railways network has expanded at a very slow pace. The total route length has expanded only 9544 kms. from 1950-051 to 2002-03. However, new trains are announced every year invariably without enhancing requisite infrastructure to bear additional burden, which results in further congestion on the already over loaded tracks and further cut in the time available for maintenance. The Committee further noted that new trains are announced without taking into account the feasibility of their operation.

The Ministry of Railways have stated that the new trains announced in the Rail Budget are introduced during the course of that financial year subject to availability of resources & operational feasibility. All 54 new trains announced during 2005-06 would be introduced by 31st March, 2006. In cases where major infrastructural changes are required like gauge-conversion, new line, additional platform & pit lines at originating/terminating stations, introduction will be done after completion of work. The Committee did not appreciate the eagerness with which the announcement of new trains are generally made in the Budget. They desired that before announcing the new trains all pre-requisites such as the infrastructure capability to bear stress, capacity enhancement through acquisition of rolling stock commensurate with the growth of passenger traffic, the provision of adequate time for maintenance of assets/rolling stock apart from public demand on the route be worked out to justify announcement of new trains in the Railway Budget. In case the new trains are not operationally and financially feasible, the announcement of the same should be kept in abeyance until appropriate time.

Reply of the Government

Introduction of passenger carrying trains over Indian Railways is a continuous process. All the pre-requisites like availability of demand, path, maintenance infrastructure & Rolling Stocks, commercial justification, Manpower requirement etc. are considered in the Inter Railway Time Table Committee Meeting (IRCTC) before the announcement in Rail Budget every year. The decision taken during the IRTC meeting for introduction of new trains, increase in frequency of trains, extension of trains and services on completion of gauge conversion and new line project form the basis for annual working timetable that gives minutes to minutes details of train running.

Further, for improvement in line capacity works mechanised track maintenance is resorted to instead of conventional manual maintenance. Line capacity works are taken up from time to time to provide additional line capacity on a particular route to meet the demand of increase in traffic. These works include doubling/multiple line projects, traffic facility works, signal improvement works etc. Apart from this, new line and gauge conversion projects also create additional capacity for movement/diversion of trains. A thrust has been given to expeditiously complete the ongoing doubling and traffic facility works and other capacity improvement works to create additional capacity for movement of trains.

Commissioning of new lines; gauge conversion, doubling works etc. increases the aspiration of people so much that it becomes imperative to connect the new sections, gauge converted section with other parts of the country, Normally the demand far exceeds the resources available, therefore, utmost care is taken while announcing the new trains. At the same time, to meet the public demand, the existing trains are also augmented as far as possible. The new train services announced in Rail Budget are introduced during the course of that particular financial year only after all the related works are completed. However very few train services could not be introduced due to unforeseen circumstances like floods, earthquakes, law & order problems, elections etc. but they are introduced later on completion of all the formalities.

Recommendation (Para No. 189)

The Committee further found that a number of concessions have been announced by the Minister of Railways in his budget speech 2005-06 adding to the already existing concessions to various categories of persons. They opined that since the passenger services are intrinsically loss making to the extent of 14.4 paise per passenger Km. there is an urgent need to not only contain but also substantially reduce the negative impact of passenger services on the financial health of the Railways. They desired that concessions should be announced for only those categories where it is utterly necessary.

Reply of the Government

In the Budget Speech 2005-06, concessions were announced for the following four categories of persons:

Category	Concession
Kisans & Milk Producers-visit to National level institutes for learning/training	50% concession in Second class (not sleeper)
Entrance exam-Girls of Govt. schools in rural areas-for National level entrance exam for medical engineering, etc.	75% concession in Second class (not sleeper)
Students of Govt. schools in rural areas-for study tour once a year	75% concessions in Second Class (not sleeper)
Unemployed youth to attend interviews for State Govt. jobs	Full concession in Second class (not sleeper)

It will be observed that concession has been extended to only deserving categories of persons and that too in lowest class of travel.

Recommendation (Para No. 195)

The Committee noted that the perishable items such as vegetables, fruits, beetle leaves etc. have to rebook at different stations for onward transmission. This has caused a lot of difficulties to the railway customers. The Committee desired that the earlier system should be restored in booking of these perishable items.

Reply of the Government

Railway's first and foremost responsibility towards the passengers is to provide them with adequate passenger amenities including convenience and safety of their movement on the platform while boarding and alighting from the trains whose number is increasing tremendously. Heaps of parcels lying on the platforms at various railway stations is a serious impediment to the free and safe movement of travelling public and Railways are coming in for severe criticism on this account.

