

**STANDING COMMITTEE ON RAILWAYS
(2006-07)**

FOURTEENTH LOK SABHA

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**DEMANDS FOR GRANTS
(2007-08)**

TWENTY SEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2007/, Vaisakha 1929 (Saka)

REPORT**STANDING COMMITTEE ON RAILWAYS
(2006-07)****FOURTEENTH LOK SABHA****MINISTRY OF RAILWAYS
(RAILWAY BOARD)****DEMANDS FOR GRANTS
(2007-08)**

Presented to Hon'ble Speaker on 25.04.2007

Presented to Lok Sabha on 26.04.2007

Laid in Rajya Sabha on 26.04.2007



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2007/, Vaisakha 1929 (Saka)

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As on 19.04.2007**STANDING COMMITTEE ON RAILWAY (2006-07)****Shri Basudeb Acharia - Chairman****MEMBERS****LOK SABHA**

2. Shri Prasanna Acharya
3. Dr. Dharendra Agarwal
4. Shri Atiq Ahamad
5. Shri S. Ajaya Kumar
6. Shri Ramdas B. Athawale
7. Shri Bapu Hari Chaure
8. Shri H.D. Devegowda
9. Shri Kishan Lal Diler
10. Shri Giridhar Gamang
11. Shri Anwar Hussain
12. Shri Mahesh Kumar Kanodia
13. Ch. Lal Singh
14. Shri Ananta Nayak
15. Shri Laxmanrao Patil
16. Shri A. Sai Prathap
17. Shri Kishan Singh Sangwan
18. Shri Iqbal Ahmed Saradgi
19. Shri K. Subbarayan
20. Shri C.H. Vijayashankar
21. Vacant *

RAJYA SABHA

22. Shri Karnendu Bhattacharjee
23. Maulana Obaidullah Khan Azmi
24. Shri Satyavrat Chaturvedi
25. Shri Lalit Kishore Chaturvedi
26. Shri Shreegopal Vyas
27. Shri Tarini Kanta Roy
28. Shri R. Kamraj
29. Shri Isam Singh
30. Shri Harendra Singh Malik
31. Shri Abani Roy

* Shri Sunil Kumar Mahato, MP expired on 04.03.2007

SECRETARIAT

1.	Dr. (Smt.) P.K. Sandhu	-	Additional Secretary
2.	Shri A.Louis Martin	-	Joint Secretary
3.	Shri V.S. Negi	-	Director
4.	Shri Arun Kumar Kaushik	-	Deputy Secretary-II
5.	Shri Vinay Barwa	-	Executive Officer
6.	Smt. Archana Srivastva	-	Sr. Executive Assistant

INTRODUCTION

I, the Chairman of the Standing Committee on Railways (2006-07), having been authorised by the Committee to present the Report on their behalf, present this Twenty Seventh Report of the Standing Committee on Railways (2006-07) on 'Demands for Grants (2007-08) of the Ministry of Railways'.

2. The Committee took evidence of the representatives of the Ministry of Railways on 19th & 20th March, 2007 and 4th, 5th, 11th & 12th April, 2007. The Committee also heard the views of representatives of National Federation for Indian Railwaymen (NFIR), All India Railwaymen Federation (AIRF) and All India RPF Association on 12th April, 2007.

3. The Committee considered and adopted the Report at their sitting held on 20th April, 2007. Minutes of the related sittings are given in appendix to the Report.

4. The Committee wish to express their thanks to the officers of the Ministry of Railways (Railway Board) 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 (2007-08).

5. The Committee also wish to express their thanks to the representatives of National Federation for Indian Railwaymen (NFIR), All India Railwaymen Federation (AIRF) and All India RPF Association for appearing before the Committee and placing their views before the Committee.

NEW DELHI;
25 April, 2007
5 Vaisakha, 1929 Saka

BASUDEB ACHARIA
Chairman,
Standing Committee on Railways

REPORT**CHAPTER - I****IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS**

The 20th Report of the Standing Committee on Railways on "Demands for Grants – 2006-07 of the Ministry of Railways" was presented to Lok Sabha on 23rd May, 2006. The Report contained 14 recommendations/observations.

