

**STANDING COMMITTEE ON RAILWAYS
(2005-06)**

FOURTEENTH LOK SABHA

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**DEMANDS FOR GRANTS
(2006-07)**

TWENTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2006/Jyaistha, 1928 (Saka)

SCR No. 102

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*Presented to Lok Sabha on 23.05.2006
Laid in Rajya Sabha on 23.05.2006*



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2006/Jyaistha, 1928 (Saka)

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STANDING COMMITTEE ON RAILWAY (2004-05)

Shri Basudeb Acharia - Chairman

MEMBERS

LOK SABHA

2. Shri A.Sai Prathap
3. Shri Dharendra 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. Shri Karnendu Bhattacharjee
23. Maulana Obaidullah Khan Azmi
24. Shri Lalit Kishore Chaturvedi
25. Shri Su. Thirunavukkarasar
26. Shri Tarini Kanta Roy
27. Shri R. Kamraj
28. Shri Isam Singh
29. Shri Harendra Singh Malik
30. Shri Abani Roy
31. Vacant

SECRETARIAT

- | | | | |
|----|-------------------------|---|-------------------------|
| 1. | Dr. (Smt.) P.K. Sandhu | - | Additional Secretary |
| 2. | Shri A.K. Singh | - | Joint Secretary |
| 3. | Shri V.S. Negi | - | Director |
| 4. | Shri Arun Kumar Kaushik | - | Assistant Director |
| 5. | Shri U.C. Bharadwaj | - | Executive Officer |
| 6. | Smt. Archana Srivastva | - | Sr. Executive Assistant |
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INTRODUCTION

I, the Chairman of the Standing Committee on Railways (2005-06), having been authorised by the Committee to present the Report on their behalf, present this Twentieth Report of the Standing Committee on Railways (2005-06) on 'Demands for Grants (2006-07) of the Ministry of Railways'.

2. The Committee took evidence of the representatives of the Ministry of Railways on 17th & 21st March, 2006, 24th & 25th April, 2006 and 4th & 5th May, 2006.

3. The Committee considered and adopted the Report at their sitting held on 22nd May, 2006. Minutes of the sittings held on 17th & 21st March, 2006, 24th & 25th April, 2006 and 4th, 5th, 19th and 22nd May, 2006 form Part-II of the Report.

4. The Committee wish to express their thanks to the officers of the Ministry of Railways (Railway Board) & representatives of National Federation for Indian Railwaymen (NFIR) and All India Railwaymen Federation (AIRF) for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2006-07) and sharing with them the issues concerning the subject which came up for discussion during evidence.

NEW DELHI;
22 May, 2006
1 Jyaistha, 1928 Saka

BASUDEB ACHARIA
Chairman,
Standing Committee on Railways

REPORT

CHAPTER - I

Implementation status of recommendations made in 8th Report on 'Demands for Grants 2005-06'

The Departmentally Related Standing Committees were constituted for the first time in 1993-94. Since then the Standing Committee on Railways have been presenting the Report on Demands for Grants of the Ministry of Railways every year. While examining the demands, the Committee scrutinizes and examines the various facets of the Railways in terms of its performance particularly in the field of passenger and freight traffic and progress in execution of projects under taken by the Railways for expansion and augmentation of its network in the country.

2. In their 8th Report on "Demands for Grants – 2005-06' of the Ministry of Railways, the Committee touched upon the key areas of Railways' operation and functioning and made 30 recommendations/observations. The Ministry of Railways have furnished the Action Taken Replies on all these recommendations. On scrutiny it was found that out of 30 recommendations, 20 recommendations/observations were accepted by the Ministry. 6 recommendations/observations were though partially accepted by the Government were not pursued further by the Committee in view of the reply furnished by the Ministry on these recommendations. Action Taken Reply furnished in respect of 2 recommendations/observations were not accepted by the Committee and they reiterated the same in their Action Taken Report. In 1 recommendation/observation Government had furnished interim reply.

3. The Action Taken Report on the 8th Report was presented to the House on 22.02.2006 and the final Action Taken Replies are awaited. The Committee, therefore, desire that the Minister concerned should lay a statement under Direction 73 A of 'Directions by the Speaker' in the House within six months from the date of presentation of this Report regarding the final Action Taken and implementation of the recommendations reiterated.

CHAPTER-II

4. From the small beginning in 1853, Indian Railways have expanded its network with 63,465 route km. as on 31.03.2005, comprising broad gauge (47,749 km), metre gauge (12,662 km) and narrow gauge (3,054 km). As the principal constituent of the nation's transport system, Indian Railways own a fleet of 2,22,379 wagons (units), 42,441 coaches and 7910 number of locomotives. The Railways are running 16,021 trains daily, including about 9,550 passenger trains carrying about 1.6 million tonne of freight traffic and about 15 million passengers covering 7,151 stations.

5. As a result of various initiatives taken, in the last couple of years the Railways have not only been meeting targets but also exceeding them in many fields. The freight and passenger traffic has registered record growth in the year 2004-05 and 2005-06. The earnings and internal generation of the Railways have also increased as a result. Railways, being the prime infrastructural sector of the country, need to expand and develop to keep pace with the growth of country's economy. Railways are taking up ambitious projects in this regard.

6. Performance Budget of Railways has been prepared in pursuance of the recommendations made by the Standing Committee on Railways in their VI Report (1993-94) on Demands for Grants, 1994-95. The Performance Budget inter-alia indicates the comparative performance of Railways in respect of Revenue and Expenditure vis-à-vis the targets, along with the reasons for variations, the performance in respect of works costing Rs.5 crore and above, including transfer of funds from one work to other; target dates of completion of the projects are also indicated. It also gives a summary appraisal of the Railways' performance including shortfalls, if any, in respect of revenue earnings, expenditure, works performance as provided in the ongoing Five Year Plan and Annual Plan. In pursuance to the Prime Minister's letter to all Union Ministers stressing efficient conversion of out lays into outcomes, a new chapter on Outcome Budget of Railways has also been included from this year i.e. 2006-07

in this document. The Railways have a mechanism to measure the development outcomes of all major programmes giving importance to converting financial outlays into physical outcomes, with quarterly, measurable and monitorable target, to improve the quality of implementation of the projects. The Outcome Budget 2006-07 shows the outlays and outcomes/targets projected in the Annual Plan 2006-07. The Budget at a Glance for the year 2006-07 is as follows:-

BUDGET AT A GLANCE

(Rupees in crore)

Actuals 2004-05	Budget 2005-06	Description	Revised 2005-06	Budget 2006-07
47370.21	50968.00	(a) Gross Traffic Receipts	547.00.00	59978.00
33388.88	35600.00	(b) Ordinary Working Expenses	35184.00	38300.00
2700.00	3604.00	(c) Appropriation to Depreciation Reserve Fund	3604.00	4307.00
6670.00	6940.00	(d) Appropriation to Pension Fund	6940.00	7790.00
42758.88	46144.00	(e) Total Working Expenses (b)+(c)+(d)	45728.00	50397.00
4611.33	4824.00	(f) Net Traffic Receipts (a)-(e)	8972.00	9581.00
1676.37	2230.43	(g) Miscellaneous Receipts*	735.84	777.87
1014.16	1140.45	(h) Miscellaneous Expenditure	2720.43	2893.47
5273.54	5913.98	(i) Net Revenue (f)+(g)-(h)	6987.41	7465.40
2716.01	3638.00	(j) Dividend Payable to General Revenues	3202.15	3480.29
..	..	(k) Less Operating losses on strategic lines	272.50	272.50
483.30	300.00	(l) Payment of Deferred Dividend	663.00	663.00
..	..	(m) Subsidy from General Revenues towards dividend relief & other concessions*	985.68	1078.15
2074.23	1975.98	(n) Excess/Shortfall (h) – (k)	4380.44	4672.82
1841.77	1852.98	(o) Appropriation to Development Fund	1852.98	960.00
..	..	(p) Appropriation to Capital Fund	2527.46	3712.82
132.46	..	(q) Appropriation to Railway Safety Fund	..	..
100.00	123.00	(r) Appropriation to Special Railway Safety Fund	..	..
91.0%	90.8%	(s) Operating Ratio \$	83.7%	84.3%
8.9%	9.1%	(t) Ratio of Net Revenue to Capital-at-Charge and investment from Capital Fund	10.7%	10.0%

Demand-wise Budget Estimates for 2006-07 is as under:-**DEMAND NO. 01 - RAILWAY BOARD***Voted: Rupees eighty five crore forty thousand***(in thousands of Rupees)**

Actuals 2004-05	Budget Estimate 2005-06		Revised Estimate 2005-06	Budget Estimate 2006-07
9,79,89	10,22,00	Pay of Group 'A' & 'B' Establishment	10,22,00	10,86,00
13,65,94	14,79,00	Pay of Group 'C' & 'D' Establishment	14,49,00	15,09,00
48,20,91	54,29,16	Other Charges	53,94,30	59,05,40
71,66,74	79,30,16	Total Voted	78,65,30	85,00,40
<p>The above estimates do not include the recoveries mentioned below, which are taken outside the gross budget and adjusted in the accounts in reduction of expenditure.</p>				
	1,00	Credits/Recoveries	1,00	1,00
71,66,74	79,29,16	Net	78,64,30	84,99,40

7. The Budget Estimates 2006-07 exceeds the Revised Estimates 2005-06 by Rs.6.35 cr. This increase is mainly due to incremental effect on Allowances and more demand in Contingent and Other Expenses.

8. The credits under this demand represent recoveries from the Ministry of Urban development and Poverty Alleviation for expenditure on the maintenance of 'Rail Bhawan' which is arranged by the Ministry in agreement with the Ministry of Works and Housing.

DEMAND NO. 02 – MISCELLANEOUS EXPENDITURE (GENERAL)

Voted:- *Rupees two hundred and seventy nine crore fifty five lakhs sixty thousand*

(in thousands of Rupees)					
Actuals 2004-05	Budget Estimate 2005-06	Minor Heads of Demand		Revised Estimate 2005-06	Budget Estimate 2006-07
3,83,00	13,36,15	(a) Surveys	Voted	11,35,60	22,72,75
57,28,80	63,38,62	(b) Research, Design and Standards Organisation, Lucknow	Voted	60,90,50	69,79,70
74,29,83	94,91,51	(c) Expenditure on Miscellaneous Establishment	Voted	85,54,70	103,49,85
55,57,52	55,65,00	(d) Reimbursement of Cost of Statutory Railway Audit	Voted	55,65,00	60,22,00
23,11	23,08	(e) Payments to Worked Lines, Subsidised Companies	Voted	30,20	32,20
14,57,96	32,46,48	(f) Miscellaneous Charges	Voted	43,63,60	22,99,10
205,80,22	260,00,84	Total	Voted	257,39,60	279,55,60
<p>The above estimates do not include the recoveries mentioned below, which are taken outside the gross budget but adjusted in accounts as reduction of expenditure.</p>					
-10338	-13500	Credit or Recoveries		-12000	-12000
204,76,84	258,65,84	Net		256,19,60	278,35,60

9. The Budget Estimates (Gross) 2006-07 under this Demand exceeds the Revised Estimates 2005-06 by Rupees 22.16 crore mainly due to additional requirement for surveys including Anti Collision Device, Research Designs and Standards Organisation, Other Miscellaneous Expenditure, Reimbursement of cost of Railway Audit, Training, etc.

DEMAND NO. 03 - GENERAL SUPERINTENDENCE AND SERVICES ON RAILWAYS

Voted: Rupees two thousand one hundred fifty seven core seventy one lakh twelve thousand

(in thousands of Rupees)

Actuals 2004-05	Budget Estimate 2005-06	Minor Heads of Demand		Revised Estimate 2005-06	Budget Estimate 2006-07
130,31,21	139,44,26	100 – General Management including General Management Services.	Voted	137,07,38	149,30,99
2,38	..		Charged	5	..
495,43,97	520,08,62	200 – Financial Management.	Voted	531,91,44	575,41,25
5,10	..		Charged	2,55	..
291,10,04	309,97,01	300 – Personnel Management	Voted	330,00,50	380,54,78
44	..		Charged	..	..
296,18,04	302,92,93	400 – Materials Management	Voted	314,20,63	345,62,30
92	..		Charged	9	..
152,62,25	155,57,99	500 – Way and Works Management	Voted	159,27,81	171,42,63
1,10	..		Charged	38	..
99,20,50	108,17,10	600 – Rolling Stock Management	Voted	104,83,79	113,21,41
..	..		Charged	..	..
74,26,04	83,42,29	700 – Electrical Management	Voted	83,26,01	92,36,39
5,23	..		Charged	..	..
53,04,10	57,80,71	800 – Signal and Tele-communication Management	Voted	59,46,46	64,95,64
..	..		Charged	..	..
219,17,33	224,85,96	900 – Traffic Management	Voted	242,40,92	264,85,73
..	..		Charged	20	..
1811,33,48	1902,26,87	Total (100 to 900)	Voted	1962,44,94	2157,71,12
15,17	..		Charged	3,27	..
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure					
-19,82,79	-15,97,87	Credits or Recoveries		-24,50,21	-24,08,12
1791,65,86	1886,29,00	Net		1937,98,00	2133,63,00

10. The Demand is for expenditure on the Zonal Head Quarters Offices and Divisional Offices of Railway Administrations. For the Accounts, Personnel and Stores Departments, this Demand includes the expenses at the Divisional, Workshop and Depot levels also. The 'Charged' expenditure under this Demand represents payments arising from court decrees and arbitration awards where made into rule of the court.

11. The Budget Estimates for 2006-07 exceed the Revised Estimates for 2005-06 by Rs.19522.91 lakh made up of an increase of Rs.19526.18 lakh under Voted portion and a decrease of Rs.3.27 lakh under Charged appropriation. The increase under Voted portion is to provide for:-

(In thousands of Rupees)

1.	Salaries and Wages	21,60,67
2.	Dearness Allowance	114,64,30
3.	Other Staff Cost	14,70,45
4.	Contingent Expenses	23,65,09
4.	Cost of computers & consumables	3,83,07
5.	Other Miscellaneous Factors	16,82,60
	Total	195,26,18

12. The decrease of Rupees 3.27 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

13. The credit or recoveries under the Demand relate to commission charges recovered from the Defence Departments for audit of warrant and Credit Notes connected with Military Traffic and the cost of Staff recovered from non-Railway departments for works done on their behalf for services rendered to them.

**DEMAND NO. 04 – REPAIRS AND MAINTENANCE OF PERMANENT WAY
AND WORKS**

Voted: Rupees three thousand nine hundred fifty eight crore thirty three lakh twenty six thousand

Charged: Rupees one lakh thirty nine thousand

(in thousands of Rupees)

Actuals 2004-05	Budget Estimate 2005-06	Minor Heads of Demand		Revised Estimate 2005-06	Budget Estimate 2006-07
298,01,24	304,77,18	100 – Establishment in	Voted	311,77,38	336,83,30
27	..	Offices	Charged	..	..
2173,33,48	2378,35,97	200 – Maintenance of	Voted	2366,30,17	2576,88,00
42,52	..	Permanent Way	Charged	1,01,52	50
101,15,86	126,34,79	300 – Maintenance of Bridge	Voted	128,48,55	146,55,16
2,16	..	work and Tunnels including ROB/RUB	Charged	2,23	..
383,11,11	395,96,95	400 – Maintenance of Service	Voted	406,60,92	446,29,81
2,92	1,00	buildings (other than Staff Quarters and Welfare buildings).	Charged	1,34	89
239,39,91	253,66,86	500 – Water Supply,	Voted	261,70,95	283,27,97
50	..	Sanitation and Roads (other than colonies, Staff Quarters and Welfare buildings).	Charged	..	..
45,12,94	43,68,79	600 – Other Repairs and	Voted	46,92,59	50,70,70
..	..	Maintenance.	Charged	..	..
83,22,05	102,63,78	700 – Special repairs	Voted	126,08,25	117,78,32
19	..	pertaining to Breaches, Accidents etc. including Special Revenue Works.	Charged	86	..
3323,36,59	3605,44,32		Voted	3647,88,81	3958,33,26
48,56	1,00	Total (100 to 700)	Charged	1,05,95	1,39
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-28,23,59	-24,99,32	Credits or Recoveries		-27,07,76	-23,44,65
3295,61,56	3580,46,00	Net		3621,87,00	3934,90,00

14. This Demand is for expenditure on repairs and maintenance of the Permanent Way assets like tracks, other buildings and structures. The Charged expenditure under this Demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the court. Repairs and Maintenance of Railway Colony, Staff Quarters and Welfare Buildings are included under Demand No.11 – Staff Welfare and Amenities.

15. The Budget Estimates for 2006-07 exceed the Revised Estimates of 2005-06 by Rs.30939.89 lakh made up of an increase of Rs.31044.45 lakh under Voted portion and decrease of Rs.104.56 lakh under Charged appropriation. The increase under Voted portion is to provide for:

(In thousands of rupees)

1.	Salaries and Wages	23,39,03
2.	Dearness Allowance	159,18,51
3.	Other Staff Cost	14,01,06
4.	Cost of Materials	28,24,61
5.	Contractual Payments	76,35,76
6.	Transfer of Dr./Cr.	3,06,09
7.	Miscellaneous Factors	6,19,39
	Total	310,44,45

16. The decrease of Rupees 104.56 lakh under ‘Charged’ appropriation is due to anticipation of less payments in satisfaction of court decrees.

17. The Credits under this Demand are for materials released from works charged to revenue and share of credits for freight charges on Railway materials including coal.

DEMAND NO. 05 – REPAIRS AND MAINTENANCE OF MOTIVE POWER

Voted: Rupees two thousand one hundred thirty five crore sixty four lakh forty four thousand

Charged: Rupees fifty thousand

(in thousands of Rupees)

Actuals 2004-05	Budget Estimate 2005-06	Minor Heads of Demand		Revised Estimate 2005-06	Budget Estimate 2006-07
168,73,08	180,73,28	100 – Establishment in Offices	Voted	179,68,16	195,38,30
..	50		Charged	..	..
2,65,90	2,60,39	200 – Steam Locomotives	Voted	2,14,90	2,35,47
..	..		Charged	..	..
988,90,56	1061,14,85	300 – Diesel Locomotives	Voted	1064,03,23	1213,49,74
1,52	..		Charged	28	25
559,45,44	652,14,59	500 – Electric Locomotives	Voted	647,90,24	733,94,81
75	..		Charged	..	25
-15,16,47	-9,96,10	600 – Rail Cars, Ferry Steamers and other maintenance expenses.	Voted	-8,81,26	-9,53,88
..	..		Charged	..	..
1704,58,51	1886,67,01	Total (100 to 600)	Voted	1884,95,27	2135,64,44
2,27	50		Charged	28	50
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-41,71,25	-37,16,51	Credits or Recoveries		-40,91,55	-41,00,94
1662,89,53	1849,51,00	Net		1844,04,00	2094,64,00

18. This Demand is for expenditure on repairs and maintenance of Motive Power. The Charged expenditure under this Demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the court.

19. The Budget Estimates for 2006-07 exceed the Revised Estimates for 2005-06 by Rs.25069.39 lakh made up of an increase of Rs.25069.17 lakh under Voted portion and increase of Rs.0.22 lakh under Charged appropriation. The increase under Voted portion is to provide for:

(in thousands of rupees)		
1.	Salaries and Wages	7,48,01
2.	Dearness Allowance	41,73,71
3.	Wages on POH	8,80,37
4.	Other Staff Cost	3,15,55
5.	Increased Maintenance Activities	169,58,74
6.	Contractual Payments	17,64,19
7.	Miscellaneous Factors	2,28,60
	Total	250,69,17

20. The increase of Rupees 0.22 lakh under 'Charged' appropriation is due to anticipation of more payments in satisfaction of court decrees.

21. The credits under this Demand are for materials released from works charged to revenue and share of credits for freight charges on Railway materials including coal.