In the larger public interest and for the convenience and safety of travelling public and their free movement on passengers' platform, maintenance of punctuality of trains, reduction in over-carriage of parcels, reduction in transit time of parcels and overall decongestion of platforms at railway stations, booking and carriage of parcels by passenger carrying trains has been rationalised in February, 2004. As per the rationalisation, transhipment of packages from one train to another, during transit, is not permitted except for one change-of-gauge. Booking of parcels from and to intermediate stations of a train is also not permitted if that train stops for less than five minutes at those stations so as to avoid detention to trains on account of loading/unloading of parcels, causing avoidable inconvenience to passengers. This also reduces the chances of over carriage of parcels.

Transhipment of parcels from one train to another involves blocking of platform after unloading; removal of the packages from one platform to another platform for the connecting trains again blocking the platform space till the packages are re-loading. It has, therefore, been decided that parcels should be booked to their destination by a direct train and promptly removed from the platform after they are unloaded to avoid inconvenience to passengers.

The rationalisation will reduce the overall transit time of parcels, which is to the interest of the trade and industry. While there may be certain pairs of points, which are not served by direct trains or a particular road-side station may have inadequate halt of trains. In such circumstances, the trade can organise movement of parcels by creating hubs at nearby important centers. Movement of parcels can be easily organized by direct trains from one hub to another. Aggregation and disaggregation of traffic can be done to and from road-side stations to the hubs created at nearby major stations. In fact, the hub and spoke system of transportation is progressively being adopted by many rail users to cut down wasteful utilization of transport capacity as also to reduce the overall transit time with minimum damage and loss during transit.

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Para No. 188)

The Committee found that at times when the time tables of running trains are rescheduled, it causes more inconvenience to the passengers rather than benefiting them. They desired that the representative of people and the Passenger forums be invited well in time to the IRTTC meeting for their suggestions before any change is carried out in the timings of the already existing/running trains to avoid inconvenience to the travelling public. The Ministry should also reschedule the time tables in such a manner that their earnings are raised to a higher level.

Reply of the Government

As regards rescheduling of trains, it is stated that before changing the timings of trains, Zonal Railways consult the passenger associations, members of ZRUCC and people's representatives and do take their views into account before effecting the changes. Care is also taken to ensure that a rescheduling does not lead to inconvenience in form of missing of connections at junctions, etc. Rescheduling of trains at times are necessitated due to operational reasons. However, the exercise of rescheduling of trains is done mainly to realize the twin aims of catering passengers in a better way and earn more revenue also to ensure smooth operation of trains. Inviting passengers forums at the IRTTC meeting is neither feasible nor desirable, as the discussions at the meeting and the decisions arrived thereat from the basis for preparation of Railway Budget, a secret document until it is laid in the Parliament.

(For Comments of the Committee please *see* Para 1.21 of Chapter-I of the Report)

Annual Plan 2004-05

Recommendation (Para No. 190)

The plan outlay for the year 2004-05 has been revised to Rs. 15675 crore from Rs. 14498 crore basically on account of an increase of about

Rs. 1137 crore under Budgetary Support Resource. Contrary to this increase there has been a reduction of Rs. 407.66 crore in the Extra Budgetary Resources. However, the plan outlay under the Internal Resource did not witness any substantial change at the revised stage. The expenditure incurred upto December, 2004 was found to the order of Rs. 10197.41 crore which is approximately 65% of the total revised estimate of Rs. 15675 crore. Though plan outlays for major heads like New Lines, Gauge Conversion, Signalling & Telecom Works and Electrification Projects have been increased, the physical targets under the heads new lines, gauge conversion and doubling have been revised downward. Moreover, the physical targets achieved upto December, 2004 under these heads have been realised to the order of about 50% of the revised targets under New Line, 20% under Gauge Conversion, 30% under Electrification and about 37% under Doubling.