1.2. In compliance of the Direction 73-A of the Directions by the Speaker, the Minister of State in the Ministry of Railways made a statement in the House on 18th December, 2006 giving the status of the implementation of various recommendations/observations made by the Committee in their 20th Report. An analysis of the Minister's statement showed that out of 12 recommendations have been accepted (1 partially accepted), by the Government. Out of these, only 2 recommendations at Sl. No. 8 and 9 were found implemented by the Government and remaining 10 recommendations at Sl. Nos. 1, 2, 3, 4, 5, 7, 10, 11, 13 and 14 are under process for implementation.

1.3. On the basis of Action Taken replies received from the Ministry of Railways on the above mentioned Report, the Committee presented their 26th Report (Action Taken Report) to Parliament on 15th March, 2007. The Committee in their 26th Report have commented on the Action Taken Replies furnished by the Ministry in respect of recommendations contained in the 20th Report at Sl. Nos. 1, 2, 4, 6 and 12. The final Replies thereon are awaited from the Ministry. 11 recommendations/observations (Nos. 1, 2, 3, 4, 5, 7, 8, 9, 10, 11 and 14) were accepted by the Ministry. In respect of reply to recommendation/observation at S.No. 13 which has been partially accepted by the Government, the Committee desired not to pursue the same in view of the reply furnished by the Ministry. Recommendations/observations at Sl. Nos. 6 and 12 were reiterated by the Committee as the replies of the Ministry thereon were not found satisfactory by the Committee.

CHAPTER-II

DEMANDS FOR GRANTS - 2007-08

The Indian Railway is the world's largest government railway. The Railway functions as a vertically integrated organization providing Passenger and Freight Services. It is a single system which consist of 63,332 route km. of track that criss cross the country, on which more than 17,395 number of trains ply, carrying more than 15 million passengers and hauling nearly 2 million ton of freight everyday, thereby contributing to the economic growth of the country and at the same time promoting national integration.

2.2. As compared to road transport, the railway has a number of intrinsic advantages as it is five to six times more energy efficient, four times more efficient in land use and significantly superior from the standpoint of environment impact and safety. Indian Railway, therefore, rightly occupies pride of place in the growth and development of the nation. The formation of policy and overall control of the railways is vested in Railway Board headed by the Chairman and ex officio Principal Secretary to the Government of India. The system is managed through 16 Zones and 67 operating divisions.

BUDGET AT A GLANCE FOR 2007-08

2.3. The Budget at a Glance as given in the Explanatory Memorandum on the Railways Budget for 2007-08 is as follows:-

(Rupees in crore)				
Actuals 2005-06	Budget 2006-07	Description	Revised 2006-07	Budget 2007-08
54,491.38	59,978.00	1. Gross Traffic Receipts	63,220.00	71,318.00
		2. Miscellaneous Receipts		
436.49	568.93	(a) Interest on Fund Balances	665.86	820.24
748.60	750.00	(b) Receipts from Safety Surcharge on Passenger Fares	850.00	..
1,042.58	1,078.15	(c) Subsidy from General Revenues towards dividend relief & other concessions	1,212.23	1,276.00
32.95	27.87	(d) Other Miscellaneous Receipts	30.04	28.23
2,260.62	2,424.95	(e) Total Miscellaneous Receipts	2,758.13	2,124.47
56,752.00	62,402.95	3. Total Receipts	65,978.13	73,442.47
35,029.53	38,300.00	2. (a) Ordinary Working Expenses	38,400.00	43,008.00
281.91	272.50	(b) Less Operating Losses on Strategic lines	309.00	321.00
34,747.62	38,027.50	(c) Net Ordinary Working Expenses	38,091.00	42,687.00
6,940.00	7,790.00	3. (a) Appropriation to Pension Fund	7,416.00	8,650.00
25.48	15.97	(b) Interest on Pension Fund balances	18.12	33.36
6,965.48	7,805.97	(c) Total Appropriation to Pension Fund	7,434.12	8,683.36
3,604.00	4,307.00	4. (a) Appropriation to Depreciation Reserve Fund	4,108.00	5,350.00
171.24	203.59	(b) Interest on Depreciation Reserve Fund balances	175.37	146.46
3,775.24	4,510.59	(c) Total Appropriation to Depreciation Reserve Fund	4,283.37	5,496.46
45,291.62	50,124.50	5. Total Working Expenses [2+3(a)+4(a)]	49,615.00	56,687.00