**DEMAND NO. 06 – REPAIRS AND MAINTENANCE OF CARRIAGES
AND WAGONS**

Voted : *Rupees four thousand three hundred seven crore nineteen lakh sixty
nine thousand*

(in thousands of Rupees)

Actuals 2004-05	Budget Estimate 2005-06	Minor Heads of Demand		Revised Estimate 2005-06	Budget Estimate 2006-07
267,81,05 ..	276,41,56 ..	100 – Establishment in Offices.	Voted Charged	296,62,96 ..	321,93,76 ..
1415,74,52 2,89	1505,44,63 ..	200 – Carriages.	Voted Charged	1552,12,89 72	1711,13,72 ..
932,72,73 4,84,75	1001,94,99 ..	300 – Wagons.	Voted Charged	1023,04,44 ..	1135,80,58 ..
347,30,01 ..	375,45,80 ..	400 – Electrical Multiple Unit Coaches.	Voted Charged	413,07,09 ..	445,67,74 ..
554,50,09 ..	611,93,95 ..	500 – Electrical General Services – Train lighting, fans and Air- conditioning.	Voted Charged	622,38,59 1	675,53,09 ..
-27,85,12 ..	-33,60,79 ..	600 – Miscellaneous Repairs and Maintenance expenses	Voted Charged	-29,31,74 ..	-31,28,47 ..
26,37,66 ..	39,23,60 ..	700 – Diesel Multiple Units (DMUs)	Voted Charged	43,36,29 ..	48,39,27 ..
3516,60,94 4,87,64	3776,83,74 ..	TOTAL (100 To 700)	Voted Charged	3921,30,52 73	4307,19,69 ..
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
96,96,01	-86,21,74	Credits or Recoveries		-99,04,25	-94,03,69
3424,52,57	3690,62,00	Net		3822,27,00	4213,16,00

22. This Demand is for expenditure on repairs and maintenance of Carriages and Wagons including Electrical Multiple Unit Coaches. The 'Charged' expenditure under this Demand represents payments arising from court decrees and arbitration awards where made into rule of the court.

23. The Budget Estimates for 2006-07 exceed the Revised Estimates for 2005-06 by Rs.38588.44 lakh made up of an increase of Rs.38589.17 lakh under 'Voted' portion and decrease of Rs.0.73 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:

		(in thousand of Rupees)
1.	Salaries and Wages	14,11,90
2.	Dearness Allowance	82,24,13
3.	Wages on POH	39,66,85
4.	Other Staff Cost	9,06,50
5.	Increased Maintenance Activities	217,27,25
6.	Contractual Payment	23,52,54
	Total	385,89,17

24. The decrease of Rs.0.73 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

25. The credits under this Demand are for materials released from works charged to revenue and share of credits for freight charges on Railway materials including coal.

DEMAND NO. 07 – REPAIRS AND MAINTENANCE OF PLANT AND EQUIPMENT

Voted : Rupees two thousand three hundred sixteen crore ninety two lakh forty eight thousand

Charged: Rupees three lakh fifteen thousand

(in thousands of Rupees)

Actuals 2004-05	Budget Estimate 2005-06	Minor Heads of Demand		Revised Estimate 2005-06	Budget Estimate 2006-07
240,79,89 23	236,78,76 ..	100 – Establishment in offices	Voted Charged	249,12,72 ..	269,97,21 ..
120,47,73 ..	135,87,85 ..	200 – Plant and Equipment – Way and Works	Voted Charged	134,36,94 ..	163,25,09 ..
177,00,67 ..	218,83,17 ..	300 – Plant and Equipment – Mechanical	Voted Charged	217,13,39 ..	253,98,01 ..
571,77,71 2,33	636,82,64 3,15	400 – Plant and Equipment – Electrical	Voted Charged	630,49,54 3,41	714,52,02 3,15
413,12,21 18	473,03,57 ..	500 – Plant and Equipment – Signalling	Voted Charged	475,88,68 18	527,66,83 ..
219,81,23 10	240,21,10 ..	600 – Plant and Equipment – Telecommunication	Voted Charged	242,02,19 1,62	275,14,69 ..
31,64,64 ..	39,99,22	700 – Rental to P&T for Signalling and Telecommunication circuits.	Voted Charged	37,40,78 ..	43,46,62 ..
44,74,05 ..	60,64,16 ..	800 – Other Plant and Equipment – General and Traffic Departments.	Voted Charged	59,16,66 ..	68,92,01 ..
1819,38,13 2,84	2042,20,47 3,15	TOTAL (100 To 800)	Voted Charged	2045,60,90 5,21	2316,92,48 3,15
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-17,11,13	-8,53,62	Credits or Recoveries		-12,82,11	-10.92,63
1802,29,84	2033,70,00	Net		2032,84,00	2306,03,00

26. This Demand is for expenditure on repairs and maintenance of all Plant and Equipment owned by the Civil, Mechanical, Electrical and Signal & Telecommunication Engineering Departments. The 'Charged' expenditure under this Demand represents payments arising from court decrees and arbitration awards where made into rule of the court.

27. The Budget Estimates for 2006-07 exceed the Revised Estimates of 2005-06 by Rs.27129.52 lakh made up of an increase of Rs.27131.58 lakh under 'Voted' portion and decrease of Rs.2.06 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:-

		(in thousands of Rupees)
1.	Salaries and Wages	10,66,91
2.	Dearness Allowance	82,93,89
3.	Wages on POH	12,70,85
4.	Other Staff Cost	7,79,63
5.	Increased Maintenance Activities	105,71,38
6.	Contractual Payments	32,77,95
7.	Miscellaneous factors	18,70,97
	Total	271,31,58

28. The decrease of Rs.206 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

29. The credits under this Demand are for material released from works charged to revenue and share of credits for freight charges on Railway materials including coal.

**DEMAND NO. 08 – OPERATING EXPENSES – ROLLING STOCK
AND EQUIPMENT**

Voted : Rupees three thousand one hundred seventy four crore fifty seven lakh forty five thousand

(in thousands of Rupees)

Actuals 2004-05	Budget Estimate 2005-06	Minor Heads of Demand		Revised Estimate 2005-06	Budget Estimate 2006-07
51,23 ..	1,22,98 ..	100 – Steam Locomotives	<i>Voted Charged</i>	1,09,00	1,14,85
861,10,87 7,45	939,99,74 ..	200 – Diesel Locomotives	Voted Charged	941,64,09 6,75	1004,17,60 ..
532,80,48 31	546,46,54 ..	300 – Electric Locomotives	Voted Charged	566,26,61 2,57	602,28,92 ..
87,94,23 ..	96,84,77 ..	400 – Electric Multiple Unit Coaches	Voted Charged	92,21,14 ..	98,47,77 ..
397,71,19 2,11	483,36,68 ..	500 – Carriages and Wagons	Voted Charged	468,55,31 ..	499,06,72 ..
889,45,17 ..	910,96,13 ..	600 – Traction (other than Rolling Stock) and General Electrical Services	Voted Charged	883,84,18 ..	940,46,73 ..
20,61,07 ..	23,25,55 ..	700 – Signalling and Telecommunication	Voted Charged	25,97,81 ..	28,85,98 ..
5,47 ..	8,53 ..	800 – Ferry services and Rail Cars	Voted <i>Charged</i>	6,97 ..	8,88 ..
2790,19,71 9,87	3002,20,92 ..	TOTAL (100 To 800)	Voted Charged	2979,65,11 9,32	3174,57,45 ..
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-99,09,09	-76,10,92	Credits or Recoveries		-86,64,43	-88,62,45
2691,20,49	2926,10,00	Net		2893,10,00	3085,95,00

30. This Demand is for expenditure on the operating expenses of Mechanical, Electrical, Signalling and Telecommunication equipment including Rolling Stock. The 'Charged' expenditure under this Demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the court.

31. The Budget Estimates for 2005-06 exceed the Revised Estimates of 2005-06 by Rs.19483.02 lakh made up of an increase of Rs.19492.34 lakh under 'Voted' portion and decrease of Rs.9.32 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:-

(in thousands of Rupees)

1.	Salaries and Wages	13,95,71
2.	Dearness Allowance	78,27,71
3.	Kilometerage Allowance	4,23,95
4.	Other Staff Cost	10,64,13
5.	Cost of Materials	32,28,67
6.	Contractual Payments	31,28,92
7.	Miscellaneous factors	24,23,25
	Total	194,92,34

32. The decrease of Rs.9.32 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

33. The credits under this Demand are mainly for share of freight charges on Railway materials including coal and electric energy supplied.

DEMAND NO. 09 – OPERATING EXPENSES – TRAFFIC

Voted : Rupees six thousand two hundred seventy one crore forty eight lakh fifty thousand

Charged: Rupees eighty five thousand

(in thousands of

Rupees)

Actuals 2004-05	Budget Estimate 2005-06	Minor Heads of Demand		Revised Estimate 2005-06	Budget Estimate 2006-07
22,82,37 ..	32,41,09 ..	100 – Establishment in offices	Voted Charged	31,15,66 ..	33,67,46 ..
2387,18,42 1,16,52	2492,36,00 ..	200 – Station operations	Voted Charged	2550,86,01 16,13	2777,41,89 85
145,96,18 ..	167,25,85 ..	300 – Yard operations	Voted Charged	160,36,59 ..	172,06,70 ..
2,12,38 ..	2,52,42 ..	400 – Transhipment and Repacking operations	Voted Charged	2,55,03 ..	2,81,76 ..
829,47,00 33,20	856,84,54 ..	500 – Trains operations	Voted Charged	883,55,60 4,00	942,59,50 ..
5,49,84 ..	10,18,73 ..	600 – Safety	Voted Charged	10,17,05 ..	11,48,50 ..
3775,59,78 ..	3768,41,90 ..	700 – Other miscellaneous expenses	Voted Charged	2104,11,99 ..	2331,42,69 ..
7168,65,97 1,49,72	7330,00,53 ..	TOTAL (100 To700)	Voted Charged	5742,77,93 20,13	6271,48,50 85
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-22.28,60	-31,11,53	Credits or Recoveries		-26,60,06	-28,32,35
7147,87,09	7298,89,00	Net		5716,38,00	6243,17,00

34. This Demand is for expenditure on Traffic Operating and Traffic Commercial Departments (excluding Claims Organisation). The 'Charged' expenditure under this Demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the court.

35. The Budget Estimates for 2006-07 exceeds the Revises Estimates of 2005-06 by Rs.52851.29 lakh made up of an increase of Rs.52870.57 lakh under 'Voted' portion and decrease of Rs.19.28 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:-

(in thousands of Rupees)

1.	Salaries and Wages	31,97,97
2.	Dearness Allowance	186,13,54
3.	Kilometerage Allowance	3,62,16
4.	Other Staff Costs	26,16,50
5.	Contingent Expenses	6,78,17
6.	Cost of Materials	10,75,27
7.	Contractual Payments	10,35,35
8.	Transfer of Debits/Credits	48,90,33
9.	Lease/Hire Charges to IRFC	175,47,00
10.	Lease charges under OYW & BOLT scheme	27,05,98
11.	Other Misc. Factors	1,48,30
	Total	528,70,57

36. The decrease of Rs.19.28 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

37. The credits under this Demand are for share for freight charges including Coal. Credits for unconnected coal wagons which used to be accounted for as earnings prior to 1973-74 are also included under this Demand.

DEMAND NO. 10 – OPERATING EXPENSES – FUEL

Voted : Rupees ten thousand eight hundred seventy five crore fifty eight lakh twenty one thousand

(in thousands of Rupees)

Actuals 2004-05	Budget Estimate 2005-06	Minor Heads of Demand		Revised Estimate 2005-06	Budget Estimate 2006-07
1,50,46	1,99,22	100 – Steam Traction	<i>Voted</i>	2,58,42	2,72,79
..	..		Charged	..	..
4628,03,55	4713,23,46	200 – Diesel Traction	Voted	5686,52,31	6174,23,45
8,83,45	..		Charged	..	..
4189,86,86	4459,94,88	300 – Electric Traction	Voted	4426,05,62	4698,61,97
..	..		Charged	..	..
8819,40,87	9175,17,56	TOTAL (100 To 300)	Voted	10115,16,35	10875,58,21
8,83,45	..		Charged	..	..
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-46,93,09	-23,90,56	Credits or Recoveries		-50,94,35	-53,30,21
8781,31,23	9151,27,00	Net		10064,22,00	10822,28,00

38. This Demand is for expenditure on Fuel for Loco purposes, Freight and handling charges including Fuelling of engines, Sales tax, Excise duty and Cess on Diesel and Electric current for traction purposes. The 'Charged' expenditure under this Demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the court.

39. The Budget Estimates for 2006-07 exceed the Revised Estimates of 2005-06 by Rs.76041.86 lakh entirely under 'Voted' portion to provide for:-

(in thousand of Rupees)

1.	Staff Costs	2,18,30
2.	Increase in fuel cost due to increase in traffic/prices	
	(a) Diesel	485,67,21
	(b) Electric	272,56,35
	Total	760,41,86

40. The credits under this Demand are for the value of cinders and coal ash sold, credit for electric energy supplied to outsiders and share for credits for freight charges on railway material including coal. The credits for freight charges on coal in this and other Demands offset the increase in Gross Budget in this Demand on account of freight.

DEMAND NO. 11 - STAFF WEFARE AND AMENITIES

Voted : Rupees one thousand seven hundred thirty nine crore fifty four lakh forty nine thousand

Charged: Rupees fifty lakh

(in thousands of Rupees)

Actuals 2004-05	Budget Estimates 2005-06	Minor Heads of Demand		Revised Estimates 2005-06	Budget Estimates 2006-07
88,17,64 39	102,32,99 ..	100 – Educational facilities	Voted Charged	99,68,94 1,79	108,01,64 ..
540,96,60 32	582,08,14 ..	200 – Medical services	Voted Charged	610,51,07 2,49	667,56,98 ..
185,70,47 3	191,84,56 ..	300 – Health and welfare services	Voted Charged	200,26,42 ..	244,78,56 ..
20,25,77 ..	23,20,02 ..	400 – Canteen and other staff amenities	Voted Charged	22,84,25 ..	25,32,35 ..
562,33,92 7,14	624,15,84 ..	500 – Residential and welfare buildings – Repairs and Maintenance	Voted Charged	633,62,10 51,16	693,48,60 50,00
9,11 ..	31,77 ..	600 – Miscellaneous expenses	Voted Charged	40,18 ..	36,36 ..
1397,53,51 7,88	1523,93,32 ..	TOTAL (100 To 600)	Voted Charged	1567,32,96 55,44	1739,54,49 50,00
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-85,57	-1,92,32	Credits or Recoveries		-1,66,40	-1,74,49
1396,75,82	1522,01,00	Net		1566,22,00	1738,30,00

41. This Demand is for expenditure on Educational and Medical facilities, Health and Welfare services, Canteen and other Staff Amenities, Repairs, Maintenance and improvement of Railway colonies, Staff quarters, Residential and Welfare Buildings. The 'Charged' expenditure under this demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the court.

42. The Budget Estimates for 2006-07 exceed the Revised Estimates of 2005-06 by Rs.17216.09 lakh made up of an increase of Rs.17221.53 lakh under 'Voted' portion and a decrease of Rs.5.44 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:-

(in thousands of Rupees)

1.	Salaries and Wages	6,53,83
2.	Dearness Allowance	55,90,96
3.	Other Staff Costs	5,58,47
4.	Contingent Expenses	3,67,26
5.	Cost of Materials	25,58,03
6.	Contractual Payments	32,18,39
7.	Transfer of Debits/Credits	5,39,41
8.	Staff Benefit Fund	28,46,26
9.	Misc. Factors	8,88,92
	Total	172,21,53

43. The decrease of Rs.5.44 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

44. The credits under this Demand relate to school fees collected, Grants-in-Aid to Railway schools received from State Governments and sale proceeds of railway canteens.

DEMAND NO. 12 - MISCELLANEOUS WORKING EXPENSES

Voted : *Rupees one thousand eight hundred fifty five crore eighty three lakh seventeen thousand*

Charged: *Rupees thirty nine crore fifty three lakh forty five thousand*

(in thousands of Rupees)					
Actuals 2004-05	Budget Estimates 2005-06	Minor Heads of Demand		Revised Estimates 2005-06	Budget Estimates 2006-07
843,84,34 1,04	992,39,11 1,00	100 – Security	Voted Charged	1002,46,03 8,69	1097,43,29 4,29
152,90,04 11,65,37	204,22,48 13,24,86	200 – Compensation Claims	Voted Charged	215,15,39 13,71,44	210,30,88 13,80,27
17,98,65 41,97	18,12,01 61,00	300 – Workmens’ and other compensation Claims	Voted Charged	21,87,05 66,02	23,86,51 58,67
209,43,85 ..	233,70,51 ..	400 – Catering	Voted Charged	186,37,17 4,05	181,77,04 ..
94,15,37 ..	113,71,86 ..	500 – Cost of Training of staff	Voted Charged	119,13,75 ..	132,76,88 ..
85,50,21 5,47	99,40,33 ..	600 – Other expenses	Voted Charged	84,07,40 32	87,92,20 33
88,48 ..	1,17,82 ..	700 – Hospitality and entertainment Expenses	Voted Charged	1,33,34 ..	1,42,14 ..
1404,70,94 12,13,85	1662,74,12 13,86,86	TOTAL (100 To 700)	Voted Charged	1630,40,13 14,50,52	1735,48,94 14,43,55
170,05,39 25,77,03	129,46,10 17,63,40	800 – Suspense	Voted Charged	202,00,07 23,49,90	120,34,23 25,09,90
1574,76,33 37,90,88	1792,20,22 31,50,26	TOTAL (100 To 800)	Voted Charged	1832,40,20 38,00,42	1855,83,17 39,53,45
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-253,42,15	-209,61,48	Credits or Recoveries		-229,78,62	-217,22,62
1359,25,06	1614,09,00	Net		1640,62,00	1678,14,00

45. This Demand is for miscellaneous working expenses like Security, Compensation Claims for goods lost or damaged as also under Workmens’ Compensation Act, Catering and the Suspense heads which do not form part of other functional Demands. The ‘Charged’ expenditure under this Demand relates to payments arising from court decrees and arbitration awards where made into rule of the court.

46. The Budget Estimates for 2006-07 is more than the Revised Estimates of 2005-06 by Rs.2496.00 lakh made up of an increase of Rs.2342,97 lakh under 'Voted' portion and an increase of Rs.153.03 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:-

		(in thousands of Rupees)
1.	Salaries and Wages	6,17,13
2.	Dearness Allowance	55,12,59
3.	Other Staff Costs	7,31,14
4.	Contractual Payments	19,47,71
5.	Other Misc. Factors	15,40,17
Partly offset by decrease under:		
	Suspense	80,05,77
	Total	23,42,97

47. The increase of Rs.153.03 lakh under 'Charged' appropriation is due to anticipation of more payments in satisfaction of court decrees.

**DEMAND NO. 13 - PROVIDENT FUND, PENSION & OTHER
RETIREMENT BENEFITS**

Voted : *Rupees seven thousand nine hundred fifty five crore eighty one lakh eighty five thousand*

Charged: *Rupees seventy one lakh twenty thousand*

(in thousands of Rupees)

Actuals 2004-05	Budget Estimates 2005-06	Minor Heads of Demand		Revised Estimates 2005-06	Budget Estimates 2006-07
3609,58,77 4	3807,97,49 4	100 – Superannuation and Retiring Pension.	Voted Charged	3880,78,90 4	4196,25,80 ..
839,41,43 1,27	873,03,79 ..	200 – Commuted Pension	Voted Charged	970,11,14 32	1023,65,13 ..
4,22,31 ..	6,38,52 ..	300 – Ex-gratia Pension	Voted Charged	5,49,70 4	5,75,39 ..
1062,68,81 32,80	1126,25,81 32,00	400 – Family Pension	Voted Charged	1119,20,94 31,00	1198,29,50 32,00
765,73,79 5,61	866,76,72 3,00	500 – Death-cum-retirement gratuity	Voted Charged	915,04,23 74	972,60,62 ..
148,46,75 41,24	187,35,77 32,50	600 – Other allowances, other pension and other expenses	Voted Charged	170,63,69 44,00	202,73,84 39,00
272,46,03 24	285,42,41 ..	700 – Leave Encashment Benefits	Voted Charged	293,70,69 31	306,09,27 ..
6702,57,89 81,20	7153,20,51 67,54	TOTAL (100 To 700)	Voted Charged	7354,99,29 76,45	7905,39,55 71,00
35,24,52 22	47,49,96 ..	800 – Gratuities, Special contri. To PF & contri. To PF	Voted Charged	44,98,26 3,20	50,42,30 20
6737,82,41 81,42	7200,70,47 67,54	TOTAL (100 To 800)	Voted Charged	7399,97,55 79,65	7955,81,85 71,20
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-6,49,85	-3,88,05	Credits or Recoveries-Pension		-5,75,74	-6,10,55
23,74	-43,96	Total Credits – Provident Fund and others		-55,46	-62,50
-626,11	-4,32,01	Total - Credits or recoveries		-6,31,20	-6,73,05
-6696,89,24	-7150,00,00	Deduct Amount met from Pension Fund		-7350,00,00	-7900,00,00
35,48,48	47,06,00	Net		44,46,00	49,80,00

48. This Demand is composite demand for all Retirement benefits like Government contribution to Provident Fund, Contribution and grants & Payment of pensionary charges to Railway staff covered by the pensionary form of retirement benefits. The 'Charged' expenditure relates to payments in satisfaction of court decrees.