The Committee have noted that despite a substantial Capital Support from the General Exchequer, the Railways have not been able to manage their developmental Plan 2004-05. Though the Capital Support has contributed about 56% of the total Annual Plan, the physical targets under important Plan Heads such as New Lines, Gauge Conversion and Electrification have contrarily been reduced. Moreover, the expenditure incurred upto December, 2004 has been assessed about 65% of the revised estimates, which shows a very slow pace of expenditure during the initial three quarters of the year 2004-05. The Committee further noticed that the Railway's Plan seems to be propelled by the Capital Support being received from the General Exchequer instead of the resources managed by the Railways either through internal generation or by public/private investment initiatives/ market borrowings. The Committee had over the last five years observed that the Railways do not reflect the requisite delivery instinct. Despite the pumping of huge resources into the development needs, the Railways could not produce any mile stones or show any significant/remarkable change. They were of the considered view that the Railways should manage their plan in a more professionalised way rather than the traditional one being practised currently. They further stressed that financial and physical targets of Railway should move in direct proportion.

Reply of the Government

During 2004-05 target for completion of 273 kms of New Line, 999 kms Gauge Conversion and 38.1 kms of doublings was fixed at the Budget stage. However, only 150 kms of New Line, 779 kms of

Gauge Conversion and 282 kms of Doublings i.e. total 1211 kms of BG Railway Lines against target of 1655 kms could be completed during the year. The progress has been less because of following reasons:

(a) Non-deposition of share by the State Governments for cost sharing projects.

(b) Delay in land acquisition and forestry clearance.

(c) Unprecedented hike in steel prices, as a result of which several contracts had to be terminated.

(d) Slow progress against contracts on various reasons by the contractors.

(e) Delay in supply of PSC sleepers, Elastic Rail Clips due to hike in steel prices.

As far as Railway electrification is concerned, during 2004-05, total 320 RKM were electrified against the target of 375 RKM. The shortfall is marginal. However, the target of 1800 RKM for X Plan will be achieved as only 521 RKM are required to be electrified in the balance 2 years of the Plan.

Penal/Route Relay/Electronic Inter locking have been commissioned at 351 stations against the target of 300 stations which is an all time high. Track circuiting has been commissioned at 1545 locations against a target of 1264 locations which includes all time high of 853 locations commissioned under SRSF. Rehabilitation works have been done at an all time high of 262 stations against the target of 234 stations. Interlocking of Level Crossing (LC) gates have been provided at 325 LC gates against a target of 300 LC gates thus exceeding the targets.

The increase in allocation/expenditure under various plan heads has been mainly for taking up activities on large number of projects and expediting progress on some of the projects which could be targeted for completion in the coming years.

(For Comments of the Committee please *see* Paras 1.25 & 1.26 of Chapter-I of the Report)

CHAPTER V

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

Recommendation [Para No. 180 (viii)]

The Committee stressed that Ministry should accelerate programme of containerisation to enhance their multi-model transport and catering to high volume traffic.

Reply of the Government

In order to meet the growing demand for container trains, organisations other than Container Corporation of India will also be considered for movement of container traffic. The Ministry is having this subject studied by a professional agency after which the Ministry of Railways will issue the policy.

Road Safety Works

Recommendation (Para No. 192)

Basically road safety works consist of (i) Road Over Bridge/Road Under Bridge and (ii) Level Crossings. Resources for these two Plan Head Works are mobilised through diesel cess share the Railways are getting from the total diesel cess being collected and distributed by the Central Government. As far as the works relating to Road Over Bridge/Road Under Bridge is concerned, there is a mutual agreement between the Indian Railways and concerned State to share the cost of these works on 50:50 basis. The proper bridge on the railway lines are not prepared by the Railways while the approach road on both sides of this proper bridge is supposed to be completed by the concerned State. However, the Railways release their share only after ensuring a marching release by the State concerned. Due to severe financial crunch being faced by most of the States, the works related to ROBs/RUBs gets suffered. To address this constraint, the Railways have opined that in case the Central Government is ready to pass on the requisite share of diesel cess of concerned State directly to the Railways then there will be no problem of matching release of funds and the works will get completed on time. By doing so, the safety in the system will go a long way improving the Railway's credibility. During the year

2004-05 at the revised stage, Rs. 251 crore were estimated to be incurred on these works, however till December, 2004, only Rs. 48.75 crore could be spent, which shows snail's pace of progress. The Committee had many a time squarely fathomed this problem and impressed upon the Ministry in their earlier Reports to expedite there works by exploring alternative way outs to the aforesaid funding problem. However, no viable way out has been explore till date. Considering the Safety in the Railways system as sacrosanct area, the Committee urged the Ministry to approach the Cabinet Committee on Economic Affairs (CCEA) as early as possible so that one time solution for such stalemate of funding of these works may be found out. The Committee noted that under the present criteria of sharing the cost of construction of ROB/RUB with the State Governments at 50:50 is not working properly due to financial crisis being faced by the State Government. They, therefore, desired that the Railways should workout the feasibility of bearing the expenditure on ROB/RUB at 75:25 ratio with the State Government.