748.60	750.00	6. Miscellaneous Expenditure		
42.80	50.00	(a) Appropriation to Spl. Railway Safety fund	850.00	..
329.11	373.35	(b) O.L.W.R.	60.00	60.00
1,120.51	1,173.35	(c) Other Miscellaneous Expenditure	389.90	493.66
		(e) Total Miscellaneous Expenditure	1,299.90	553.66
46,608.85	51,517.41	7. Total Expenditure [2+3+4+6]	51,108.39	57,420.48
10,143.15	10,885.54	8. Net Revenue [3-7]	14,869.74	16,021.99
3,286.83	3,480.23	9. (a) Dividend Payable to general Revenues	3,579.26	3,908.54
663.00	663.00	(b) Payment of Deferred Dividend	663.00	664.00
3,949.83	4,143.23	(c) Total Dividend Payment	4,242.26	4,572.54
6,193.32	6,742.31	10. Surplus/Shortfall [8-9]	10,627.48	11,449.45
1,852.98	960.00	11. (a) Appropriation to Development Fund	1,880.00	2,359.00
186.48	187.23	(b) Interest on Development Fund balances	251.40	287.75
4,033.03	5,432.94	12. (a) Appropriation to Capital Fund	8,274.66	8,396.17
53.29	162.14	(b) Interest on Capital fund balances	221.42	354.01
67.54	..	13. Appropriation to Railway Safety Fund
..	..	14. Appropriation to Special Railway Safety Fund	..	52.52
83.2%	83.8%	15. Operating Ratio	78.7%	79.6%
15.4%	14.6%	16. Ratio of Net Revenue to Capital-at-Charge and investment from Capital Fund	19.6%	18.0%

DEMANDS FOR GRANTS FOR THE YEAR 2007-08

2.4. The estimates of expenditure from the Consolidated Fund included in the Budget Statement and required to be voted by the Lok Sabha are submitted in the form of Demands for Grants. There are 16 Demands for Grants of Railways – Demands 1 to 15 dealing with Revenue expenses, appropriation to the funds and dividend payment and Demand 16 dealing with Works expenditure. Demands for Grants of the Railways for 2007-08 are given in the following statement :-

(Rs. in crore)

No. of Demand	Name of Demand	Total Demand	
		Voted	Charged
1.	Railway Board	95.44	..
2.	Miscellaneous Expenditure (General)	390.77	..
3.	General Superintendence and Services on Railways	2502.08	.0078
4.	Repairs and Maintenance of Permanent Way and Works	4494.18	.8810
5.	Repairs and Maintenance of Permanent Way and Works	2414.85	.0025
6.	Repairs and Maintenance of Motive Power	4904.24	.0500
7.	Repairs and Maintenance of Plant and Equipment	2516.71	.0239
8.	Operating Expenses – Rolling Stock and Equipment	3479.22	.0205
9.	Operating Expenses - Traffic	6962.20	.3978
10.	Operating Expenses – Fuel	12289.21	2.5000
11.	Staff Welfare and Amenities	1929.98	.2000
12.	Miscellaneous Working Expenses	2011.40	45.7546
13.	Provident Fund, Pension and Other Retirement Benefits	8228.67	.6948

14.	Appropriation to Funds	25637.92	..
15.	Dividend to General Revenues, Repayment of loans taken from General Revenues and Amortization of Over-Capitalization	4572.54	..
16.	Assets – Acquisition, Construction and Replacement		
	Revenue	60.00	..
	Other Expenditure		
	Capital	27121.69	<i>10.9800</i>
	Railway Funds	18137.35	<i>6.9500</i>
	Railway Safety Fund	1050.62	<i>.0700</i>
	Special Railway Safety Fund	1930.50	..
	Total	130729.57	68.5329