49. The various pension and other retirement benefits to pensionable employees covered under minor heads (100) to (600) & sub-heads 710 and 720 are met out the Pension Fund. The contribution to Provident Fund and payment of gratuities and special contribution in respect of non-pensionable employees are met out of revenue.

50. The Budget Estimates for 2006-07 are more than the Revised Estimates of 2005-06 by Rs. 55584.30 lakh under 'Voted' portion and less by Rs.8.45 lakh under 'Charged' appropriation. The increase under 'Voted' portion is made up of Rs. 55040.26 lakh for pensionary benefits and remaining for Contribution to Provident Fund etc. The decrease in 'Charged' expenditure is due to anticipation of less payments of pension to Railway Pensioners on account of Court Decrees.

51. The credits and recoveries represent Service Contribution from other Department/ Ministries in respect of staff on deputation. This gross demand includes recoupment from the Public Account to the Consolidated Fund of India of the sum voted initially by Parliament from out of the Consolidated Fund of India for meeting the expenditure chargeable to Pension fund.

DEMAND NO. 14 - APPROPRIATION TO FUNDS

Voted : Rupees nineteen thousand two hundred forty nine crore ninety four lakh

(in thousands of Rupees)

Actuals 2004-05	Budget Estimates 2005- 06	Minor Heads of Demand	Revised Estimates 2005-06	Budget Estimates 2006-07
2700,00,00	3604,00,00	Appropriation to Railway Depreciation Reserve Fund.	3604,00	43,07,00,00
6680,02,04	6950,00,00	Appropriation to Railway Pension Fund	6950,00,00	7800,00,00
1841,77,00	1852,98,00	Appropriation to Railway Development Fund	1852,98,00	960,00,00
779,16,54	823,00,00	Appropriation to Special Railway Safety Fund MUTP	710,00,00	750,00,00
..	47,50,00	Appropriation to MUTP Loan Repayment Reserve Fund	..	..
..	..	Appropriation to Capital Fund – Railways	4143,05,00	5432,94,00
12000,95,58	13277,48,00	Total	17260,03,00	19249,94,00

52. This Demand is for appropriation from Revenue to the various Railway Funds as Under:
- Appropriation to Depreciation Reserve Fund is being made in accordance with the recommendations of the Railway Convention Committee (R.C.C.)
 - Appropriation to Pension Fund is being made having regard to the recommendations of the RCC. In assessment of this amount, due consideration is given to such factors as the estimated higher withdrawals from the Fund, liberalisation of Pension benefits, etc.
 - Development Fund is credited with such appropriations out of the Revenue excess after payment of dividend as may be voted by the Parliament.
 - Pursuant to recommendation of the Railway Safety Review Committee (1998), a Special Railway Safety Fund (SRSF) has been set up to wipe out the arrears of replacement on the Railways in a fixed time schedule. The fund is financed through railway revenues including levy of safety surcharge on passenger fares and the capital support from the General revenues. The appropriation from railway revenues is shown in this demand whereas from General Revenues is provided in Demand No.16.
 - Capital Fund is credited with the amount of principal payment of the lease hire charges on the assets leased to the Railways, as also the amount required to finance a part of the capital works in the Annual Plan of the Railways.

DEMAND NO. 15 - DIVIDEND TO GENERAL REVENUES, REPAYMENT OF LOANS TAKEN FROM GENERAL REVENUES AND AMORTIZATION OF OVER CAPITALIZATION

Voted : Rupees three thousand eight hundred seventy crore seventy three lakh

(in thousands of Rupees)

Actuals 2004-05	Budget Estimates 2005-06	Minor Heads of Demand & Sub Heads of Demand	Revised Estimates 2005-06	Budget Estimates 2006-07
2716,01,36	3638,00,00	Dividend to General Revenues	2929,65,00	3207,73,00
483,30,00	300,00,00	Repayment of deferred Dividend liability in respect of the period 1978-79 onwards	663,00,00	663,00,00
..	..	Repayment of loans for Development Fund taken from General Revenues and interest thereon	..	..
..	..	Repayment of loan for Capital Fund taken from General Revenues and interest thereon	..	..
..	47,50,00	Repayment of loan for Mumbai Urban Transport Project	..	..
..	..	Payment towards Amortization of Over-Capitalization.	..	..
3199,31,36	3985,50,00	Total	3592,65,00	3870,73,00
..	47.50.00	Credits or Recoveries	..	..
3199,31,36	3938,00,00	Net	3592,65,00	3870,73,00

53. This Demand is for payment of Dividend to General Revenues, contribution for grants to States in lieu of Passenger Fare Tax etc. Dividend to General Revenues is payable in accordance with the recommendations of the Railway Convention Committee, approved by Parliament in terms of resolutions adopted from time to time. Based on the recommendations of RCC 2004, the dividend now is payable at the rate of 6.5 per cent on the dividend-paying capital of the Railways irrespective of the year of investment (including 1.5 per cent of the dividend paying capital less subsidy capital invested upto 31st March, 1964 in lieu of Passenger Fare Tax). Out of the above-mentioned computation at 1.5 per cent, an amount of Rs. 23.12 cr. is for transfer to States as payments in lieu of Passenger Fare Tax and the balance is to finance safety works. From 2001-02, the entire amount being transferred to States from out of the dividend to 'finance safety works' is being transferred to the 'Railway Safety Fund' created w.e.f. 1.4.2001 as per RCC (1999)'s recommendation.

Traffic Receipts

54. The details of the actual Gross Traffic Receipts for 2003-04 and revised estimates and actuals after final accounts for the year 2004-05 are as under:-

(In crore of Rupees)

Detail	Actuals 2003-04	Revised 2004-05	Actuals 2004-05
Passenger - Upper Class	2640.77	2819.05	2424.80
Passenger - Second Class	10657.56	11215.95	11687.74
Total – Passenger Earnings	13298.33	14035.00	14112.54
Other Coaching Earnings	922.28	1000.00	990.28
Goods Earnings	27617.96	30450.00	30778.40
Sundry Other Earnings	1003.59	1150.00	1157.03
Total Earnings	42842.16	46635.00	47038.25
Suspense	62.78	150.00	331.96
Gross Traffic Receipts	42904.94	46785.00	47370.21

55. The details of the Budget & Revised Estimates 2005-06 and Budget Estimates 2006-07 of Gross Traffic Receipts are compared below:-

(Rs. in crore)

Details	Budget 2005-06	Revised 2005-06	Budget 2006-07
Passenger – Upper Class	2992.17	2863.30	3174.80
Passenger – Second Class	12087.83	12266.70	13625.20
Total Passenger Earnings	15080.00	15130.00	16800.00
Other Coaching Earnings	1100.00	1180.00	1400.00
Goods Earnings	33480.00	36490.00	40320.00
Sundry Other Earnings	1208.00	1800.00	1308.00
Total Earnings	50868.00	54600.00	59828.00
Suspense	100.00	100.00	150.00
Gross Traffic Receipts	50968.00	54700.00	59978.00

Operating Performance – Freight Traffic

(a) 2004-05

56. The traffic plan envisaged lifting of 600 million tonnes of originating revenue freight traffic and traffic output of 411 billion tonne kilometers (BTKM) in 2004-05 at the Revised Estimates stage. The actual performance during 2004-05 was 602.12 million tonnes of originating traffic which was 44.73 million tonnes more than the performance in 2003-04. The traffic output was 407 BTKM as compared to 381 BTKM in 2003-04.

The earnings at Rs.30,778 crore registered an increase of 11.44% over 2004-05.

(b) 2005-06

57. The target of freight loading handled at 635 million tonnes has been enhanced to 668 MT for the year 2005-06. Freight earnings have been estimated at Rs.36,490 crore with a traffic output of 441 BTKM.

(c) 2006-07

58. The Planning Commission has projected the demand for Freight Traffic in the terminal year of the X Five Plan i.e. 2006-07 at 624 million tonnes of originating traffic, the average lead at 634.62 km. The transport output has been anticipated around 396 billion Net Tonne Kilometers (BNTKM).

59. The targets and the projected level of revenue earnings traffic for the year 2006-07 compared with that of 2005-06 are as under:

	2005-06 (R.E.)	2006-07 (B.E.)
Originating revenue loading	668 MT	726 MT
Lead	660	660
Tonnes Km.	441 BTKMs	479 BTKMs
Earnings	Rs.36,490 crore	Rs.40,320 crore

Freight Services

60. There was no across-the-board increase in freight rates for the year 2004-05. However, the Freight Classification for Coal, Iron Ore, Limestone, Dolomite, Gypsum, Bauxite Manganese Ore, Cement and Clinker was increased to Class-140 for train load movement with effect from 27th November, 2004. Thus, the freight for Coal, Iron Ore, Manganese Ore and Clinker was increased by 7.7% and that for Cement by 3.7%.

61. Ten percent rebate in freight charges was granted for the transportation of heavy machinery consignments by special trains in special type of wagons owned by the customers, which cannot be hauled by ordinary goods trains. In this context, the technical staff of the customers and the railway staff escorting the heavy machinery consignment by special trains was also permitted free of charge.

62. The pilot project for setting up Electronic Payment Gateway for freight was implemented for Badarpur Thermal Power Station in January, 2005. All the Zonal Railways have now been permitted to extend the scheme to all major customers.

Fare Structure

63. There was no increase in the passenger fares of any class of travel for the year 2004-05.

Parcel & Luggage

64. Freight rates for Parcel and Luggage traffic were rationalized. There was an increase of 7.1 per cent in the parcel rates by Rajdhani Express trains, under Scale-R. The parcel rates under Scale-P were increased by 33.33 per cent. The rates under Scale-S remained unchanged and the lowest Scale-E was abolished.

65. The three rate Scales for booking of Parcels, in their descending order, were as under:-

Scale-R – For Rajdhani Parcel Service, by Rajdhani Express trains.

Scale-P – For Premier Parcel Service, by notified Mail/Express, with 60% or more utilization, and Shatabadi Express trains and all types of special Parcel trains, including Millennium Parcel Trains.

Scale-S – For Standard Parcel Service, by all Ordinary Passenger trains and other Mail/Express and Shatabadi Express Trains.

Freight Earnings

66. Indian Railway loaded 626.20 million tonnes of freight traffic in 2004-05, of which 602.12 million tonnes was revenue earning and 24.08 million tonnes non-revenue earnings, generating total net tonne kilometres (NTKms) of 411.28 billion in 2004-05 as against 384.07 billion in 2003-04. The freight earnings increased from Rs.27617.96 crore in 2003-04 to Rs.30,778.40 crore in 2004-05 registering an increase of 11.44%.

67. The target of freight loading has been revised upward at 668 million tonnes as against the budgeted level of 635 million tonnes. Freight revenues for the fiscal have thus been estimated at Rs.36,490 crore in the Revised Estimated providing an increase of Rs.3,010 crore over the budget level. In coaching segment also, the targets of passenger and other coaching revenues have been enhanced to Rs.15,130 crore and Rs.1180 crore respectively.

68. During the evidence, the representatives of the Railway Board explained as under:-

“The Financial Year 2005-06 has just concluded and the approximate results for the year are now available. Railways have achieved freight loading for approximately 667.39 million tonnes indicating an impressive increment of loading of 64.61 million tonnes that is 10.72 per cent over the previous year. We may achieve 668 million tonnes or beyond. The initial loading target was 635 million tonnes which was increased to 668 million tonnes in the Revised Estimates.”

Operating performance - Passenger Traffic

(a) 2004-05

69. During 2004-05, the number of passengers carried was 5,378 million as against 5,112 million in 2003-04 – registering an increase of 5%. However, Passenger kilometres, which is the product of the number of passengers carried and average distance traversed, was 576 billion, up by about 6.5% from the level of 541 billion in the previous year. Passenger earnings also increased by Rs.814.21 crore (6.1%) compared with those of 2003-04.

(b) 2005-06

70. In view of the uptrend in originating passenger traffic and various initiatives taken to increase passenger earnings, the target Passenger Earnings for 2005-06 have been enhanced to Rs.15,130.00 crore in the Revised Estimates as against the Budget Estimates of Rs.15,080.00 crore. Assuming a 10% growth in the originating number of passengers, Passenger Earnings for 2006-07 have been estimated at Rs.16,800.00 crore.

(c) 2006-07

71. The passenger traffic in the terminal year of the X Five Year Plan has been projected at 5885 million originating passengers and 625 billion passenger Kilometers (BPKM).

72. During the mid-term appraisal of the X Five Year Plan, the targets for 2006-07 have been revised as under:-

Freight	2006-07
Originating (MT)	624
Lead (KM)	680
NTKM (Billion)	424
Passenger Traffic	
Originating Passengers	5686
Passenger Km (Billion)	593

73. During the evidence, the representatives of the Railway Board stated that:-

“The number of originating passengers during 2005-06 is at 5,886 million, that is 588.6 crore and this has also shown a growth of over nine per cent as against the initial and revised targets of around four per cent and six per cent respectively.”

Other Coach Earnings

74. Taking into account the trend of earnings during the course of the year 2005-06, the Revised Estimates of earnings from Other Coaching Traffic are fixed at Rs.1180.00 crore i.e. Rs.80.00 crore higher than the Budget Estimated for the year. These for 2006-07 have been assessed at Rs.1400.00 crore, anticipating a growth of around 19%.

Goods Earnings

75. In view of incremental Freight loading achieved in first nine months, the target of freight loading in the Revised Estimates has been increased to 668 million tonnes as against 635 million tonnes envisaged in the Budget Estimates. Taking note of this and change in freight structure of certain commodities effected from 1.12.2005, the target of freight earnings in the current fiscal has been enhanced to Rs.36,490.00 crore, which is Rs.3010.00 crore more than the Budget Estimates. The goods earnings for 2006-07 have been placed at Rs.40,320.00 crore assuming an additional 58 million tonnes originating revenue earning freight traffic over the anticipated level of 668 million tonnes adopted for the Revised Estimates for 2005-06.

Sundry Other Earnings

76. Anticipating a higher dividend from the public sector undertaking under the Railways and around Rs.540 crore from private parties registering for container routes, the Revised Estimates for 2005-06 of Sundry earnings have been fixed at Rs.1,800.00 crore i.e. Rs.592.00 crore higher than the Budget Estimates for the year. Sundry Other Earnings have been assessed at Rs.1,308.00 crore in 2006-07 anticipating dividend at the usual level from public sector undertakings.

Suspense

77. In the Revised Estimates, 2005-06, the target of clearance from 'Suspense' which represents unrealised traffic earnings, has been retained at the budgeted level of Rs.100 crore. In the Budget Estimates 2006-07 the target of clearance under this head has been kept at the level of Rs.150.00 crore.

Miscellaneous Transactions

78. The following table compares the Actuals 2004-05 Budget and Revised Estimates 2005-06 and Budget Estimates 2006-07 under Miscellaneous Transaction:-

(Rs. in crore)

Details	Actuals 2004-05	Budget 2005-06	Revised 2005-06	Budget 2006-07
RECEIPTS				
(i) Receipts from Subsidised Companies	0.09	--	--	--
(ii) Railway Recruitment Board	20.72	10.42	12.22	12.77
(iii) Other Misc. Receipts	22.06	10.01	13.62	15.10
(iv) Receipts from Safety Surcharge on passenger fares	679.16	700.00	710.00	750.00
(v) Subsidy from General Revenues towards dividend relief and other concessions	954.34	1476.00	985.68	1078.15
(vi) Receipts from surcharge on Mumbai suburban passenger fares	--	34.00	--	--
TOTAL	1676.37	2230.43	1721.52	1856.02
EXPENSES				
(i) Payment to worked lines	0.23	0.22	0.29	0.31
(ii) Subsidy	0.01	0.01	0.01	0.01
(iii) Surveys	3.25	13.36	11.36	22.73
(iv) Misc. Railway Expenditure	283.95	324.36	323.18	340.30
(v) Open Line Works Revenue	37.56	45.00	50.00	50.00
(vi) Appropriation to Special Railway Safety Fund	679.16	700.00	710.00	750.00
(vii) Appropriation to Capital Fund – for repayment of principal portion of Lease Charges	--	--	1615.59	1720.12
(viii) Appropriation to Pension Fund	10.00	10.00	10.00	10.00
(ix) Appropriation to MUTP Loan Repayment Reserve Fund	--	47.50	--	--
TOTAL	1014.16	1140.45	2720.43	2893.47

Dividend to General Revenues

79. Taking into account the reduced rate of 6.5% recommended by Railway Convention Committee and the latest estimates of Capital-at-Charge, Dividend payable to General Revenue works out to Rs.2929.65 crore in Revised Estimates 2005-06, which is Rs. 708.35 crore less than that assessed in Budget Estimates. Out of this, Rs.2.57 crore has been appropriated to Railway Safety Fund. Besides, it is proposed to make a payment of Deferred Dividend of Rs.663.00 crore to the General Revenues.

80. The dividend liability to General Revenues for 2006-07 is estimated at Rs.3,207.73 crore including Rs.2.57 crore to be appropriated to Railway Safety Fund, involving an increase of Rs.278.08 crore over the Revised Estimate of Rs.2,929.65 crore for 2005-06. Besides, it is also proposed to make a further payment of Deferred Dividend of Rs,663.00 crore to the General Revenues.

Working Expenses

81. The table below compares the Actuals of the year 2004-05, Budget and Revised Estimates 2005-06 and Budget Estimates 2006-07 of Working Expenses:-

(Rs. in crore)

Demand No. and Nomenclature	Actuals 2004-05	Budget 2005-06	Revised 2005-06	Budget 2006-07
General Superintendence and Services on Railways	1811.49	1902.27	1962.48	2157.71
Repairs and Maintenance of Permanent ways and works	3323.85	3605.95	3648.95	3958.35
Repairs and Maintenance of Motive Power	1704.61	1886.68	1884.96	2135.65
Repair and Maintenance of Carriage and Wagons	3521.48	3776.84	3921.31	4307.20
Repairs and Maintenance of Plant and Equipment	1819.41	2042.24	2045.66	2316.96
Operating Expenses – Rolling Stock and Equipment	2790.30	3002.21	2979.75	3174.57
Operating Expenses – Traffic	7170.16	7330.01	5742.98	6271.49
Operating Expenses – Fuel	8828.24	9175.17	10115.16	10875.58
Staff Welfare and Amenities	1397.61	1523.93	1567.88	1740.04
Miscellaneous Working Expenses	1612.67	1823.70	1870.41	1895.37
Provident Fund, Pension and other Retirement Benefits	6738.64	7201.38	7400.77	7956.53
TOTAL	40718.46	43269.88	43140.31	46789.45
Credits or Recoveries	-632.69	-519.88	-606.31	-589.45
Deduct – Amount recouped from funds	-6696.89	-7150.00	-7350.00	-7900.00
NET	33388.88	35600.00	35184.00	38300.00
Appropriation to D.R.F.	2700.00	3604.00	3604.00	4307.00
*Appropriation to Pension Fund	6670.00	6940.00	6940.00	7790.00

*Excludes Appropriation to Pension Fund from Miscellaneous Establishment.

82. The Budget Estimates of Ordinary Working Expenses (Gross) for the year 2006-07 has been placed at Rs.46789.45 crore involving an increase of Rs.3649.14 crore over the Revised Estimates of Rs.43140.31 crore for 2005-06. Credits in reduction of expenditure are estimated at Rs.589.45 crore i.e. Rs.16.86 crore less than the Revised Estimates. The amount recouped from Fund is estimated at Rs.7900.00 crore. Taking together the credits and the amount recouped from Funds, the Net Working Expenses are estimated to be Rs.38300.00 crore during 2006-07 as against the Revised Estimates for 2005-06 of Rs.35184 crore, an increase of Rs.3116.00 crore.