Reply of the Government

Action is this direction has already been initiated following Standing Committee on Railways earlier recommendations given in their 7th Report during consideration of Demands for Grants 2004-05. The Committee has desired that Railway should bear the entire cost of construction of ROBs/RUBs instead of depending upon State Govts. to bear their 50% share of cost as the State Govts. generally remain facing financial crunch. To enable Railways, Committee had suggested that Railway's share from CRF be increased and they should be exempted from paying the central cess on their consumption of Diesel and Petrol. Funds so accumulated/saved be utilised on construction of ROB/RUBs. For implementation of these recommendations Committee had opined that Railways should raise the issue with Planning Commission and Ministry of Finance for their consideration. Accordingly, Planning Commission and Ministry of Finance have already been approached by the Ministry of Railways *vide* CRB's DO Letter No. 2004/CE-I/Misc./5 (CRF)/pt. dt. 04.05.2005 but their response is still awaited. On receipt of views from Planning Commission and Ministry of Finance matter shall be placed before Cabinet for decision.

Present recommendation of Standing Committee regarding feasibility of bearing of expenditure on ROB/RUB at 7 ROB/RUB at 75:25 ratio with State Govt. shall be examined after receipt of earlier reference made to Planning Commission and Finance Ministry as indicated above.

Recommendation (Para No. 196)

The Committee desired that the Egmore station be connected with Central Chennai Railway Station as early as possible by completing the already sanctioned broad gauge line between these two stations so that the commuters from Southern Chennai travelling towards North India may board trains from Egmore Station itself.

Reply of the Government

The Government of Tamil Nadu is not prepared to share the cost of this line in the ratio of 50-50 and also due to other technical and economic reasons, this project is under reconsideration of the Ministry of Railways.

NEW DELHI;
17 *February,* 2006
28 *Magha,* 1927 *(Saka)*

BASUDEB ACHARIA,
Chairman,
Standing Committee on Railways.

APPENDIX I

MINUTES OF THE THIRTEENTH SITTING OF STANDING COMMITTEE ON RAILWAYS (2005-06)

The Committee sat on Wednesday, the 18th January, 2006 from 1500 hours to 1600 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Dhirendra Agarwal
3. Shri Subrata Bose
4. Smt. Paramjeet Kaur Gulshan
5. Shri Anwar Hussain
6. Shri Mahesh Kanodia
7. Shri Kishan Singh Sangwan
8. Mohd. Tahir

Rajya Sabha

9. Smt. Kamla Manhar
10. Shri Karnendu Bhattacharjee
11. Maulana Obaidullah Khan Azmi
12. Shri Tarini Kanta Roy
13. Shri Abani Roy

SECRETARIAT

1. Shri A.K. Singh — *Joint Secretary*
2. Shri V.S. Negi — *Director*
3. Shri Arun K. Kaushik — *Assistant Director*

2.*** *** ***

3. Thereafter the Committee took up for consideration the draft Action Taken Report on the action taken by the Government on the

observations/recommendations contained in the 8th Report on 'Demands for Grants (2005-06)' and adopted the same without any amendment.

4. The Committee authorised the Chairman to finalise these Reports after making consequential changes, if any, arising out of factual verification by the Ministry of Railways or otherwise and present the same to the House.

The Committee then adjourned.

APPENDIX II

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE 8TH REPORT (14TH LOK SABHA) ON 'DEMANDS FOR GRANTS (2005-06)'

	Total number of Recommendations/Observations	31
(i)	Recommendations/Observations which have been accepted by Government: Para Nos. 180, 180(i), 180(ii), 180(iv), 180(v), 180(vi), 180(x), 180(xi), 180(xii), 180(xiii), 180(xiv), 182-185, 187, 191, 193 and 194.	20
	Percentage of total	64.5%
(ii)	Recommendations/Observations which the Committee do not desire to pursue in view of Government replies: Para Nos. 180(vii), 180(ix), 181, 186, 189 and 195.	6
	Percentage of total	19%
(iii)	Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee which require reiteration: Para Nos. 188 and 190.	2
	Percentage of total	6.5%
(iv)	Recommendations/Observations in respect of which final replies of Government are still awaited: Para Nos. 180(viii), 192 and 196.	3
	Percentage of total	10%