CHAPTER-III
OPERATING PERFORMANCE

A. Traffic Receipts

The details of the actuals 2005-06, Budget & Revised Estimates 2006-07 and Budget Estimates 2007-08 of Gross Traffic Receipts as given in Explanatory Memorandum are as below:-

(Rs. in crore)

Details	Budget 2005-06	Budget 2006-07	Revised 2006-07	Budget 2007-08
Passenger – Upper Class	2693.60	3174.80	3079.61	3553.39
Passenger – Second Class	12432.40	13625.20	14320.39	16521.61
Total Passenger Earnings	15126.00	16800.00	17400.00	20075.00
Other Coaching Earnings	1152.56	1400.00	1726.00	2200.00
Goods Earnings	36286.97	40320.00	42299.00	46943.00
Sundry Other Earnings	1839.03	1308.00	1695.00	2000.00
Total Earnings	54404.56	59828.00	63120.00	71218.00
Suspense	86.82	150.00	100.00	100.00
Gross Traffic Receipts	54491.38	59978.00	63220.00	71318.00

3.2 The Committee observed that the estimates of Gross Traffic Receipts for the year 2006-07 budgeted at Rs. 59,978 crore were revised upward to Rs. 63,220 crore at the Revised Estimate stage. On being asked as to what were the factors which enabled upward revision of Gross Traffic Receipts by Rs. 3242 crore, the Ministry of Railways in a written reply stated as under:

“The budgeted passenger earnings for 2006-07 envisaged a growth of 11% against which the Railways were achieving a growth of nearly 14% upto December, 2006-07. Based on this trend, the revised estimates for 2006-07 have been increased to Rs. 17,400 crore i.e. an increase of Rs. 600 crore.

Similarly, the budgeted growth for other Coaching Earnings was kept at 18.6% against which the Railways were achieving a much higher growth of nearly 49% up to December, 2006 mainly because of the liberalized parcel policy. Accordingly, the revised target under this segment has been increased.

Under Goods, while the budgeted target for loading has been retained at 726 MT in the RE, the earnings have been increased in view of the higher growth rate of 17.4% being achieved up to December, 2006 as against the budgeted growth of around 11%.

The Railways has launched special initiatives to improve the sundry earnings during 2006-07 by focusing on increasing revenues from advertising, licence fees, siding charges etc. Hence, the earnings from these have also been increased by Rs. 387 crore in the RE.

As a result, the Gross Traffic Receipts for 2006-07 have been proposed at Rs. 63,200 crore.”

3.3 When asked about the actual Gross Traffic Receipts till the end of February, 2007 the Ministry informed the Committee that as on 28.02.2007, Total Traffic Earnings was Rs. 55,644 crore. The Committee desired to know whether the Railways would be able to achieve the remaining target of Rs. 7,576 crore of Gross Traffic Receipts during the month of March, 2007. The Financial Commissioner, Railway Board during evidence stated:

“Regarding the gross traffic earnings, we are still to get the returns from various stations, but still it appears that we may end up with Rs. 17,200 crore as of now in passenger earnings. It may also increase. Against other coaching earnings, which was Rs. 1453 crore, we are sure to reach around Rs. 1600 crore. Against goods earnings, which was Rs. 37589 crore, we are hopeful of reaching around Rs. 2000 crore. Against sundry and other earnings, which was Rs. 1186 crore, we might touch about Rs. 1400 crore. The total will come to about Rs. 62500 crore, and it will only increase. We are still to get the final figures, and it will only improve.”

3.4 The Committee observed that as per the Revised Estimates, growth in respect of Gross Traffic Receipts for the year 2006-07 an increase of 16% is envisaged as compared to actuals of 2005-06. However, the Budget Estimates for Gross Traffic Receipts growth for the year 2007-08 are expected to decelerate to 13% when compared with financial results as envisaged in the revised estimates of 2006-07 and the budgetary surplus after payment of dividend in 2007-08 is anticipated to growth at 8% as against 72% projected in Revised Estimates, 2006-07.