83. The increase in expenditure of Rs.3649.14 crore (Gross) is mainly on account of :-

- (a) Increase in staff costs (Rs.1717.52 crore) analysed as under:-
 - (i) Salaries, wages on POH and Other Allowances (Rs.303.73 crore).
 - (ii) Payment of Dearness Allowance (Rs.858.03 crore).
 - (iii) Higher pensionary charges (Rs.555.76 crore) due to increase in the number of pensioners as also higher dearness relief.
- (b) Increase in material and other costs on account of increase in prices additional maintenance of assets, repairs and maintenance of rolling stock, electrical, signal and telecommunication services contractual payments, and increase in traffic, etc. (Rs.970.85 crore).
- (c) More expenditure on fuel arising from increase in traffic and prices of Diesel and Electricity tariff (Rs.758.24 crore).
- (d) Lease/Hire charges to Indian Railway Finance Corporation and under BOLT and OYWS (Rs.202.53 crore).
- (e) More provision under *Charged* appropriation due to more payments anticipated in satisfaction of court decrees (Rs.0.14 lakh).

New Trains

84. Introduction of 55 new trains besides extension of 37 trains and increase in frequency of 12 popular trains has been announced in Railway Budget 2006-07. Some of these trains are to be introduced on the designated routes after completion of gauge conversion of works.

85. When asked about the logic behind announcing such trains where the gauge conversion has not been completed and whether any plan had been chalked out for introduction of these trains, the Ministry of Railways stated in a written reply as under:-

(i) Only those proposals for introduction, extension etc. on sections proposed for gauge conversion, are included in the Railway Budget, which are likely to be completed during the financial year. However, it is only in certain cases that the gauge conversion works spill over to the next year due to unforeseen reasons.

(ii) The likely completion of ongoing gauge conversion sections where new trains are proposed to be introduced is expected to be as under:-

- (a) Ajmer-Chittaurgarh of Ajmer-Chittaurgarh-Udaipur - December, 2006.
- (b) Mudkhed-Kinvat of Mudkhed-Adilabad – October, 2006.
- (c) Manamadurai-Mandapam by January 2007 and Mandapam-Rameshwaram by December, 2007.
- (d) Bijapur-Bagalkot of Solapur-Gadag – June, 2006.
- (e) Kumbakonam-Mailadutturai of Thanjavur-Villupuram – April 2006 completed.
- (f) Tenkasi-Sengottai of Quillion-Tirunelveli-Tiruchandur and Virudunagar-Tenkasi.
- (g) Katihar-Barsoi by March 2007 and Katihar-Jogbani during 2007-08.

(iii) Most of the introduction/extension of trains announced in the Budget, which do not require additional coaching stock and where there are no operational constraints, are usually implemented from the new time table which normally comes into effect from 1st of July every year. Remaining services are given effect to during the course of the financial year as and when rolling stock and other operational requirements are met.

86. While drawing attention to the recommendation made by the Committee in their 8th Report on 'Demands for Grants 2005-06' for introduction of new trains on quarterly basis instead of introducing the same at the fag end of the financial year, the Committee desired to know whether all the new trains announced in last year's budget have been introduced, the Ministry of Railways furnished the details of the number of trains introduced during 2005-06 (quarter-wise) which is as under:-

Quarter	Number of trains (in pairs) introduced
First (April-June)	3
Second (July-September)	31
Third (October-December)	6
Fourth (January-March)	4
Total	44

87. In addition, one and two pairs of trains have been partially introduced in the second & fourth Quarters of financial year 2005-06 respectively. The remaining trains will be introduced after completion of gauge conversion works followed by certification of Commissioner of Railway Safety.

88. Railways have decided introduce MEMU/DEMU trains in place of passenger trains in near future. On being asked whether the present MEMU/DEMU coaches are sufficient to fulfill the requirement, the Ministry of Railway informed that MEMU/DEMUs are introduced in the Railways in a phased manner keeping in view the maintenance infrastructure for the coaches and production capacity of the production units. Since these trains are not having toilet system, these trains

are introduced only in short distances (less than 160 kms) and short journey time sections (less than 4 hours). The requirement of MEMU/DEMUs to replace the existing conventional services are being worked out and plans are being made to acquire the rolling stock.

89. The Minister for Railway has announced the year 2006-07 as a 'Year of Passenger Service with a Smile.' In this regard, the Ministry of Railways have furnished the details of various steps taken/proposed to be taken to provide important services to the passengers which are as under:-

1. Conversion of 200 Mail/Express trains to Superfast trains by increasing their speeds.
2. Reduction in the journey time of Shatabdi/Rajdhani and certain Mail/Express trains.
3. Increasing load of 190 popular/passenger carrying trains upto 23-24 coaches. With the augmentation of these trains by about 500 coaches wait listed passengers will get confirmed reservation.
4. Increasing the length of platforms at 200 stations at a cost of Rs.60 crore to accommodate 23-24 coach trains, in additional, a proposal is also being developed to extend the platform length of 200 more stations for which adequate funds will be provided.
5. Up-gradation of lower class passengers to higher class without any additional payment.
6. Provision of 800 more UTS centres at all 'A', 'B', 'C' & 'D' category stations and some 'E' category stations in the coming year.
7. Introduction of a pilot project to install 200 automatic ticket vending machines in Mumbai suburban area of Central and Western Railways. These machines will be connected with the UTS and will dispense tickets automatically through smart cards.
8. Introduction of Jansadharan Ticket Booking Scheme and Gramin Ticket Booking Service to make unreserved tickets available freely.
9. To make all 'A' & 'B' category of stations as model stations.
10. Seeking help of Architect in all divisions to make station building more beautiful , comfortable and with modern look.

11. Up-gradation of retiring rooms, waiting rooms, station buildings, lavatories, etc. under public private partnership schemes, at a few stations.
 12. E-ticketing has been introduced in all Shatabadi/Rajdhani and Mail/Express trains.
 13. Simplification of rules for postponement/pre-ponement of journey.
 14. Reduction of Superfast charges of MST/QST.
 15. Introduction of Scheme for Frequent Travellers.
 16. Introduction of Build Operate Transfer (BOT) scheme for face lifting of toilets on Indian Railways.
 17. Introduction of supply of Bed Rolls in Sleeper class as a pilot project.
 18. Seven stations have been equipped with mechanized enroute cleaning of passing trains. The number is proposed to be increased to 25 by 31/03/2007.
 19. Providing facilities such as exclusive parking, ramp to main station building, low level toilets, low level drinking water taps and non-slippery pathways at Category 'B' stations. 'A' category stations have already been provided with such facilities.
 20. Drawing on action plan to provide inter Platform transfer facilities by way of ramps on foot over bridges/subways (wherever feasible) at all A & C category stations.
90. On being pointed out by the Committee that Superfast charges are being charged from the passengers even for the journey during which the train travels on the average of an ordinary train, the representatives of the Railway Board informed that :-

“There are Superfast trains. There are non-Superfast trains also. In Superfast trains, by and large, the services are better than the non-Superfast trains. We have both two different types of tariffs for Superfast and non-Superfast trains. If any train is not running on time then Indian Railways does not take its responsibility and the fare charged is probably one of the lowest in the world.”

Operating Ratio

91. The Operating Ratio for the year 2005-06 was proposed at 90.8 per cent in the Budget Estimates which was revised to 83.7 per cent at the Revised Estimate stage and for the year 2006-07 the Railways have proposed to achieve the operating ratio 84.3 per cent. While intimating the reasons for improvement in Operating Ratio for the year 2005-06 and for projecting higher Operating Ratio for the year 2006-07, the Ministry of Railway inter-alia stated that to bring in more transparency and better accounting practice, certain changes have been made in the accounting system relating to lease charges, as a result of which only the interest component of the lease charges (Rs.1699 crore) has been charged to operating expenditure and provision for capital component (Rs.1616 crore) has been made in Plan expenditure. This shift has resulted in a reduction of Rs. 1616 crore in the overall ordinary working expenses. This change has further lowered the operating ratio to 83.7% as against 86.6% that would have worked-out without the accounting charge.

92. A reduction of 3 per cent was also registered by adopting better accounting practices changes in accounting system, as announced by the Honble Minister in his budget speech. The promptness in making such changes in the accounting system and the salient features of the new accounting system as intimated by the Ministry of Railways are as follows:-

Indian Railway Finance Corporation (IRFC), the lessor is basically a financing arm for the railways to raise extra budgetary resources. The borrowed funds, i.e. loan from IRFC, are invested in procurement of rolling stock assets by the Ministry of Railways and the risks and rewards associated with the ownership of these assets always remain with Indian Railways. As such the lease arrangements with IRFC has all along been in the nature of a finance lease. Lease charges paid to IRFC consist of distinct capital component (repayment of loan) and interest component (finance charges), both of which were hitherto treated as operating expenditure.

93. The accounting treatment for finance lease revised in 2001 by Institute of Chartered Accountants of India (ICA) was adopted by the lessor, as a result of which only the outstanding receivable amount of loan and finance charges are being reflected in their books and the physical assets are no longer shown in their balance-sheet. The physical assets are thus to be reflected in the books of the lessee (IR) and only the finance component of lease charges is to be treated as an expense in their Profit and Loss account.

94. As per the considered professional opinion obtained by IRFC in February, 2005, keeping in view the basic principles of accounting and the emphasis in Railway accounts on maintaining separate accounts for revenue and capital transactions, the capital repayment component of the lease rental may be separated from the finance component and charged to a new Plan Head through appropriation from revenue. Since Indian Railways are a departmental undertaking and maintain accounts as per Government accounting practices, not subject to attest functions of ICAI, reflection of the assets in their books may be made as a footnote to the Balance Sheet indicating the value of assets taken on lease from IRFC and the capital repayment made during the year and cumulative to end of the year. This would reflect the real nature of the transactions in the accounts of IR ensuring proper transparent accounting in consonance with best accounting practices.

95. Accordingly, in June, 2005 the modifications proposed were referred to Controller General of Accounts (CGA) and Dy. Comptroller & Auditor General of India (C&AG/Railways) for approval and the approval was received in February, 2006. Accordingly, the modifications in the accounting system were made while projecting the Revised Estimates for 2005-06, so that the true nature of such transactions and contribution of such assets to railway revenues can be ascertained.

(ii) The details of lease charges paid for rolling stock during the last 3 years and the amount likely to be paid in 2006-07 (Budget Estimates), after effecting changes in the accounting system, is indicated below:

Year	Lease Charges paid to IRFC (Rs. in crore)		
	Capital component	Interest component	Total
2002-03	1188.59	1698.49	2887.08
2003-04	1213.39	1776.35	2989.74
2004-05	1311.25	1827.23	3138.48
2005-06 (RE)	1615.59	1699.41	3315.00
2006-07 (RE)	1720.12	1874.88	3595.00

96. The proposed changes in the accounting system do not affect the amount of lease charges paid to IRFC. The change is only regarding the treatment of this expenditure in the books of the Indian Railways, to the extent that capital component of the lease payment, which was till now being treated as operating expenditure, would henceforth be treated as capital expenditure and routed through Capital Fund.

(iii) The salient features of the changes proposed in the accounting system are:

- Charging of the capital component of the lease charges under a new minor head- 'Leased Assets – Payment of capital components of lease charges to IRFC' under the Major Head-5002 (Capital Outlay on Indian Railways-Commercial Lines), to be sourced from the Capital Fund of the Railways.
- Appropriation to Capital Fund through a new minor Head – 'Appropriation to Railway Capital Fund for payment of Capital Component of Lease charges to IRFC' under the Major Head 3001 (Indian Railway – Policy Formulation, Direction, Research & Other Miscellaneous organisation).

(iv) CGA has principally approved the changes proposed and advised that the new minor head under major head 5002 can be operated by the Department itself under provision of para 5.1 of General Directions of the List of Minor & Major Heads of Accounts (LMMHA). For the proposed new minor head under Major Head 3001 CGA has submitted a draft correction slip to Dy. C&AG/Railways. The proposal charging the capital component of lease charges payable to IRFC to Capital Fund has since been agreed to by the office of C&AG

of India. As regards proposal for appropriation to Capital Fund from Minor head 3001, the matter is under correspondence with the office of C&AG of India.

97. During evidence Financial Commissioner, Railway Board informed the Committee that earlier the lease charges were shown as revenue expenditure and when they consulted the Comptroller & Audit General of India as well as the Comptroller General of Accounts, the view emerged was that it was not correct to show the entire lease arrears paid to IRFC as revenue expenditure because it had got an element of principal repayment of the asset value also. When asked as to what was the need for adopting the system, the Financial Commissioner stated as under:-

“It has more transparency in accounting. Secondly, it is adoption of the law of the land, that is, the accounting practices followed by the country in respect of the companies as far as the IRFC is concerned; and in respect of the accounting practices in the Government.”

When asked whether the improvement in the operating ratio was due to efficiency of Railways or otherwise the Financial Commissioner, Railway Board admitted that this was merely a change in the accounting system which did not reflect the efficiency of the Railways.

Staff Strength

98. There has been a reduction in staff strength particularly in Groups C and D. In the year 1990-91 the total staff belonging to A, B, C and D categories was 16.52 lakh. It came down to 14.22 lakh in the year 2004-05. When asked about the reasons for reduction in staff and the reasons for keeping large number of vacancies unfilled, the Member Staff, Railway Board replied as under:-

“In 1990 we had 16.52 lakh regular staff and we also had 1.45 lakh casual labourers. So, the total staff strength in 1990-91 was 17.87 lakh. In the year 2004-05 it came down to 14.22 lakh. This year it is 14.08 lakh. This is the actual number of staff on the rolls. The sanctioned strength has also come down from 17.97 lakh to about 15.96 lakh as on March, 2005. It is true that there are a large number of posts lying vacant. But the Government of India legislated in the year 2001 saying

that we cannot fill up all the vacancies. We have all the time been registering our case saying that the Ministry of Railways is a unique Ministry. It is not only a Ministry, it is also an operational organisation. We run trains. There are a large number of sections where we lay new track, new lines, do gauge-conversions and doubling work and introduce new services. For all these things we require manpower. Therefore, there cannot be a continuous reduction in staff and we cannot go by the Government of India regulations. Somehow it was not accepted and they kept on saying that we have to go by the Government of India regulation. They said that the norms fixed for other Ministries apply to us also. So, only last year we made some promise that we will reduce the posts in a lumpsum. We agreed that we will reduce 65000 staff not from the men on the roll but what we had on the sanctioned strength. We would never have filled those vacancies. We have two means of filling up of vacancies. The first mode is through the Railway Recruitment Boards and the second is that we do substitute recruitment. We ask the General Manager to do some substitute for whatever period. Group D recruitment was not done for a long time. Earlier Group D recruitment was done from the casual labourers."

99. On being asked whether the DOPT were approached for relaxation of rules in regard to recruitment to one post and surrender of two posts, the Member Staff, Railway Board replied:-

"We had a meeting with the Department of Personnel and also the Cabinet Secretary. They have agreed that all safety category posts on the Indian Railways and all operational posts of Indian Railways will not be subjected to this reduction. This is about 7.5 lakh. So, out of that, we will be allowed to fill the vacancies that are there in this category, which is at the moment about 84000 vacancies."

100. When pointed out about the large number of vacancies in the running staff category, the Member Staff, Railway Board informed as under:-

"In Driver cadre, we have a total sanctioned strength of 69,000 on the Indian Railways. As on 31.03.2006, the vacancies are 10,069."

101. He further added that:-

Based upon that, 69,000 is the total cadre strength of Drivers, out of which approximately 10,000 is the number of vacancy last year alone, that is 2005-06. RRB have given a panel of 7,650. Now, these men have already been given to the Railways. They will go for training for about 39 weeks. Last year also, we had recruited 2,628. Prior to that 5,165. So, I think, within the next three or four months, when all the staff would be covered under training, the position of running staff will get sorted out easily.”

Recruitment

102. Special recruitment drive was launched by the Railways for filling up of vacancies in the reserved categories of SC/ST/OBC. When asked about the quantum of backlog of vacancies in each category and the details of recruitment drives launched during the last 3 years, the Ministry of Railways in their written reply informed that in pursuance of Railway Budget 2004-05 and Governments Common Minimum Programme, Special Recruitment Drive for clearing the backlog vacancies of Scheduled Castes (SCs) and Scheduled Tribes (STs) existing as on 31.03.2004 has been launched in the year 2004 which is still going on. The number of backlog vacancies of SCs and STs identified in the various Group of services on Indian Railways and the backlog vacancies cleared as on 31.12.2005 is mentioned below:-

Group	No. of backlog vacancies identified as on 31.03.2004			Backlog cleared as on 31.12.2005			Balance		
	SC	ST	Total	SC	ST	Total	SC	ST	Total
A&B	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C	1849	2274	4123	876	852	1728	973	1422	2395
D	2191	3467	5658	1315	1636	2951	876	1831	2707
Total	4040	5741	9781	2191	2488	4679	1849	3253	5102

103. Offer of appointment of 1831 ST candidates for recruitment in Group D through Railway Recruitment Board/Chennai are under issue. Further panel of 876 SC candidates for recruitment in Grade D through Railway Recruitment Board/Mumbai is expected to be ready by 31.03.2006. The recruitment drive is monitored at appropriate level so as to complete the same expeditiously.

104. However, the Special recruitment drive for filling up the backlog vacancies of Other Backward Classes could not be launched due to the limitation of 50% ceiling in filling of reserved vacancies in a year including the carry forward vacancies for which a reference has been made to DOP&T. Necessary action will be taken on receipt of final clarification from DOP&T.

Telescopic Benefit

105. The Committee observed that in case a passenger makes a break journey and travels from two different trains, he is not being given the telescopic benefit. When the Committee desired to know the reasons for the same, the Member (Traffic), Railway Board stated during evidence as under:-

"xxx At present we are following the principle of reducing the journey time and improving the average speed. Apart from these new trains, the existing trains people pay super fast charges. When I am able to reduce the journey time and increase the speed more than 55 kmph, people will have to pay super fast charges. This is not a separate things for these would be identified trains. As far as the other point which you are mentioning, we give telescopic benefit, say for goods train because suppose the goods trains starts from Delhi and goes up to Chennai, it has got two components of costs. One is fixed cost and the other is variable cost. Fixed is for terminal handling, unloading time and loading, unloading cost, shunting. Very huge time is required for loading and unloading. That is fixed cost and the variable cost goes on increasing along with the distance. So with increase in distance the apportioned fixed cost reduces. That is why in case of goods as well as passenger, basically we give telescopic benefit if the journey distance is long or if the lead of the goods train is longer. In case the passenger travels in the same train from distance 'A' to distance 'B' that distance's fixed cost reduces. So, we give telescopic benefit. That means his fixed cost is reduced with the increase in distance. So, he gets the benefit. But suppose somebody travels from station 'A' to station 'B' by a train and then breaks his journey and again by another train from distance 'B' to distance 'C', he uses two trains, so two trains' fixed cost are involved and railway incurs more. So, we have limited this booking with telescopic benefit from distance 'A' to distance 'B'. Suppose say Howrah to Amritsar he travels by the same train it is stopping at Asansol as well as stopping at Delhi and finally going to Amritsar, he gets telescopic benefit for the entire journey."

106. When the Committee desired as to why this change brought was not at the Budget stage, the Member (Traffic) informed the Committee that it had been done by Railway Board's order.

Opening of Container Business to Private Sector

107. The Minister of Railways announced a policy on 05.01.2006 to permitting various operators to move containers trains on Indian Railways. The scheme is open to all registered Indian Public/Private Sector Companies/persons either individually or in joint venture. It will also include Indian Registered Companies of foreign entities. In order to regulate the entry of new rail container operators on Indian Railway network, various routes have been grouped into four categories based on the existing as well anticipated traffic volumes on different rail corridors serving gateway port.

108. The Ministry of Railways have submitted that every applicant would be required to deposit a non refundable registration fee of Rs. 50 crore for applying for all categories of routes including category I and Rs. 10 crore for each individual category of routes except category I. Applications only for category I routes will not be accepted These four categories are as follows

- Category-I. JN Port/Mumbai Port-National Capital Region Rail Corridor and beyond.**
- Category-II. Rail corridors serving J.N. Port/Mumbai Port and its hinterland in other than National Capital Region and beyond.**
- Category-III. Rail Corridors serving the ports of Pipavav, Mundra, Chennai/Ennore, Vizag and Kochi and their Hinterland.**
- Category-IV. Rail corridors serving other ports like Kandla, New Mangalore, Tuticorin, Haldia/Kolkata, Paradip and Mormumgao and their hinterland and all domestic traffic routes.**

109. The validity of permission will be for a period of 20 years from the date of operation of container trains by the operator. The permission can be extended by 10 years to the same party after expiry of the validity of the permission subject to satisfactory performance and on payment of the fee as applicable at that time, which will be decided by the Railway Board. To provide level playing

field registration fee has also been taken from Container Corporation of India Limited. The container trains of various operators will normally be dispatched on a non-discriminating manner on 'first come first serve, basis. All operators will pay to the Railways haulage charges applicable uniformly to all operators, as notified/fixed by the Railways from time to time.

110. The Minister of Railways while presenting Rail Budget 2006-07 stated that their policy of permitting private parties to run container trains has been well received as such and 14 applicants have deposited Rs. 540 crore as registration fee. All the eligible applicants will be permitted to run container trains before 31st March, 2006 and a model concession agreement will also be prepared by the end of the current year i.e. 2005-06. He further added that Rail linked container depots and integrated logistic parks would have to be created to make container policy successful. Railways would encourage creation of such facilities under public private partnership schemes by making a transparent policy in a short time. With the help of this policy, they would be able to mobilize sizeable investments in container depots and container wagons.

111. Asked as to why the container traffic is being privatized when the Container Corporation is doing well, the Member Traffic, Railway Board submitted before the Committee as under:-

“As you might have noticed, the container traffic, particularly the export and import traffic is increasing over the last several years at a very high rate. It is of the order of 15 to 18 per cent. More this traffic grows, it indicates that the health of the Indian economy that means, our GDP is improving. Out of this total traffic, the Railways so far was having a share of 25 to 26 per cent only. We have been able to develop CONCOR, from a very shall organization to a reasonably big organization. But CONCOR has also a limited capital.”

112. In response to the suggestion of the Committee for increasing the capital of CONCOR by borrowing money from the market, he added:-

“For one particular organization to borrow and do all the business becomes difficult and it limits our sole purpose of opening up. The other reason is that there will be a lot of investment in this sector, making investment in purchase of rolling stock etc. CONCOR is operating within their limited resources. We expect that after this has been opened up to other players, the basic operation will still be with the Railways because movement is done by us. we will have to purchase a rolling stock and they will have to undertake the commercial activity because it is difficult for us to do the commercial job. CONCOR does it more efficiently than the Railways. We expect that the private players will do it more efficiently. They will invest a lot of money in building ICD and purchasing of rolling stocks so that the share of the Railways to the containerized traffic both export, import as well as domestic will increase.... They will operate at the terminals. They will procure the rolling stock and they will market it. Railways will run the trains on their behalf and will charge a fixed haulage charges.’

Demand No.16 - Assets – Acquisition, Construction and Replacement

113. Demand No.16 represents Plan expenditure which covers assets acquisition construction and replacement. This Plan expenditure is financed through three sources viz. Capital/Budgetary Support from General Exchequer, Internal Resources; and Extra Budgetary Resources in the form of Market Borrowings and Private investments.

X FIVE YEAR PLAN

114. For the X Five Year Plan of Railways, the Planning Commission approved a total Plan outlay of Rs.60,600 crore comprising of Rs.33,000 crore of internal generation of resources and market borrowings (54.5%) and Rs.27,600 crore (45.5%) of Capital/Budgetary Support from General Exchequer. Mid term appraisal of the Railways X Five Year Plan has been carried out and approved by the Planning Commission. The comparative analysis of the financial targets proposed (source-wise) and the actual targets likely to be achieved by the end of the Plan is given below:

Source of Funding	10th Plan Outlay Proposed	Likely to be achieved by end of 10th Plan
Gross Budgetary Support	27600	36935*
Internal resources & Market Borrowing	33000	45739
Total	60600	82674

*This include budgetary support for SRSF, diesel cess and national projects.

115. The objectives of the Railways' X Five Year Plan were as under:-

- Strengthening of the High Density Network – Investments towards building up capacity through National Rail Vikas Yojana and investment towards completion of sanctioned rail projects.

- Technological upgradation of assets for improving efficiency, throughput and increasing average speed of trains.
- Utilizing Information Technology for better customer interface.
- Improving safety of operations by replacement of over aged assets through Special Railway Safety Fund.
- Reduction in energy bill by direct purchase of power from Central Generating Agencies and joint ventures for setting up power plants with generating agencies.
- Mobilisation of additional resources through private/public participation in railway projects.
- To increase share of freight and passenger traffic during X Plan.

116. The comparative analysis of the physical targets projected under the Plan Heads viz. New Lines, Gauge Conversion, Doubling, Track Renewal, Rolling Stock including diesel locos, electric locos, EMU/DMU/MEMU coaches, ordinary coaches, LHB coaches and various categories of wagons, electrification and Road Safety Works like manning of level crossings and construction of road bridge/road under bridge and the actual achievement likely to be achieved at the end of the X Plan under these Heads is given below:

Main Plan Heads	Proposed Target for X Plan	Likely to be achieved by end of X Plan
New Lines (kms)	1310 kms.	1225 kms.
Gauge Conversion (kms)*	2365 kms	4388 kms.
Doubling (kms)	1500 kms	1417 kms.
Track Renewals (kms)	23000 kms.	23800 kms.
Railway Electrification (kms)	1800 kms.	1800 kms
Wagons (FWUs)*	65000	92000
Coaches	9161	10693 (incl. 392 LHB coaches)
EMUs	1965	1035
MEMU/DEMU	750	372 MEMUs 267 DEMUs
Diesel Locomotives	444	619
Electric Locomotives	343	523

* Does not include departmental wagons.

** Targets of gauge conversion were enhanced by Ministry of Railways to 4000 kms. during Mid Term Appraisal but the Report indicated 2365 kms. only as fixed originally. Targets for gauge conversion were proposed to be on higher side as based on availability of resources, the implementation of conversion had been speeded up, which was extremely slow during the IX Plan period due to severe resource constraints. There were no specific targets laid down for the road safety works in the X Plan document. However, based on internal targets, the likely achievements for the road safety works in the X Plan period is given below:

Manning of level crossing gates	984 No.s
Construction of road bridge/road under bridge	101 no.s

117. Regarding the achievement of physical targets, the Ministry of Railways have stated that at the time of Mid Term Appraisal of the X Five Year Plan, the Planning Commission did not change the targets for Railways set for the Plan. The physical achievement under gauge conversion will be slightly more as thrust has been given to expedite and complete the ongoing gauge conversion projects. Under new lines and doublings, the progress is expected to be slightly lesser. The new lines have the main delay in handing over the land by State agencies and forestry clearances whereas in case of doubling, the main reason has been slow progress/failure of contractors. There is likely shortfall in EMU manufacture since the total production was limited in terms of capacity of the Production Units. Proposed production of EMUs is being enhanced substantially from 2007-08 onwards to make good the shortfall.

118. Replying to the concern of the Committee Members that Railways are not able to complete the ongoing projects and rather taking up new projects, the Member Engineering, submitted before the Committee as under:-

“There are lot of such projects (New Lines) which are sanctioned. Their throw forward is about Rs. 25000 crore and are categorized in category IV. There is an requirement of Rs. 25000 to complete such projects within 5-7 years. As we do not have sufficient funds, first prioritized projects receive funds and comparatively less funds are allocated for these projects. Measures are BEING explored to fund these projects.”

119. Supplementing the Member Engineering, the Chairman Railway Board stated as under:-

“There is a requirement of about Rs. 25000 crore for category IV projects. A few days ago while appearing before the Railway Convention Committee regarding the rate of dividend, we submitted that everybody is willing to get the category IV projects completed. We suggested that we give about Rs. 4000 crore as dividend every year; if we continue to get the budgetary support at the present level and paying of dividend is stopped for 7 years, we can complete all such projects.”

National Rail Vikas Yojana

120. The “National Rail Vikas Yojana” envisages accelerating investment in rail infrastructure for removing capacity bottlenecks in the critical sections of the railway network at an investment of Rs. 15,000 crore over the next five years. The salient features of this Yojana which is a non-budgetary investment initiative, are strengthening of the Golden Quadrilateral and its diagonals, strengthening of rail connectivity to ports and development of multi-modal corridors to port/hinterland and construction mega bridges.

121. Responding to the concern of the Committee Members regarding the progress of projects entrusted to Rail Vikas Nigam Limited, the Member Engineering stated as under:-

“The total work that is identified is 52 in number, which would be executed by RVNL. Out of these 52 projects, some are already in progress there are 54 projects as on date and they are with the RVNL. ... Out of this, 16 needed separate financial appraisal because some of the projects were already approved and they are under execution by the Zonal Railways. Four were ADB projects which were appraised separately by the ADB. This comes to 16, the balance 38 was to be sanctioned afresh by preparing bankable study and detailed project report etc.”

Annual Plan for 2005-06

122. The Annual Plan for 2005-06 was proposed for a total outlay of Rs.15,349 crore comprising internal generation of resources of Rs.4,718 crore (25%), Market borrowings of Rs.3,400 crore (22%) and Capital from General Exchequer

of Rs.3821 crore (25%). In addition, Rs.711 crore (5%) were proposed from Safety Fund from Diesel Cess and Rs.3522 crore (23%) was expected to be provided from Special Railway Safety Fund, of which the support from the Ministry of Finance would be Rs.2,699 crore. At the Revised Estimates stage, the Annual Plan 2005-06 was increased to Rs.18,976 crore. The incremental amount included Rs.665 crore additional for National Projects, Rs.2434 crore under Capital Fund (internal resources) for financing various throughput enhancement works as also for payment of Capital component of Lease Charges payable to Indian Railway Finance Corporation, Rs. 443.40 crore to be raised by Rail Vikas Nigam Ltd. as market borrowing for investing in various railway projects.

123. The Budgetary Estimates and Revised Estimates for the year 2005-06 source-wise were as under:-

(Rs. in crore)

Allocation	Budget Estimates 2005-06	Revised Estimates 2005-06	Variation	Remarks
1	2	3	4	5
Capital	3821.00	4686.00	+865.00	The increase is an account of additional budgetary support received for financing of the National Projects.
Capital fund		2433.59	+2433.59	Improved financial position has enabled the revival of Capital Fund. this is being used to finance various throughput enhancement works and also for making provision of payment of Capital component of Lease Charges payable to IRFC under Plan expenditure due to change in accounting practices.
DRF	2650.00	3026.00	+376.00	The increase has been due to higher requirement to complete various targeted works.
SRSF	3522.00	3110.00	-512.00	Under utilized mainly on account of hold-up in the availability of certain critical material as also some scheduling problems in the progress of works.
DF	1200.19	1216.00	+15.81	The increase has been due to higher requirement to complete various targeted works.
RSF	710.81	710.81		No change
OLWR	45.00	50.00	+5.00	The increase has been due to higher requirement to complete various targeted works.
IRFC Bonds	3400.00	3843.40	+443.40	The increase has been on account of market borrowings undertaken by RVNL for financing various ongoing Railway projects.
Total	15349.00	18975.8		

124. Net Outlays provided in Revised Estimates 2005-06 (including contribution for SRSF) for various Plan heads were as under:-

(Rs. in crore)

Plan Heads	Revised Estimates	Budget Estimates
New Lines (Construction & Restoration)	1951.87	657.80
Gauge Conversion	1234.22	645.00
Doubling	674.69	505.39
Traffic Facilities – Yard Remodelling	413.58	486.19
Computerisation	185.22	160.00
Railway Research	25.15	43.00
Rolling Stock	5172.19	5159.00
Leased Assets – Capital Component	1615.59	..
Road Safety Works (Level Crossings)	299.98	300.00
Road Safety Works (ROB/RUB)	410.83	410.81
Track Renewals	2890.03	2623.00
Bridge Works	483.30	755.00
Signaling & Telecom Works	1164.13	1185.00
Electrification Projects	68.96	102.00
Other Electrical Works	184.05	186.00
Machinery & Plant	199.37	214.00
Workshops incl. Production Units	332.03	360.00
Staff Quarters	80.17	80.00
Amenities for Staff	96.83	93.00
Passenger & Other Users Amenities	273.54	222.00
Other Specified Works	220.46	232.00
Metropolitan Transport Projects	224.29	274.90
Inventories	181.91	161.91
Investment in Public Sector Undertakings	593.40	493.00

125. The physical targets fixed originally and likely to be achieved (revised) under various aforesaid plan heads along with reasons for variation as stated by the Ministry of Railways are as under:-

(Rs. in crore)

<u>Planhead</u>	<u>Units</u>	<u>Budget Target</u>	<u>Revised Target</u>	<u>Reasons of variation</u>
New Lines	Km	219	185	The main reasons for shortfall have been delay in handing over of land and supply of sleepers.
Gauge conversion	Km	980	825	
Doubling	Km	535	300	
Track Renewals	Km	4000	4000	No change
Electrification	Km	350	170	Due to natural calamities and also due to delay in yard remodeling works. However, the target of X Plan of 1800 Route kilometers will be achieved easily by the end of 2006-07.
Road Safety works -				
Manning of LCs	No	365	300	Manning of LCs involves creation of infrastructure like gate lodges, gate barriers, telcom connection with station, electrical works and posting of gatekeepers etc. Sometimes after creation of infrastructure, delay is caused due to non-availability of eligible and competent staff for working as gatekeepers.
ROBs/RUBs	No.	30	25	Construction of ROB/RUBs is the joint work of the Railways and concerned State Govts. in a number of cases the delay is caused due to delay in approval of plans, GAD, design, drawings & estimates by State Govts, problem faced by State Govt in acquisition of land, delay in finalization of approach alignment by State Govts, non-prioritisation of work by

				State Govts, meager allotment of funds/ constraints of funds with State Govts and delay in diversion of existing LC traffic to facilitate construction of ROB work under the control of State Govts.
Rolling stock (Numbers)				
- Diesel Locos		143	143	All out efforts are being made to achieve the production targets fixed.
- Electric Locos		113	128	
- EMU/DMU/MEMU		484	484	
- Ordinary Coaches		2202	2212	
- LHB Coaches		64	64	
- Wagons (in terms of 4- wheeler Units)		23300	18000	Poor performance by wagon manufacturers.

126. The Member Staff giving the details of the likely achievement of physical targets under various plan heads submitted before the Committee as under:-

“Railways have been able to complete 180 kms of new lines. 744 kms of gauge conversion and 231 kms of doubling during the year. this is against the revised targets for new lines of 185 kms. Against that we have achieved 180 kms. The revised target for gauge conversion was 825 kms and we have achieved 744 kms. The revised target for doubling was 300 kms and we have got 231 kms. The target of 170 kms of electrification has been achieved to the target and in case of track renewal of 4,725 kms.”

127. While replying to the serious concerns of the Committee regarding the low achievement under physical targets in spite of huge increase in allocation at the revised stage particularly under the Plan Heads viz. New Lines, Gauge Conversion, Doubling and Electrification, the Member Engineering, enumerated the following reasons for shortfall:-

“The reasons for shortfall are in fact three. Number one is and the Committee would recall that we have been talking about the problem of concrete sleepers. There was a problem in the fixing up of the contract. Finally, this contract could be only decided almost in the end of December, so, when the final contract was released, the parties took some time again to mobilize and all these things. So there has been some shortfall in this account. Second is that we had fixed a lot of targets on the Southern India and Southern India this year suffered from heavy rainfall and calamities... The third

reason is that we did not get the required land. The major shortfall in new lines have occurred in J&K projects.

128. He also added:-

“As the Chairman would also kindly recall, you had also requested, and you have been talking us to kindly give more funds to many projects. we were telling all the time that more funds should be made available. We were depending upon setting up of the Capital Fund by which we will be able to finally release money for different Railways to execute the work. The setting up of the Capital Fund could be finally decided only in the month of December. After the Winter Session it was cleared. Thereafter money was released. So, there was a time lag. The progress which should have been achieved could not be achieved.”

129. Supplementing the Member Engineering, the Financial Commissioner submitted:-

“Sir, the work season in this country is like that. For example, by the time the Parliament votes the expenditure, till that time we cannot enter into any serious commitments. Sometimes, it comes in June. Then, by the time we convey the sanctions to the various Railways, the monsoon season starts. So, the actual working season in Indian Subcontinent starts generally from September onwards.”

130. Appreciating the passing of Budget this year by the mid of March, 2006, the Member Engineering said:-

“This year is much batter. I would request the Committee to consider such a thing because this is the best thing.”

Road Safety Works

131. The construction of ROB/RUB works on cost sharing basis is a joint work of Railway and concerned State Govt. The Railway construct the railway portion of work i.e. bridge proper across the railway track and approaches by State Govt. Railway takes up the work in their portion after finalization of General Arrangements Drawings (GDA), estimate etc. and after starting of work by State Govt. on approaches. The allotment of funds under Road Safety Works (Road Over/Under Bridges) is utilized for construction of Railway portion of work. For approach works funds are provided by concerned State Govt.

132. Out of Rs. 710.81 crores, about Rs. 410.81 crores has been allocated for Road Safety Works (Road Over/Under Bridges) and Rs. 300 crore for Road Safety Works (Level Crossings) during the year 2005-06. Till Dec.05, about Rs. 51.33 crore and Rs. 59.55 crore has been spent for ROB/FUB works and level crossing works respectively.

133. Utilization of funds depends upon the physical progress of the works. In 2005-06, till end of Dec.2005, total 16 cost sharing ROB works has been completed on Indian Railway. As stated above construction of over bridges being a joint work of Railways and State Govt. completion thereof depends upon simultaneous construction of bridge portion as well as approaches' portion. Railway generally completes their portion of work but work on approaches lingers behind as the same is executed by respective State Govt. Which is generally delayed due to reasons mentioned below.

- ❖ Delay in finalization of approach alignment, General arrangement Drawings (GAD), estimates for approaches and acquisition land by State Govt./Local Bodies.
- ❖ Delay in diversion of existing road traffic through level crossing by State Govt. to facilitate taking up construction of ROB/RUB work.
- ❖ Constraints of fund with the State Govt. for these works.
- ❖ Sometimes State Govts. do not give necessary undertakings alongwith the proposal for ROB/RUB for closure of level crossing on completion of Over Bridge or even to bear their share of cost for the work etc.

134. However, all efforts are made by Railway for expeditious completion of sanctioned works. Periodic meetings are held by zonal railways with concerned authorities of State Govts. to resolve the various issues regarding construction of ROB/RUB.

135. Under Road Safety Works (Level Crossings) various safety related works such as manning of unmanned level crossings, basic infrastructure at level crossings, interlocking of level crossing gates, provision of telephone at manned level crossing gates etc. are executed. Progress of major level crossing safety works in 2005-06, is given as under:

Name of work	Target in 2005-06	Progress (upto Jan.06)
Manning of unmanned level crossings	365	183 LCs
Interlocking of level crossing gates	300	238LCs
Provision of telephone at Manned level crossings gates	300	202 Nos.

Wagon Production

136. Wagon production target for annual Plan 2005-06 has been revised from 23300 Four Wheeler Units (FWUs) to 18000 FWUs at the Revised Estimate stage due to the poor performance of most of the public sector wagon manufacturers as well as some private sector wagon manufacturers. This has necessitated the revision of the wagon manufacturing targets so as to avoid the surrender of funds under Rolling Stock programme at final modification stage.

137. Total 15458.5 wagons in terms of Four Wheeler Units (FWUs) have been manufactured upto the end of February 2006 and it is expected that Railways would be able to achieve the revised target of 18000 FWUs by the end of current financial year.

138. Responding to the reservation of the Committee whether the Railways would be able to achieve the targets of wagons procurement estimated in the Rail Budget 2006-07, the Member Mechanical stated as under:-

“Wagon industries claim that they can manufacture 40800 wagons during 2006-07. At present we have decided to order for 30-32 thousand wagons and kept a margin of 10000. I do not fully agree to the claim of 40000 wagons by the Industry. However, I am confident that the Wagon Industries will manufacture 30-32000 wagons and our target of 30000 wagons will be achieved.”