“The detailed financial results as envisaged in the Revised Estimates, 2006-07 vis-à-vis Actuals, 2005-06 and Budget Estimates, 2007-08 are given as under:

	Actuals, 2005-06	Revised Estimates, 2006-07	Growth over 2005-06	Budget Estimates, 2007-08	Growth over R.E., 2006-07
Passenger earnings	15,126.00	17,400	15%	20,075	15%
Other coaching earnings	1,152.56	1,726	50%	2,200	27%
Goods earnings	36,286.97	42,299	17%	46,943	11%
Sundry other earnings	1,839.03	1,695	(a) 30%	2,000	18%
Total traffic earnings	54,404.56	63,120.00	16%	71,218.00	13%
Suspense	86.82	100.00	15%	100.00	..
Gross Traffic receipts	54,491.38	63,220.00	16%	71,318.00	13%
Ordinary working expenses	34,747.62	38,091.00	10%	42,687.00	12%
Appropriation to D.R.F.	3,775.24	4,283.37	13%	5,496.46	28%
Appropriation to Pension Fund	6,965.48	7,434.12	7%	8,683.36	17%
Total working expenditure	45,488.34	49,808.49	9%	56,866.82	14%
Net Revenue	10,143.15	14,869.74	47%	16,021.99	8%
Surplus after Dividend	6,193.32	10,627.48	72%	11,449.45	8%

(a) Actuals, 2005-06 includes one time receipts of around Rs. 540 crore on account of registration fees from private parties registering for container routes. This element has been excluded to assess actual growth in sundry earnings.

Traffic receipts are expected to grow at 13% as per Budget Estimates, 2007-08 as compared to 16% in 2006-07 and the budgetary surplus after payment of dividend in 2007-08 is anticipated to grow at 8% as against 72% projected in Revised Estimates, 2006-07.

Passenger earnings in Budget Estimates, 2007-08 projected at Rs. 20,075 crore imply a growth rate of 15%, at par with the growth rate envisaged in the Revised Estimate, 2006-07 and as such, there is no deceleration.

Freight loading target for 2007-08 has been set at 785 million tones which reflects an incremental freight loading of 59 million tonnes. However, taking into account the impact of modification in freight structure announced in Budget, 2007-08 freight earnings have been assessed at Rs. 46,943 crore which imply a growth rate of 11%. Modification announced in freight structures are briefly given as under:

- Highest class of freight reduced from Class 220 to Class 210
- Classification of certain Minerals and Ores reduced from Class 170 to Class 160
- Wagon load class rates upto Class LR₁ reduced from Class 150 to Class 120
- Freight rates for Diesel and Petrol reduced by 5%.

Major thrust has been given in the Revised Estimates, 2006-07 to achieve a growth of 50% in other coaching earnings and 30% in sundry earnings. Other coaching and sundry earnings for 2007-08 have been assessed on a higher base and accordingly, Budget Estimates, 2007-08 of these two segments reflect a growth of 27% and 18% respectively.

Taking above into account, the budgeted target of Gross Traffic Receipts for 2007-08 works out to Rs. 71,318 crore implying a growth of 13% over the Revised Estimates, 2006-07.

The budgeted Surplus for 2007-08 is based on the above projection for Gross Traffic Receipts and after making provision for the following major items of expenditure:

Ordinary Working Expenses	Rs. 42,687 crore
Appropriation to Pension Fund	Rs. 8,683 crore
Appropriation to D.R.F.	Rs. 5,496 crore
Total Working Expenses	Rs. 56,866 crore
Dividend including Deferred dividend	Rs. 4,573 crore

The ordinary Working Expenses for 2007-08 have been assessed at 42,687 crore which besides the normal increase provides for around Rs. 750 crore for the likely sanction of Interim Relief in 2007-08. Similarly, additional Rs. 500 crore have been accounted for as Interim Relief in the pensionary charges. Appropriation to Depreciation Reserve Fund which forms part of Total Working Expenses has been increased by around 28% to ensure adequate funds availability for likely requirement for replacement and renewals in the Annual Plan. In the aggregate Working Expenses imply an increase of around 14% as against 9% provided in the Revised Estimates, 2006-07.