Special Railway Safety Fund

139. A Special Railway Safety Fund was created in 2001-02 to wipe out arrears of replacement and renewals of overaged Railway assets within a fixed time frame of six years. Rs. 12000 crore was to be provided by the Ministry of Finance and the balance 5000 crore was to be mobilized by the Railways. The year 2006-07 is the terminal year of this scheme. The details of the total allocation provided by the Ministry of Finance (year-wise) are as under:-

(Rs. in Crore)

Year	Actual allocation from MOF
2001-02	1000
2002-03	1350
2003-04	1600
2004-05	2975
2005-06	2499 (RE)
2006-07	1365 (BE)

Total 10,789.00 crore

140. The details of the allocation provided by the Ministry of Railways (year-wise) is as under:-

(Rs. in Crore)

Year	Actual contribution by MOR
2001-02	434.28
2002-03	1136.32
2003-04	983.74
2004-05	702.78
2005-06	511 (RE)
2006-07	875 (BE)

Total 4643.17 crore

141. The details of the expenditure incurred under the various plan heads (year-wise) are as under:-

Year	Track Renewal	Bridge Works	Signalling & Telcom	Rolling Stock	Other Specified Works	Other Electrical Works	Machinery & Plants	Total
2001-02	1106.6	44.15	155.92	127.61	0	0	0	1434.28
2002-03	1657.45	151.12	352.87	321.66	0	0.03	3.18	2486.31
2003-04	1611.58	155.71	493.23*	306.14	0.05	0.80	16.23	2583.74+
2004-05	1979.27	273.33	563.16	820.72	7.39	0.36	33.55	3677.78
2005-06 RE	1020.3	324.72	694.88	888.71	33.55	2.0	45.84	3010
2006-07 BE	391	400	800	575	35	8	31	2240

* Includes amount of Rs. (-) 0.90 crores for taking over P&T lines.

+ Includes amount of Rs. 0.03 crores incurred on Road Safety Works (Level Crossings) erroneously booked to SRSF, to be rectified.

Civil Engineering

142. On 1.4.01, 16538 km of track was due for renewal which was sanctioned under SRSF. Upto the end of 31.03.05 nearly 11741 km were renewed. For the current year a target of 1650 kms of works are not required in the changed scenario such as gauge conversion etc. The balance is planned to be completed in 2006-07 for which Rs. 491.00 cr has been allotted under SRSF for 2006-07.

Bridges

143. 2370 bridges have been planned and sanctioned for repair, rehabilitation and rebuilding under SRSF, out of which 1681 bridges have been completed upto end of 2004-05. Additional 325 bridges are likely to be completed in 2005-06. The most of remaining bridges shall be completed by end 2006-07 and only few numbers of bridges are likely to be spill over in 2007-08. The adequate fund (Rs. 403 cr) has been proposed in 2006-07 under SRSF.

144. Execution of rebuilding/rehabilitation of bridge works involve preparation of drawing, design, estimate and finalization of agency etc. some of the bridge works are taken up under running traffic condition with imposition of necessary speed restriction for safety of traffic.

145. In addition to various track works and other maintenance works going on in one section, large no. of bridge works can not be taken up simultaneously in same section. This may affect punctuality of traffic running in the section. It involves meticulous planning and analysis of various works before taking up bridge works in the field. During monsoon season progress of work gets slow down due to inaccessibility of the site and related problems. In view of above some of major bridge works likely to spill over in next financial year.

Electrical:

146. The arrears of replacement of overaged EMU coaches have been fully addressed under SRSF at a total cost of Rs. 755.80 cr.

Mechanical

Rolling Stock:

147. With respect of rolling stock, the arrears of replacement and renewal as identified are being taken care of through SRSF provisions except for certain specific type of Rolling Stock such as Metre Gauge Coaches and Self-propelled Accident Relief Trains. This is because of requirement of Metre Gauge Coaches in the numbers as visualized in 2001-02 (at the time SRSF was created) has reduced significantly, as a result of gauge conversion, and the design of the Self-propelled Accident Relief Trains have been upgraded from two car unit to high speed 3 car unit, which have been provided for separately as fresh sanctions.

Signalling & Telecommunication:

148. In respect of signaling & telecommunication assets connected with the safety, the SRSF has adequate provision for undertaking total replacement/selective renewal of assets which were overdue for replacement on the cut off date. In respect of stations on the 'E' route and Metre Gauge, since full provision could not be made available for total replacement, provision was kept only for selective renewal of badly worn-out out-door equipments line rod-run, wire-run and power supply. 1448 stations were sanctioned for total replacement, and 911 stations are sanctioned for selective renewal of overaged assets.

149. Responding to the concern of the Committee as to why the Budgetary Estimates (2005-06) under SRSF have been reduced by Rs.512 crore at the revised stage and the reasons for less allocation both by the Ministry of Finance and Ministry of Railways during the stipulated time of six years (2001-07), the Member Engineering, stated as under:-

“There are two manor reasons. The major reason has been that in some cases of bridges, we subsequently found on the final analysis that it was not necessary to replace them. They can serve the purpose. Therefore, we did not want to execute that work.”

150. Asked as to why the Ministry took three years to conclude that the bridges identified for repairs by the Special Task Force do not require repairs/replacement, the Member Engineering, submitted the reasons as under:-

“Let me explain it. What had happened is that in 2001, when we initially made an analysis, at that time we provided funds for repairing such and such bridges. So, accordingly in different years we provided the outlay for that work. Then, we made a serious review in 2005 between May and October and we found that whatever works which were more serious were already taken up, but, then, on very closer examination, we found that some bridges can serve the purpose and they need not be replaced even now. Now, if you ask me why you did not see that in 2001 and how you have become wiser in 2005, I have no answer for that. But the actual position is that we found out that these bridges will not required to be replaced or rebuilt. Therefore, we postponed some works for further analysis. We did a further analysis and in the month December-January we came to the conclusion, after taking more statistics and more advice from experts, that these bridges can serve the purpose and need not be replaced. This is the reason number one.

The reason number two was that we planned to complete some bridges by 2005-06 because in between you would recall there was a problem of steel prices etc. There was some kind of an overflow and we shifted some works to 2005-06 because girders were under fabrication and were not ready. They will be ready next year and so these bridges will be completed.

Then some works could not be completed in 2005-06 and their outlay has been shifted to 2006-07 and on some bridges we have consciously taken a decision after a very critical review that they will not be required to be replaced. So, you will find that there is some kind of a saving and, of course, some S & T work also could not be completed because supply of materials was not there and there was some problem in the country. That is why, the Minister stated in his Budget Speech that we may take one more year to complete all the works that were originally to be completed in 2007.”

151. The Financial Commissioner also added – “We will get this money from the Ministry of Finance. We can utilize that fund in the next two years.”

152. Underlining the strategy to meet the current and future accruals of replacement and renewals of overaged assets after the completion of SRSF, the Ministry submitted as under:-

Civil Engineering:**Track**

153. The track becoming due for renewal on age-cum-condition basis are sanctioned annually under DRF. It is assessed that nearly 2800 kms of track becomes due for renewal annually. Sufficient fund will be provided on annual basis to execute works to the above extent. In the year 2006-07, Rs. 3230.00 crore has been provided for track renewal works under DRF.

BRIDGES:

154. After termination of SRSF availability and fresh accrual of repair/rehabilitation/ rebuilding of bridges is being taken up under Depreciation Reserve Fund (DRF) in phased manner depending upon the availability of funds. About 1228 bridges have been planned for completion in 2005-06 under DRF out of which 864 bridges have been completed upto Jan. 2006.

Mechanical:**ROLLING STOCK:**

155. Rolling stock is always replaced on age-cum-condition basis. The age of the rolling is taken as a yardstick for planning replacements which are actually done based on the individual condition of the vehicle from structural aspects and safety point of view. since this is a continuous process, the planning for replacement of overaged assets after termination of SRSF is planned against the normal replacement procedure with matching final inputs.

Signalling & Telecommunication:

156. The sanctioned works under the SRSF are expected to be completed by 2007-08. In respect of assets in signaling & telecommunication becoming overdue for replacement subsequent to the certain SRSF, the Railways have been sending the proposals based on the codal life and condition of the assets in the field and works are being sanctioned depending upon the capacity of the Railways to execute the work which in turn would depend upon the availability of critical material and also availability of adequate number of competent contractors to take up the increased volume of works and availability of adequate

organisation on the Railways to handle the circuit design work, installation work and testing work (for which expertise is available only on the Railways and takes time to build up). The assets which have become overdue for replacement as on 2004, have been sanctioned for replacement. As of now, other than SRSF, the replacement works are in progress at 713 stations. Since SRSF work will taper off within the next two years, it is expected that the Railways will be able to step up the progress of replacement works and with matching additional financial inputs, it will be possible to make the replacement of overaged assets currently by 2010.

Annual Plan 2006-07

157. The Annual Plan for 2006-07 has been proposed for a total outlay of Rs. 23475 crore comprising internal generation of resources of Rs. 10794 crore (46%), extra-budgetary resources of Rs. 5170 crore (22%) and Capital from General Exchequer of Rs.5435.14 crore (29%). In addition, Rs. 710.86 crore (3%) has been proposed from the Railway Safety Fund which is funded from Railways' share of the Central Road Fund. An outlay of Rs. 2240 crore (10%) is expected to be provided for through Special Railway Safety Fund, of which the support from the Ministry of Finance shall be Rs. 1365 crore. The last two mentioned sources would, however, finance certain identified Plan Heads only.

158. The net outlay is to be utilized for the achievement of the physical targets indicated below:-

S. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2006-07	Quantifiable deliverables Physical Outputs	Processes/ Timelines	Remarks/ Risk Factors
1	2	3	4	5	6	7
1	New Lines	Expansion of Network	1510.00	550 km		
2	Gauge Conversion	Expansion of Network	1299.88	1100 km		
3	Doubling	Expansion of Network	1052.00	435 km		
4	Electrification projects		226.00	360 Route km		
5	Rolling Stock					
	Locomotives	Rolling Stock acquisition to augment carrying capacity	6800.14	271 Nos		
	Coaches			2307 Nos		
	Wagons (4-Wheeler unit)			25000 Nos.		

6 Signalling & Telecom (only major items)						
	Replacement works	Safety & Reliability	1518.00	450 Nos of stations		Delay in construction of service buildings. Shortage of contractors
	Track circuiting Rehabilitation works			1900 locations 300 Nos of stations		
	Automatic Block Signalling	Augmentation Line Capacity, Safety & Reliability		150 RKM		
	Anti Collision Device	Safety		182 RKM		Technology to be fine tuned shortage of vendors
				250 Block Sections		
	Block proving by Axle counters	Safety & Reliability				
	Train protection and warning system	Improve safety		280 RKM		
7	Bridge Works	Rebuilding/rehabilitation of bridges to improve safety as well as enhance throughput	590.00	1600 Nos.	All works sanctioned tenders invited/under finalization. Works to be taken up on award of contracts	Sometimes due to increase in steel costs, non-availability of steel/cement & non-availability of traffic restrictions/block, works get delayed.
8.	Track Renewals	Renewal of track	2922.00	4000 KM		
9.	Metropolitan Transport Works	Suburban Transport System	308.00	Balance portion of Chennai MRTS Phase II upto Vellachery is expected to be completed in 2006-07. Extension of Chennai MRTS from Vellacheri to St. Thomas Mount has been included in the budget. Works on three main projects, MRTS Chennai, extension of Metro Rail, Kolkata & MUTP Mumbai are in progress.		
10	Others	7248.86	This included Plan Heads, such as, Traffic facilities, Workshops, Inventories, Railway Research, payment of Capital Component of Lease Charges to Indian Railway Finance Corporation, etc., which are not amenable for quantification in a monitorable format due to a large number and varied nature of works under such plan heads. It is thus not possible to give single/summarised position of physical targets/outcomes for such Plan Heads. However, the outcome as a result of this investment along with other investments in the above mentioned Plan Heads is reflected in the physical targets given in Statement II			
11	Grand Total	23475.00				

Outcome Budget

159. Hon'ble Prime Minister, in his letter dated March 17, 2005 to all Union Ministries, stressed upon the importance of converting financial outlays into physical outcomes, with fixed quarterly measurable and monitorable targets, to improve the quantity of implementation of development programmes.

160. Responding to the aforesaid stress of Prime Minister regarding the conversion of outlays into real outcomes, the Ministry of Railways have stated that it is a complex process as some of the important steps in this conversion process are as under:-

- Outcome to be specifically defined in measurable and monitorable terms, intermediate outputs should also be defined wherever required.
- Standardizing unit cost of delivery
- Benchmarking the standards/quality of outcomes and services
- Capital building for requisite efficiency at all levels, in terms of equipment, technology, knowledge and skills.
- Ensuring flow of right amount of money at the right time to the right level, with neither delay nor "parking" of funds
- Effective monitoring and evaluation systems

161. Thus efficient conversion of outlays into outcomes would, therefore, require making the delivery systems effective with appropriate structures and process, strengthening financial management systems, increasing use of information technology and meaningful involvement of all concerned in critical decision making and implementation process.

162. In pursuance of the aforesaid call of Hon'ble Prime Minister underlining the need for conversion of financial outlays into physical outcomes, the Ministry of Railways have included in their Performance and Outcome Budget of Railways for 2006-07 some of the information relating to Outcome Budget in respect of Plan Outlays 2005-06 & 2006-07 as under:-

New Lines

163. During 2005-06 185 kms of new lines are likely to be completed. These include:-

- i. Chandigarh to Morinda of Chandigarh-Ludhiana already completed.
- ii. Hassan-Shravanabelagola of Hassan-Bangalore already completed.
- iii. Banka-Barahat of Deogarh-Sultanganj already completed.
- iv. Bishrampur-ambimapur
- v. Kolayat Phaladi (part.
- vi. Sanjauli-Bikramganj of Ara – Sasaram

164. For 2006-07, Railways propose to complete 550 kms of new lines including the following sections.

- i. Bikramganj– Sasaram of Ara – Sasaram
- ii. Muzaffarpur-sitamarhi
- iii. Keonjhar-Daitari (Tomka) of Banspani-daitari
- iv. Sakri Biraul of Sakri-Hassanpur
- v. Hathua-Bathua Bazar of Hathua-Bhatni
- vi. Udampur-Katra and Quazigund-Badgam of Udampur-Srinagar-Baramulla
- vii. Karimnagar-Jagityal of Peddapalli-Nizamabad

Gauge Conversion

165. During the current year 935 kms, of Gauge conversion is likely to be completed.

Completion of 1100 kms of Gauge conversion has been proposed in 2006-07 which include the following sections:-

- i. Gayanagar-Darbhanga of Jayanagar-Narkatiaganj
- ii. Senchoa-silghat of Lumding-dibrugarh
- iii. Secunderabad-Bolarum of Secunderabad-Mudkhed
- iv. Katihar-Barsoi of Jogbani-Katihar-Radhikapur\
- v. Ajmer-Chhitauraharh of Ajmer-Udaipur
- vi. Sonamukhi-Rainagar of BDR line
- vii. Tirunelveli-tiruchendur of Quilon-tirunelveli-Tiruchendur
- viii. Attur-Salem of Cuddalore-Salem
- ix. Mailadumturai-Villupuram of Thanjuavur-Villupuram
- x. Pudukotai-Karaikudi of Trichy-Manamadurai
- xi. Basavanabagewadi-Bagalkot of Solapur-Gadag
- xii. Mysore-Chamrajnagar
- xiii. Neemuch-Ratlam
- xiv. Samakhiali-Gandhidham of Gandhidham-Palanpur.

Doubling

166. During 2005-06, doubling of 538 kms- is likely to be completed while for 2006-07, a target of 433 kms has been fixed.

Railway Electrification

167. The electrification target of 350 route kms is expected to be achieved during 2005-06.

For 2006-07, electrification of 360 kms has been targeted covering the following sections:

- Cuttak-Raghunathpur
- Tirupati-Pakala-Katpadi
- Bangalore-Chenasandra via Yashwantpur & Hebbal
- Nizibabad-Moradabad
- Krishnanagar-Debagram
- Utratia-Lucknow-Malihabad
- Talchar-Angul

Suburban transport Projects

168. The extension of Kolkata Circular Railway from Priincepghat to Magerhat has been commissioned on 31.01.2006.

The extension of Kolkata Circular Railway from Dum Dum Cant to NSC Bose Airport will be completed soon.

Construction of Fright Corridor

169. The Rail Budget 206-07 has proposed to construct a dedicated multi-modal high axle load freight corridor with computerized control on Western and Eastern routes at an estimated cost of Rs. 22,000 crore. In the first phase of the Eastern Corridor Project, a separate freight corridor will be built from Ludhiana to Sonnagar via Ambala, Sharanpur, Khurja and Allahabad. The primary feeder routes from Sonnagar to Durgapur via Gomoh, Sonnagar to Tatanagar via Garhwa Road and Barkakana to Bokaro via Chandrapura will be upgraded in order to carry heavier trains of coal and steel traffic. The primary feeder routes will be converted to dedicated freight corridor at the appropriate time. The Western Corridor will start from Jawaharlal Nehru Port, Mumbai and will be routed via

Vadodra, Amhedabad, Palanpur, Jaipur and Rewari to Tuglakhabad and Dadri. Both the corridors will be joined by a link between Dadri and Khurja. The feeder routes of the Western Corridor connecting ports of Gujarat will be upgraded. An outlay of 2 crore each for both the Corridors has been proposed in the Rail Budget 2006-07.

170. Justifying the need of these special freight corridors, the Ministry submitted that Western Corridor have become over saturated with line capacity utilization ranging from 115 to 150%. The traffic from Western India ports to North India is also growing at a rapid rate over the past decade. This traffic is expected to almost triple in the next 15-20 years. The maximum number of trains on an average per day on Marwar-Palanpur Section (both ways) under realistic scenario will increase from present 24 to 75 by 2011-12 and 139 by 2021-22. Container traffic on the Western route is also projected to increase from appropriate 5 lakh TEUs in 2004-05 to 46 lakhs TEUs by 2021-22. To cater to the inevitable growth of EXIM container traffic to and from ports of Mumbai (JNPT), Kandla, Mundra, Pipavav and Hazira, it was necessary to strengthen the Western Corridor. On the Eastern Corridor major commodities moving towards Delhi/Punjab are large quantities of coal and iron and steel. The commodities moving towards Howrah are foodgrains, fertilizers, limestone, salt and general goods. Most sections from Mugalsarai to Khurja are over saturated with line capacity utilization ranging from 114 to 160 per cent. The existing capacity enhancement works will not be able to provide for the anticipated increase in freight traffic over the long term. Substantial increase in movement of coal and steel from Eastern region is projected to the Northern parts of the country. numbers of trains on Sonnagar-Mugalsarai Section (both ways) is likely to increase from present average of 64 trains to 127 by 2011-12 and 177 by 2-21-22. The total traffic on the corridor excluding container traffic is also projected to increase from 56 million tones in 2004-05 to 137 million tones by 2021-22. Considering the growth projected, Dedicated Freight Corridors is proposed on the Eastern route.

171. Asked as to how this Freight Corridor Project was conceived and whether any Perspective Plan was prepared in view of the fact that the Ministry did not visualize such thing while formulating X Five Year Plan, the Member Engineering, during the oral evidence, submitted before the Committee as under:-

“To the specific question as to when this freight corridor was conceived, you would recall that the hon. Minister while replying to the discussion on the supplementary budget had mentioned that a separate freight corridor is under consideration of the Government. Since then Prime Minister announced in the last Independence Day speech, that we are seriously considering it. The project was given a kind of formal shape and that is how we have done it. We have come to Parliament for the approval of two corridors to start with and the Minister has also said that this is not the end of it. We are as of now taking up these two projects. The idea would be to convert and create additional capacity in the golden quadrilateral and diagonals as well.”

172. Supplementing the Member Engineering, the Chairman, Railway Board, stated as under:-

“Sir, about three years ago, the Railway Board took a decision that the maximum pressure of running the trains is felt on Golden Quadrilateral and diagonals. We started calling them High Density Network. It was decided that majority of investments made by the Railways shall be in this network. Accordingly, in the works programme, the works which were suggested for these routes were given the topmost priority. Subsequently Delhi-Guwahati route was also included in this High Density Network and priority was given to that route as well. That was how our investments were being directed for the last three years till the issue of freight corridors came up. In addition to our investment in the High Density Network, we are now making investments in the Freight Corridor as well... We are now going ahead and we will be very soon asking RITES or any other organisation, to undertake more studies for Freight Corridors in other such super-saturated routes so that we can have segregation of freight traffic from the passenger traffic. I would say this is the beginning. We are also simultaneously working on preparing a Corporate Plan. It would, of course, find a place in our Corporate Plan as well... May I also add? We formed Rail Vikas Nigam Limited specifically for strengthening the Golden Quadrilateral, as also the port connectivity works.”