The surplus in Budget Estimates, 2007-08 has been accordingly projected at Rs. 11,449 crore with a growth rate of 8%.”

With reference to the statement given at pre-page, the Chairman, Railway Board stated during evidence as follows:-

“There has been an incorrect representation. There is an error here because the overall surplus would be in the region of Rs. 21,000 crore and the investible surplus would be around Rs. 15,000 crore. We will correct these two figures.”

3.5 When asked about the reasons for shortfall in earning even after reducing the class 220 to class 210, the Member (Traffic), Railway Board informed during evidence as under:

“In order to attract more traffic, you are asking about the classification as to how it is done. The base level is 100 and 220 is the highest class. Now, 220 has been reduced to 210 so that the high value goods, the Railway are carrying, the customer has to pay slightly less. The idea in doing is to attract more high value goods to be transported by the Railways. This is a scheme, which we are now

trying to bring across to our customer. It is very difficult to assess how much more additional traffic we will attract because of this, as well as what will be the loss in revenue of the existing programme that is being carried at this rate.”

3.6 From the Budget Estimates for the year 2007-08, the Committee observed that the Gross Traffic Receipts have been projected at Rs. 71,318 crore which is Rs. 8,098 crore higher than the Revised Estimates for the year 2006-07. When asked to state the factors which enabled the Railways to project higher estimates of Gross Traffic Receipts for the year 2007-08 and the steps taken/proposed to achieve the projected higher target, the Ministry of Railways in a written reply stated as under:

“Gross Traffic Receipts as envisaged in the Budget Estimates, 2007-08 vis-à-vis the Revised Estimates for 2006-07 are as under:

	Revised Estimates 2006-07	Budget Estimates 2007-08	Increase over R.E. 2006-07
Passenger earnings	17,400	20,075	(+) 2,675
Other Coaching earnings	1,726	2,200	(+) 474
Goods Earnings	42,299	46,943	(+) 4,644
Sundry other earnings	1,695	2,000	(+) 305
Total traffic earnings	63,120	71,218	(+) 8,098
Suspense	100	100	..
Gross Traffic Receipts	63,220	71,318	(+) 8,098

Passenger earnings for 2007-08 has been assessed at Rs. 20,075 crore based on anticipated originating number of passenger of 6,606 million at an average lead of 117 km. Freight earnings are based on an assumed incremental freight loading of 59 million tonnes at a yield of 59.80 crore per MT. Other coaching and Sundry earnings are estimated assuming a growth of 27% and 18% respectively.

Passenger earnings to end of December, 2006 indicate a growth of around 14% over the corresponding period of last year. Further, the Budget for 2007-08 envisages introduction of 32 new trains, increase in frequency of the existing trains and also manufacture of higher capacity passenger coaches. The Railways will be adding another 800 passenger coaches in 2007-08. With these measures outlined for passenger segment and with improved passenger interface on account of installation

of more UTS machines and greater use of Information Technology, a higher target of passenger earnings has been projected in Budget Estimates, 2007-08.

The target of freight loading for 2007-08 has been set at 785 million tonnes implying an incremental loading of 59 million tonnes over 2006-07. Railways have consistently improved their freight business through market responsive strategies. Carrying forward the same, the Budget for 2007-08 outlines more market responsive schemes to attract more and more freight traffic. These inter-alia includes empty flow direction freight discount, two leg freight discount, incremental freight discount for non-peak season, commodity based pricing policy etc. New and flexible packages are being proposed for high rated commodities like Cement, Steel and POL to improve rail coefficient in these commodities. Accordingly, Railways are hopeful to achieve the targeted freight loading which in turn will fetch revenues as projected in the Budget Estimates, 2007-08.