173. Regarding the funding and implementation of this premier project, the Ministry stated that the funding of the project is proposed to be through internal generation apart from raising funds through multilateral/bilateral agencies, long term loans, public-private partnerships and budgetary resources. A separate agency to implement the project is proposed. CCEA will be approached shortly for creating a Special Purpose Vehicle. (SPV). It is expected that the project will be completed and commissioned within 5 years after the SPV is set up. Feeder routes of approximately 2082 kms. on Western route and 2587 kms on Eastern route are identified and proposed to be strengthened for moving higher axle load wagons. The primary feeder routes from Sonnagar to Durgapur via Gomoh, Sonnagar to Tatanagar via Gerhwa Road and Barkakana to Bokari via Chandrapura will be upgraded in order to carry higher trains of coal and steel traffic needs. The primary feeder routes will be converted to Dedicated Freight Corridor at the appropriate time. The feeder routes of the Western Corridor connecting ports of Gujarat will be upgraded. A feeder route from Rewari to Ludhiana via Hissar will also be developed to serve the States of Punjab and Haryana. The cost of increasing the ballast cushion from 250 mm to 300 mm on the feeder routes is included in the cost of Dedicated Freight Corridor Project on both Eastern and Western routes. The works for upgradation of tracks on the feeder routes, if necessary, will form part of the track renewal works chargeable to DRF.

174. While explaining the strategy to implement the aforesaid Project, the Chairman, Railway Board stated as under:-

“Based on the survey, we got an assessment made and we found that it would be costing us approximately, Rs.22,000 crore, the project got approved by the Cabinet and has been included in the Budget. A total allocation of Rs.2 crore has been made for these projects. The next stages are; we will be putting final location survey for both these projects for which work is going on. RITES has been entrusted with this job. We hope that this work will be over by November-December, We will also be forming a Special Purpose Vehicle, a separate organisation will be entrusted with the task of carrying out planning, construction & train operation of these two corridors.

We are finalizing the financing plan of these corridors. Most of the financing will be raised through internal generation and market borrowing. Some financing may come from Budgetary support. The financing plan will also be ready in the next month or two."

175. The Chairman, Railway Board further added:-

"The said Freight Corridor will be constructed bye-passing the big cities. As soon as final location survey is completed we will send it to all the Ministries and the prospective industrialists so that the new industry may take place around this Corridor avoiding congestion and resultant inconvenience in these cities."

Leasing Policy of Brake and Parcel vans

176. With a view to maximum utilization of parcel space and thereby increase earnings, Railway had launched the scheme for leasing out parcel space in the year 1991. Parcel space in brake vans (SLRs) and parcel vans are given out on lease on contract basis for a fixed period to the highest bidder through the tender process. According to the Ministry of Railways leasing is the most economical way of handling parcels as Railways are fully assured of full earning capacity of parcel space irrespective of its actual utilisation. Similar scheme is applicable to leasing of Assistant Guards' cabin of front brake vans. The Ministry of Railway have further stated that Railways plan to reduce losses in parcel segment by two measures (i) leasing of parcel space in brake vans and parcel vans and (ii) converting the luggage portion of most of the passenger train SLRs which are not being utilized into general second class passenger carrying portion so that expenditure being incurred on empty haulage of SLRs alongwith train formation gets eliminated.

177. On being asked during evidence as to what changes in the scheme were proposed in the current years' budget, the Member (Traffic) informed the Committee as under:-

"Sir, earlier we used to lease the luggage portion SLR in the front and not the rear in popular trains where there is demand for rear portion SLR also. There are the compartments which we can lease. This is the addition. Then there is front brake van. The Guard is occupying the brake van portion and the rear SLR and front SLR, we were not leasing earlier that

also we have added. Now whosoever is interested can take it like courier service people etc. In addition, much more especially we are allowing leasing of VPUs in important trains provided there is capacity in that particular train to attach one additional VPU. These are changes from the past.”

178. When asked why the railways could not utilized the space themselves and why did they want to lease it out. The Member (Traffic) Railway Board stated during evidence as under:-

“Leasing out gives much better services. If I look it at the railway rate and if I can successfully lease it out, then I get much more.”

179. Elaborating further the Member (Traffic) stated as under:-

“Day to day the price fluctuate. The platforms also remain much more cleaner. It becomes the responsibility of the lease holder to load and unload. There are definite benefits. In addition to that we are also permitting round trip leasing of VPUs. These are the changes that have taken place in current year.”

RECOMMENDATIONS

X Five Year Plan

1. The Committee note that X Five Year Plan for the Railways was approved by the Planning Commission with an outlay of Rs. 60,600 crore comprising Rs. 27,600 crore from Gross Budgetary Support and Rs. 33,000 crore from Internal Resources & Market Borrowings. The objectives of the Plan were inter-alia to strengthen the high density network, build up capacity through National Rail Vikas Yojana, upgrade technological assets for improving efficiency, improve safety of operations by replacement of over aged assets, utilization of information technology for better customer interface and complete sanctioned rail projects. However, they find that in the terminal year i.e. 2006-07 the financial targets of the Plan are likely to be Rs. 82,674 crore consisting of Rs. 36,935 crore as Budgetary Support and Rs. 45,739 crore as Internal Resources and market borrowings resulting in 36 per cent increase in outlay as compared to the original plan outlay.

As against this phenomenal increase in financial outlay the physical achievement proposed under the Plan is not likely to be achieved except under the Plan Heads Track Renewals, Gauge Conversion and Rolling Stocks. The targets fixed under Plan Heads – New Lines and Doublings are not likely to be achieved as proposed in the Plan. The targets for New Lines likely to be achieved are 1225 kms as against proposed target of 1310 kms. Under Doubling the likely achievement is 1417 kms as against 1500 kms. An indepth study of the financial and physical targets fixed under the X Plan indicates that even after an increase of about 36 per cent in the financial targets, the Railways have not been able to achieve the originally envisaged physical targets. However, the targets under Rolling Stock are most likely to outnumber the originally proposed targets except in case of Electric Multiple Units (EMUs). It shows that the Railways did not adhere to their objectives enshrined in the Plan and rather gave more

importance to increase their carrying capacity instead of expansion of their network. The Committee are of the considered view that Railways need expansion of their network in an expeditious way to decongest the traffic on highly saturated routes. They, therefore, recommend that the Railways must accord utmost priority for the expansion and augmentation of rail network by completing all ongoing projects as early as possible. They further reiterate their earlier recommendation made in the 6th Report (14th Lok Sabha) for declaration of Bogibeel mega bridge and Rangia-Murkong-Selek (Gauge Conversion) projects as National Project.

Annual Plan 2005-06

2. The Annual Plan 2005-06 was revised to Rs. 18,975 crore from Rs. 15,349 crore, which shows an increase of Rs. 3,626 crore. According to Railways, this has been possible on account of additional budgetary support of Rs. 865 crore for financing National Projects, market borrowings of Rs. 443.4 crore by RVNL for financing various ongoing Railway projects and rest by improved internal generations. As a result of improved internal generation of resources, the Ministry of Railways revived their Capital Fund and appropriated Rs. 2,433.59 crore to this Fund to finance various throughput enhancement works and also to make provision for payment of capital component of lease charges payable to Indian Railway Finance Corporation (IRFC). Allocations under various important Plan Heads like New Lines, Gauge Conversion and Doubling were also substantially increased to Rs. 1951.87 crore from Rs. 658 crore, Rs. 1234.22 crore from Rs. 645 crore and Rs. 674.69 crore from Rs. 505 crore respectively at the revised stage. However, the physical targets proposed at the budgetary stage have been revised downwards at Revised Estimate stage particularly in respect of New Lines, Gauge Conversion, Doubling and Electrification in spite of the increased allocation. The targets for New Lines have been revised to 185 kms from 219 kms, for Gauge Conversion 825 kms from 980 kms, for Doubling 300 kms from 535 kms and for Electrification 170 kms

from 350 kms. Similarly, The Committee notice the inconsistent performance in the areas of road safety works viz. manning of unmanned level crossings and construction of Road Over/Under Bridges (ROBs/RUBs). In wagon production also the Railways are likely to achieve a target of 18,000 wagons as against a budgetary target of 23,300 wagons.

The reasons for poor performance in respect of New Lines, Gauge Conversion, Doubling and Electrification, as stated by the Railways, have been delay in handing over of land, delayed supply of sleepers and slow progress of contractors. Natural calamities have also been held responsible for less achievement under Electrification. However, the Committee do not find the aforesaid reasons fully tenable as the availability of funds which is generally considered a prima facie reason for less achievement, has been substantially increased at Revised stage in respective Plan Heads. The Committee do take cognizance of the fact that a lot of time is usually consumed in the process of finalization of contractual obligations and handing over of lands, which results in lesser achievement of targets fixed for that particular year. They are of the considered view that the reasons extended by the Railways are the direct result of their unscientific and perspective planning which has not helped the Railways to achieve the desired physical progress. Therefore, they desire that the Railways should fix their physical targets commensurate with financial targets.

The Committee appreciate the concept of Outcome Budget as stressed upon by the Hon'ble Prime Minister in his letter dated March 17, 2005 to all Union Ministers for converting financial outlays into physical outcomes. The Finance Minister also later on presented the Outcome Budget in the House in the month of August, 2005. In pursuance to this, the Committee recommend that the Ministry of Railways must invariably fix physical outcomes which can be measured and monitored on regular intervals of time so that the execution of

developmental programmes may not suffer. They also desire that to avoid such situations, the Railways should indicate their carry forward targets of the previous year separately in the next year Budget to ensure more transparency and accountability.

Special Railway Safety Fund (SRSF)

3. As sequel to the recommendations of Khanna Committee, the Ministry of Railways created a Special Railway Safety Fund in 2001-02 to wipe out the arrears of replacement and renewals of over aged assets within a time span of six years. The corpus of this fund was to be appropriated by the Ministry of Finance to the extent of Rs. 12,000 crore and Rs. 5,000 crore by the Ministry of Railways from its internal generations. By the end of the terminal year 2006-07, the Ministry of Railways would be able to mobilize Rs. 4642.57 crore and the Ministry of Finance Rs. 10,789 crore under this Fund thus leaving a shortfall of Rs. 1568.43 crore. The Ministry have informed during the evidence that the tenure of the fund has been extended by one year more and all the remaining works under this Head will be completed in 2007-08 by incurring the left over funds. However, the Committee are not fully satisfied with the pace of execution of works under this Head. The allocations made over the last five years to various work heads under this Fund have shown no consistency as per the priority and urgency of these works. The reasons such as problems of steel prices, delay in fabrication of girders, non requirement of replacement of some of the bridges after critical review etc. extended by the Ministry for slow progress of works particularly related with reconstruction of bridges and signaling & telecommunication works are not acceptable to the Committee. The Committee take serious view on the manner in which the Railways have executed the works under this Head. They strongly recommend that all the works contained in the Pink Book under the Head SRSF for replacement and renewals must be completed in letter and spirit by the end of the year 2007-08 positively.

Wagon Procurement

4. With the continued and substantial increase in the growth of freight traffic, the demand for more wagons has also increased simultaneously. The Committee find that the Ministry of Railways fixed a target of 23,300 Four Wheeler Units (FWUs) wagons at the Budget Estimate stage for the year 2005-06 but the target has been revised down to 18,000 wagons at the Revised Estimate stage. The reason given by the Ministry of Railways for this reduction was the poor performance of most of public and private wagon manufacturers. Against this revised target, they find that at the end of February, 2006 the Railways have been able to manufacture 15,458.5 wagons and are expecting to achieve a target of 18,000 (FWUs) wagons by the end of the year. The Committee further note that the Ministry have fixed a target of 30,000 wagons for the year 2006-07 and are quite hopeful to achieve this target. They were informed that the total manufacturing capacity of wagons as claimed by the wagon industries in the country is of the order of 40,000 wagons. The Railways are confident that the wagon industries would be able to manufacture 30000-32000 wagons during the year 2006-07. To meet the target of wagons, the Railways require around 2,40,000 wheels during the year 2006-07. The total manufacturing capacity in the country is about 2,00,000 wheels. Thus there would be a shortfall of 40,000 wheels. As a result the Railways will have to import around 40,000 wheels from abroad to meet their requirement. Keeping in view the poor performance of wagon manufacturing units both in public and private sector during 2005-06, it becomes quite expedient on the part of the Ministry to have a watch by holding regular and continuous coordination with the wagon manufacturers to ensure full procurement of wagons required during 2006-07. The Committee desire that there should not be any delay in placing the orders with wagon industries for procurement of wagons. They further desire that the decision with regard to the import of wheel requirement be decided at the earliest so that the manufacturing of

wagons may not get affected. They also desire that the manufacturing capacity of Rail Wheel Factory, Bangalore and Durgapur Steel Plant be increased from the present capacity so that in future there may not be any need for importing the wheels.

New Trains

5. The Committee note that the Minister of Railways has announced in his Budget Speech that 55 new trains would be introduced during the year 2006-07. Out of these 55 proposed new trains, 7 trains are to be introduced on such sections where gauge conversion works are in progress at present and are likely to be completed by 2007-08. The Ministry of Railways have submitted before the Committee that these trains would be introduced after the completion of gauge conversion works and most probably would be completed during the financial year 2006-07 itself. However, the Committee have reasons to believe considering the poor past track records of the Ministry with regard to the execution of gauge conversion works, the proposed new trains would not be able to run on these sections by the end of the financial year 2006-07. The Committee have raised this matter in their previous Reports also. They are of the considered view that introduction of the new trains should be announced only after completing the ground work so that the general public is not subjected to disappointment at a later stage.

Upgradation of Trains

6. The Committee notice that 2006-07 has been declared by the Railways as '*Year of Passenger Service with Smile*' and in pursuance of this a number of steps have been proposed to provide various important services to the commuters. Conversion of Mail/Express trains to Superfast trains has been declared as one of the components of these measures. The Minister of Railways in his Budget Speech 2006-07 has announced to convert 200 Mail/Express trains into Superfast trains by increasing their speed. The representatives of the Ministry of Railways

submitted before the Committee that the average speed of a Superfast train is around 55 kmph whereas in case of Mail/Express train it has been assessed between 45-50 kms. The Committee note that there is no qualitative and quantitative difference in passenger amenities being offered in both Mail/Express and Superfast trains. They further notice that the passengers traveling in AC and ordinary sleeper coach by Superfast trains are being charged additional Rs. 30 and Rs. 20 respectively per passenger in the name of Superfast charge.

The Committee are constrained to note that although the Railways have not increased the fare of passenger trains while converting them into Superfast ones but are levying additional charges on the rail commuters even though the train runs at a speed lower than the speed of Superfast train which is evident from Railway time table. Such indirect increase in fare is not understandable to the Committee. The Railways have also levied Service Tax on rail tickets of Mail/Express and Superfast trains and catering charges in Rajdhani and Sbhatbdi trains from 1st April, 2006 after the Rail Budget 2006-07 was passed by Parliament. The Committee disapprove such policy of the Railways putting additional burden on the rail commuters without declaring such hikes in the Budget itself in a transparent way. They strongly recommend that the Railways should refrain from adopting such deceptive practices of passing of additional burden on rail commuters by way of converting Mail/Express trains into Superfast Trains without enhancing any substantial convenience and amenities to the passengers. They also deprecate the policy of the Railways for levying additional charges just after the passing of the Rail Budget without taking the approval of the Parliament.

Recruitment and Staff Strength

7. The Ministry of Railways are the largest employer after the Ministry of Defence. As per the Railways, the actual staff strength of all categories as on March, 2005 has been assessed at about 14.22 lakh against the sanctioned strength of 15.96 lakh. Out of this sanctioned strength, safety category has the maximum stake of 7.5 lakh. The Committee notice that safety category itself has around 84000 vacancies. Every year three percent employees are retiring and out of this one per cent vacancies are being filled up and the remaining two percent posts are being surrendered as per the guidelines of the DOPT. The Ministry submitted before the Committee that they had approached the DOPT for the exemption of the aforesaid guidelines atleast for filling of vacant posts in the safety category and the Ministry of Personnel acceded to the request of the Railways. They have also informed the Committee that the vacant posts in the safety category would be filled up in due course. The Committee hope that these vacant posts will now be filled up at the earliest.

Presently recruitment of Group C and Group D posts in the Railways and its Production Units is being done through 19 Railway Recruitment Boards (RRBs) located all over the country as per the indent of recruitment of posts furnished by the Zones/Divisions and the Production Units. Each RRB conducts recruitment independently on different dates. This has resulted in multiplicity and duplicity of applications causing great inconvenience not only to the exam conducting agencies but to the examinees also. The Committee in their 17th Report (13th Lok Sabha) had recommended inter-alia that all RRBs must ensure a common advertisement of all posts of each categories and hold a written exam on a single day to avoid multiplicity and duplicity of applications and to benefit at large the local people of the areas. They had further opined that it would be much easier and practical if the recruitment of Group D posts be made local based.

However, it has not happened till date. Having a holistic view of the ground realities and taking into account the aspiration of the local people, the Committee strongly recommend again that the recruitment of Group D posts be done from local areas only. They are of the considered view that this will go a long way not only compensating the local people but inculcating in them a sense of belongingness to the Railways. They are fully convinced that it can be executed by holding a written exam by respective RRBs on a single day.

Telescopic Benefit

8. The Committee note that the Railways have recently withdrawn the facility of telescopic benefit from the onboard commuters who catch connecting train from station(s) enroute. As a result the passengers have to pay more now, if they catch one or more trains enroute instead of a single train to the destination. The Committee find such withdrawal of telescopic benefit as unwarranted and unhealthy practice. They, therefore, desire that the telescopic benefit which was earlier given to the passengers be restored henceforth with.

Financial Performance

9. The Committee are happy to note that the Railways have been able to excel their financial performance during the years 2004-05 and 2005-06. The Railways have achieved a freight target of 668 million tonnes against a Budgetary target of 635 million tonnes projected during the financial year 2005-06, which shows an increase of about 10.72 per cent over the freight loading achieved during the previous year. In the passenger sector also the growth has been 9.4 per cent over the passenger traffic of the previous year i.e. 2004-05. The freight revenues have shown a growth of 18.2 per cent over the freight earnings achieved during the year 2004-05. Similarly, 6.5 per cent growth is likely to be achieved in passenger earnings as compared to that of the previous year 2004-05. The Committee desire that the

Railways must keep up this performance in future also without becoming complacent of what they have achieved so far.

Operating Ratio

10. The Committee observe that the Railways are anticipating to improve their operating ratio to 86.7 per cent for the year 2005-06 as compared to 91.2 per cent in 2004-05. Further improvement of 3 per cent growth in operating ratio is likely to be achieved as a result of some changes made by the Railways in their accounting system which was necessitated due to procedural requirements and the operating ratio at the end of the financial year 2005-06 is likely to be 83.7 per cent. During the examination the Ministry have informed the Committee that the lease charges (principle/capital component) which used to be a part of ordinary expenses has been made a part of capital expenditure since 2005-06 which has resulted in improvement of 3 per cent in the operating ratio and this does not count the efficiency of the Railways as such. Keeping this into account, the Committee desire that the Railways should further improve their operating ratio by increasing their internal generation and reducing undesirable expenditure.

Freight Corridors

11. The Committee have noted that the Railways proposed to construct a dedicated multi--modal high axle load Freight Corridor with computerized control on Western and Eastern routes with an estimated cost of Rs.22,000 crore. The Eastern Corridor (2587 kms., double lines) will be constructed from Ludhiana to Sonnagar and the Western corridor (2082 kms., double line) will be constructed from Jawahar Lal Nehru Port, Mumbai to Tughlakabad. Both the Corridors will be joined by a link between Dadri and Khurja. The feeder routes of these Corridors will also be upgraded. The projects is expected be completed and commissioned within 5 years after the Special Purpose Vehicle (SPV) is setup. The Ministry have informed the Committee that the

funding of the project is proposed through internal generation apart from raising funds through multilateral/bilateral agencies, long term loans, public-private partnerships and budgetary resources. They further informed that a separate agency under the administrative control of the Ministry would be created to implement the project and to this effect Cabinet Committee on Economic Affairs would be approached shortly for creating a SPV which will be entrusted with the task of carrying out planning, construction and train operation of these Corridors. A provision of Rs. 2 crore each for both the Corridors has been kept in the Rail Budget 2006-07 and the Ministry have engaged RITES to carry out final location survey for both these projects. The financing Plan of the project would be ready in the next two months.

Regarding the strengthening of the Golden Quadrilateral and Diagonal routes, the Ministry has informed that the Rail Vikas Nigam Limited has been formed specifically for strengthening the Golden Quadrilateral and Port connectivity works and the investment in the Freight Corridors will be an additional investment in this regard. The Ministry further stated that they would be preparing their Corporate Plan which will contain the details of their future Plan. The Committee do welcome the idea of special Freight Corridors in an effort to decongest the already over saturated primary feeder routes and improve the efficiency in the freight traffic business. However, they are equally concerned over the way the concept of Special Freight Corridor emerged without any mention of it in X Plan document and conscious for strengthening of Golden Quadrilateral and Diagonal routes and feeder routes connecting commercial Ports. They are also concerned over the efficiency and the strategy of the Railways to implement the proposed Freight Corridors project. Taking a holistic view of the entire spectrum of the concept of Freight Corridor, they recommend that the Railways must connect Kolkata also with the Eastern Freight Corridor as it being a port and hub of industrial activity in the Eastern sector will definitely serve the objectives of the proposed Freight Corridors. They

also recommend that the Railways must continue their efforts to strengthen the Golden Quadrilateral & Diagonal routes and feeder routes to Ports in addition to investment on special Freight Corridors proposed. Simultaneously, they desire that the Railways must finalise their Corporate Plan and Special Purpose Vehicle (SPV) at the earliest for carrying out the aforesaid Freight Corridor project. The Committee also desire that while finalizing the Special Purpose Vehicle due consideration may also be given to Public Sector Units such as NTPC, SAIL, etc.

Privatization in Container Business

12. The Committee note that till recently the Container Corporation of India Ltd. (CONCOR) used to be the sole operator under the administrative control of the Ministry engaged in moving container trains on Indian Railways. However, Minister of Railways announced a policy on 05.01.2006 to permit various Indian Public/Private Sector Companies/persons either individually or in joint venture registered in India to move container trains on the four categorized routes. The Minister of Railways while presenting Rail Budget 2006-07 informed the House that the policy of permitting private parties to run container trains had been well received so far and 14 applicants had already deposited Rs. 540 crore as registration fee. He also added that all the eligible applicants would be permitted to run container trains before 31st March, 2006 and a model concession agreement would be prepared by the end of 2005-06. He further added that rail link container depots and integrated logistic parks would have to be created to make container policy successful and transparent. A policy to create such facilities under public private partnership schemes would be made shortly.

The representatives of the Ministry of Railways emphasizing the reasons for privatization of container traffic submitted before the Committee that the export and import container traffic is increasing at

a very high rate to the order of 15 to 18 per cent over the last several years and the CONCOR has a limited capital to sustain such growth. He further added that the private players would invest a lot of money in building Inland Container Depots (ICDs) and purchasing rolling stock so that the share of containerized traffic both export and import would increase.

The Committee, having gone into the depth of the matter of privatization of container traffic have reasons to believe that opening of container traffic to private players would open the door for unhealthy business tactics which would ultimately decimate an organization like CONCOR which has been nurtured with the public money and has been consistently performing well in consonance with the mandate assigned to it. The Committee are apprehensive that by privatizing the container traffic, it would have an adverse economic impact on the health of the CONCOR. In view of this, the Committee strongly recommend that instead of opening further entry of private players in the container traffic, Railways must concentrate on further enhancing the carrying capacity of the CONCOR by increasing its capital base.

Leasing out of SLR/BRAKE Vans

13. The Committee observe that Railways have taken various measures for rationalizing and modernizing SLR/Brake vans. These include leasing out of front and rear SLR and liberal leasing of Parcel Vans. Though the Committee appreciate the contention of the Railways that these measures will help in earning more revenues and better cleanliness at the platforms, they are afraid that the Railways have not given a thought to the interests of workers presently engaged in handling this job. They, therefore, desire that before taking a final decision in the matter of leasing of SLRs a scheme to watch the interests of these workers be formulated so that their interests are not harmed due to leasing out of SLRs.

Integration of Railway Protection Force

14. The Railway Protection Force, was created by 'The Railway Protection Force Act, 1957' with the mandate for better protection and security of the Railway property. This Act was amended in 1985 and it was made specific that this Force will be an armed force of the Union to regulate matters connected with Railway property and matters connected therewith. It also made specific that the command, supervision and administration of the Force shall vest in the Director-General [Section 8 (1), of 1985 Act.] It further clarified that subject to the provision of sub-section (1), the administration of the force, within such local limits in relation to a railway as may be prescribed shall be carried on by an Inspector-General, Additional Inspector-General or a Deputy Inspector General in accordance with the provisions of this Act and of any rules made thereunder and they shall, subject to any direction that may be given by the Central Government or the Director General in this behalf discharge their functions under the general supervision of the General Manager of the Railway. This Act was further amended in 2003 but no change was made in the administration and superintendence of the force.

The Committee note that a desired level of compatibility and coordination between the Railway Protection Force and the Railway Administration has not been perceived well over the years and as a result the coveted objectives of the Railways have not been efficiently addressed to. They, therefore, desire that a mechanism be evolved so that Railways and RPF may function more homogeneously.

Suggestions of Members

The Committee also recommend that the suggestions made by the Members of the Committee at Annexure may be implemented in letter in spirit.

NEW DELHI;
22 May, 2006
1 Jyaistha, 1928 Saka

BASUDEB ACHARIA
Chairman,
Standing Committee on Railways

ANNEXURE

**STATEMENT SHOWING THE SUGGESTIONS MADE BY THE MEMBERS OF
THE STANDING COMMITTEE ON RAILWAYS DURING THE
CONSIDERATION OF REPORT ON DEMANDS FOR GRANTS (2006-07) OF
THE MINISTRY OF RAILWAYS ON 19.05.2006**

SL. NO.	NAME OF MEMBER	SUGGESTIONS MADE BY THE MEMBERS
1	2	3
1.	Shri Dhirender Agarwal	(i) Laying of Railway line from Gaya to Tori via <u>Chatra</u> . (ii) Completion of Chirimiri line on which Railways have already incurred huge expenses on earth work, Bridges and Stations.
2.	Shri Subrata Bose	(i) Completion of doubling of Chandpara to Bongaon line (Sealdah-Bongaon line). (ii) Completion of doubling of Barasat-Hasnabad line.
3.	Shri Giridhar Gamang	(i) Extension of Naupada-Gunupur line from Gunupur to theruvali (on Rayagada-Titlagarh section).
4.	Smt. Paramjit Kaur Gulshan	(i) New Express Train from Delhi to Bhatinda and Ferozpur & back via Rohtak & Jhakkhal. (ii) Construction of Foot Over Bridge at Mansa Railway Station.
5.	Shri Mahesh Kanodia	Provision of sufficient funds for gauge conversion of Mehsana-Patan line and for new Railway line from Patan to Bhildi during 2006-07.
6.	Shri Kishan Singh Sangwan	(i) Provision of funds for Jind – Sonapat Railway line. (ii) ROB at Sonapat which is already sanctioned be constructed at the earliest. (iii) New train for Gannaur to New Delhi (up & down) to be started.

1	2	3
7.	Dr. Arun Kumar Sarma	(i) Gauge Conversion of Dangari-Saikhowa section of N.F. Railway in Tinsukia Div. (5.9 km.) only. (ii) Declaration of Dhemaji and Lakhimpur Station of Rangia Division as model station. (iii) Survey of Kamakhya-Sarthebari new line.
8.	Shri Tarini Kanta Roy	(i) Double line from New-Jalpaiguri to New Bongaigaon <u>via</u> Jalpaiguri New Cooch Behar. (ii) Running Uttar Banga Express daily from New Cooch Behar to Sealdah. (iii) Extension of Haldibari-Mekhliganj new line upto Changrabandha.

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

The Committee sat on Friday, the 17th March, 2006 from 1500 hours to 1700 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Subrata Bose
3. Shri Kishan Lal Diler
4. Smt. Paramjeet Kaur Gulshan
5. Shri Anwar Hussain
6. Mohd. Tahir

RAJYA SABHA

7. Smt. Kamla Manhar
8. Shri Lalit Kishore Chaturvedi

SECRETARIAT

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

Representatives of the Ministry of Railways (Railway Board)

- | | | |
|----|--------------------------|--|
| 1 | Shri J. P. Batra | Chairman, Railway Board & Ex-officio
Principal Secretary to the Govt. of India. |
| 2. | Shri R. Sivdasan | Financial Commissioner, Railways &
Ex-officio Secretary to the Govt. of India. |
| 3. | Shri R.R. Jaruhar | Member Engineering, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 4. | Shri S.B. Ghose Dastidar | Member Traffic, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 5. | Shri R.R. Bhandari | Member Mechanical, Railway Board |
| 6. | Shri R.S. Varshneya | Member Staff, Railway Board |

2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry of Railways to the sitting of the Committee. Thereafter, the Committee took evidence of the representatives of the Ministry of Railways on the subject – 'Demands for Grants 2006-07'. The evidence remained inconclusive. The Committee decided to hold their next sitting on 21st March, 2006.

3. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE EIGHTEENTH OF STANDING COMMITTEE ON
RAILWAYS (2005-06)**

The Committee sat on Tuesday, the 21st March, 2006 from 1500 hours to 1700 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

- 2 Shri Dharendra Agarwal
- 3 Shri Subrata Bose
4. Shri Bapu Hari Chaure
5. Shri Kishan Lal Diler
6. Shri Giridhar Gamang
7. Shri Mahesh Kanodia
8. Shri C. Kuppusami
9. Mohd. Tahir

RAJYA SABHA

10. Smt. Kamla Manhar
11. Maulana Obaidullah Khan Azmi
12. Shri Lalit Kishore Chaturvedi
13. Shri Tarini Kanta Roy

SECRETARIAT

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

Representatives of the Ministry of Railways (Railway Board)

- | | | |
|----|--------------------------|--|
| 1 | Shri J. P. Batra | Chairman, Railway Board & Ex-officio
Principal Secretary to the Govt. of India. |
| 2. | Shri R. Sivdasan | Financial Commissioner, Railways &
Ex-officio Secretary to the Govt. of India. |
| 3. | Shri R.R. Jaruhar | Member Engineering, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 4. | Shri S.B. Ghose Dastidar | Member Traffic, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 5. | Shri R.R. Bhandari | Member Mechanical, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 6. | Shri Ramesh Chandra | Member Electrical, Railway Board &
Ex-officio Secretary to the Govt. of India. |

2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry of Railways to the sitting of the Committee. The Ministry of Railway made a visual presentation on proposed Dedicated Freight Corridors. Thereafter, the Committee took further oral evidence of the representatives of the Ministry of Railways on the subject – 'Demands for Grants 2006-07'. The evidence remained inconclusive.

3. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

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

The Committee sat on Monday, the 24th April, 2006 from 1500 hours to 1700 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

2. Smt. Paramjit Kaur Gulshan
3. Shri Anwar Hussain
4. Shri Kishan Singh Sangwan
5. Shri Iqbal Ahmed Saradgi
6. Dr. Arun Kumar Sarma
7. Mohd. Tahir

RAJYA SABHA

8. Shri Harendra Singh Malik
9. Shri Abani Roy

SECRETARIAT

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

Representatives of the Ministry of Railways (Railway Board)

- | | | |
|----|--------------------------|--|
| 1. | Shri R. Sivdasan | Financial Commissioner, Railways &
Ex-officio Secretary to the Govt. of India. |
| 2. | Shri R.R. Jaruhar | Member Engineering, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 3. | Shri S.B. Ghose Dastidar | Member Traffic, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 4. | Shri Ramesh Chandra | Member Electrical, Railway Board &
Ex-officio Secretary to the Govt. of India |
| 5. | Shri R.R. Bhandari | Member Mechanical, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 6. | Shri R.S. Varshneya | Member Staff, Railway Board &
Ex-officio Secretary to the Govt. of India. |

2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry of Railways to the sitting of the Committee. Thereafter, the Committee took oral evidence of the representatives of the Ministry of Railways on the subject – 'Demands for Grants 2006-07'. The evidence remained inconclusive.

3. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

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

The Committee sat on Tuesday, the 25th April, 2006 from 1500 hours to 1700 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri A. Sai Prathap
3. Shri Dharendra Agarwal
4. Shri Subrata Bose
5. Shri Kishan Lal Diler
6. Smt. Paramjit Kaur Gulshan
7. Smt. Kalpana R. Narhire
8. Shri Rajendrasinh Rana
9. Shri Iqbal Ahmed Saradgi
10. Dr. Arun Kumar Sarma
11. Mohd. Tahir

RAJYA SABHA

12. Shri Harendra Singh Malik
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 |

Representatives of the Ministry of Railways (Railway Board)

1. Shri R. Sivdasan Financial Commissioner, Railways &
Ex-officio Secretary to the Govt. of India.
 2. Shri S.B. Ghose Dastidar Member Traffic, Railway Board &
Ex-officio Secretary to the Govt. of India.
 3. Shri Ramesh Chandra Member Electrical, Railway Board &
Ex-officio Secretary to the Govt. of India
 4. Shri R.R. Bhandari Member Mechanical, Railway Board &
Ex-officio Secretary to the Govt. of India.
 5. Shri R.S. Varshneya Member Staff, Railway Board &
Ex-officio Secretary to the Govt. of India.
2. The Committee took further oral evidence of the representatives of the Ministry of Railways on the subject – 'Demands for Grants 2006-07'. The evidence remained inconclusive.
 3. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE TWENTY FIRST SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (2005-06)**

The Committee sat on Thursday, the 4th May, 2006 from 1500 hours to 1715 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

7. Shri Ajaya Kumar
8. Shri Kishan Lal Diler
9. Smt. Paramjit Kaur Gulshan
5. Shri Anwar Hussain
6. Shri Rajendrasinh Rana

RAJYA SABHA

7. Shri Karnendu Bhattacharjee
8. Shri Lalit Kishore Chaturvedi
9. Shri Harendra Singh Malik

SECRETARIAT

1. Shri A.K. Singh - Joint Secretary
2. Shri V.S. Negi - Director

Representatives of the Ministry of Railways (Railway Board)

- | | | |
|----|--------------------------|--|
| 1. | Shri J.P. Batra | Chairman, Railway Board & Ex-officio
Principal Secretary to the Govt. of India. |
| 2. | Shri R. Sivdasan | Financial Commissioner, Railways &
Ex-officio Secretary to the Govt. of India. |
| 3. | Shri R.R. Jaruhar | Member Engineering, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 4. | Shri S.B. Ghose Dastidar | Member Traffic, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 5. | Shri Ramesh Chandra | Member Electrical, Railway Board &
Ex-officio Secretary to the Govt. of India |
| 6. | Shri R.R. Bhandari | Member Mechanical, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 7. | Shri R.S. Varshneya | Member Staff, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 8. | Shri A.K. Suri | Director General (RPF) |

2. The Committee took further oral evidence of the representatives of the Ministry of Railways on the subject – ‘Demands for Grants 2006-07’. The representatives of the Ministry clarified the various points raised by the Chairman and the Members of the Committee. They were also directed to furnish the requisite information to the Committee Secretariat within 5 days, replies to which was not readily available with them. The evidence concluded.

3. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE TWENTY SECOND SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (2005-06)**

The Committee sat on Friday, the 5th May, 2006 from 1100 hours to 1320 hours in Committee Room No.53, Parliament House, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

10. Shri Ajaya Kumar
11. Shri Kishan Lal Diler
12. Smt. Paramjit Kaur Gulshan
5. Shri Anwar Hussain
6. Shri Rajendrasinh Rana
7. Shri Kishan Singh Sangwan
8. Dr. Arun Kumar Sarma
9. Mohd. Tahir

RAJYA SABHA

10. Shri Karnendu Bhattacharjee
11. Shri Lalit Kishore Chaturvedi
12. Shri Harendra Singh Malik
13. Shri Abani Roy

SECRETARIAT

1. Shri A.K. Singh - Joint Secretary
2. Shri V.S. Negi - Director

Representatives of the Railway Associations

All India Railwaymen's Federation

1. Shri Umraomal Purohit - President
2. Shri Rakhal Das Gupta - Asstt. General Secretary
3. Shri S.G. Mishra - Asstt. General Secretary

National Federation of Indian Railwaymen

1. Shri Guman Singh - President

2. At the outset, the Chairman welcomed the Members and the representatives of the Railway Associations to the sitting of the Committee. Thereafter, the Committee had a discussion on the subject – 'Public-Private Participation in rail infrastructure and Staff matters in the Railways' with the office bearers of the Association i.e. the All India Railwaymen's Federation and National Federation of Indian Railwaymen. The discussion concluded.

3. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE TWENTY THIRD SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (2005-06)**

The Committee sat on Friday, the 19th May, 2006 from 0930 hours to 1000 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

13. Shri A. Sai Prathap
14. Shri Bapu Hari Chaure
15. Shri Kishan Lal Diler
16. Shri Giridhar Gamang
17. Smt. Paramjit Kaur Gulshan
7. Shri Anwar Hussain
8. Shri C. Kuppusami

RAJYA SABHA

9. Shri Lalit Kishore Chaturvedi
10. Shri Su. Thirunavukkarasar
11. Shri Tarini Kanta Roy
12. Shri Harendra Singh Malik

SECRETARIAT

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

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up for consideration the draft Report on Action Taken by the Government on the recommendations/observations contained in the 5th Report on 'Safety & Security in Indian Railways' and adopted the same without any modification.

3. The Committee authorized the Chairman to finalise the Report and present the same to the House.

4. The Committee deferred the consideration of the Draft Report on 'Demands for Grants 2006-07' of the Ministry of Railways to the next sitting to be held on Monday, the 22nd May, 2006.

The Committee then adjourned.

**MINUTES OF THE TWENTY FOURTH SITTING OF STANDING
COMMITTEE ON RAILWAYS (2005-06)**

The Committee sat on Monday, the 22nd May, 2006 from 1500 hours to 1545 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri A. Sai Prathap
3. Shri Subrata Bose
4. Shri Bapu Hari Chaure
5. Shri Anwar Hussain
6. Shri Mahesh Kanodia
7. Dr. Arun Kumar Sarma

RAJYA SABHA

8. Shri Karnendu Bhattacharjee
9. Shri Lalit Kishore Chaturvedi
10. Shri Su. Thirunavukkarasar
11. Shri Tarini Kanta Roy
12. 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. At the outset, the Chairman welcomed the Members to the sitting of the Committee. Thereafter, the Committee considered the draft Report on 'Demands for Grants (2006-07) of the Ministry of Railways' and adopted the same with minor modifications as reproduced in the Annexure.

3. The Committee also authorized the Chairman to finalise the aforesaid Report 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.

ANNEXURE

**ADDITIONS/CHANGES MADE BY THE STANDING COMMITTEE ON
RAILWAYS IN DRAFT REPORT ON 'DEMANDS FOR GRANTS 2006-07'
OF THE MINISTRY OF RAILWAYS**

Sl.No.	Page No.	Para No.	Line	Addition/Deletion
1.	79	1	6	<p>Add the following lines –</p> <p>They further reiterate their earlier Recommendation made in the 6th Report (14th Lok Sabha) for declaration of Bogibeel mega bridge and Rangia-Murkong-Selek (Gauge Conversion) projects as National Projects.</p>
2.	83	4	1	<p>Add the following lines –</p> <p>They also desire that the manufacturing capacity of Rail Wheel Factory, Bangalore and Durgapur Steel Plant be increased from the present capacity so that in future there may not be any need for importing the wheels.</p>
3.	88	11	31	<p>Add the following lines –</p> <p>The Committee also desire that while finalizing the Special Purpose Vehicle due consideration may also be given to Public Sector Units such as NTPC, SAIL etc.</p>