The Budget for 2007-08 envisages further rationalization of the parcel policy to increase utilization of SLR space. Railways are also striving for higher revenues from commercial exploitation of railway land, advertisement etc. in order to increase the sundry other earnings. Accordingly, with sustained efforts, the Railways are hopeful to achieve the budgeted target of Gross Traffic Receipts.”

3.7 The original projections of freight traffic and the actual performance during 2005-06 and 2006-07 are as under:

		Originating loading (MT)	Lead (kms)	Freight output (Billion NTKM)
2005-06	Target	668	660	440.88
	Actual	666.51	660	439.60
2006-07 (RE)	Target	726	657	476.77

3.8 The Committee observed that the target of freight loading during 2006-07 has been kept at 726 MT at Revised Estimate stage. For the year 2007-08 the target has been projected at 785 MT. However, the actual loading upto the end of December, 2006 was 527.95 MT only. When asked whether the Railways will be able to achieve the target of 726 MT in the remaining period of 2006-07, the Ministry of Railways informed that upto

the February end the revenue earning freight loading was 655.35 MT and they expected to achieve the target of 726 MT in the year 2006-07.

3.9 When asked whether the target of 785 MT revenue earning freight loading for 2007-08 was not ambitious and the steps taken by the Railways to achieve the same, the Ministry informed in a written reply as under:

“...The target for 2007-08 is ambitious. However, Indian Railways has been making efforts to maximize the revenue earning freight loading and in order to do so, a number of initiatives have already been taken.

Significant improvements in overall wagon turn round will be made through changes in the freight examination patterns and by improved monitoring through increased computerization. This will not only help in improving the availability of wagons for subsequent loading but also help railways in bringing down the overall cost of operations in the longer run.

Several routes are being upgraded to carry higher axle load trains of upto 23 tonnes and 25 tonnes. This will enable higher volumes to be loaded in our open and covered wagons. This is likely to yield additional loading of 10 million tonnes. Wagons with improved designs to carry higher volumes will also be inducted into Indian Railways wagons fleet. Other measures being introduced to attract more traffic include various incentive schemes during peak and slack seasons, discounts on loading in wagons moving in the empty direction, incentives for loading incremental traffic and special agreements with the cement and steel customers etc. There will also be an expansion of our infrastructure which will help us carry additional traffic.”

3.10 According to the Ministry of Railways, terminal detentions are a major concern in improving the turn-round time of wagons. These detentions have to necessarily come down so as to ensure increased availability of wagons for loading. The Ministry have spelled out the following steps to deal with the problem:

“1. Special Review was undertaken of traffic handling arrangements at major terminals/sidings which take more than 24 hours.

2. Efforts made to reduce the number of exchange yards, marshalling yards etc.
3. Focus on investment at Terminals to reduce detention of rolling stock.”

3.11 Pointing out that freight traffic gives almost 63% of Railway earnings and that freight gets last priority in movement, the Railway Board Chairman held that Railways should have gone for dedicated freight track about three to five years earlier.

B. Passenger Traffic

(a) 2005-06

3.12 It has been stated in the Annual Report of Ministry that during 2005-06, the number of passengers carried was 5,725 million as against 5,378 million in 2004-05 – registering an increase of 6.5%. However, Passenger kilometres, which is the product of the number of passengers carried and average distance traversed, was 616 billion, up by about 7% from the level of 576 billion in the previous year. Passenger earnings also increased by Rs.1,008.25 crore (7.2%) compared with those of 2004-05.

(b) 2006-07

3.13 As per the explanatory memorandum or the Revised Budget for 2007-08 in view of the trend in originating passenger traffic and the decision to increase the advanced booking period from 60 days to 90 days, the target passenger earnings for 2006-07 have been enhanced to Rs.17,400.00 crore in the Revised Estimate as against the Budget Estimates of Rs.16,800.00 crore. Assuming a 5.8% growth in the originating number of passengers, and merging of safety surcharge and passenger fare in Passenger Earnings for 2007-08 have been estimated at Rs.20,075.00 crore which is higher by Rs. 2675 crore over the Revised Estimates for the year 2006-07.

(c) 2007-08

3.14 The passenger traffic in 2007-08 has been projected at 6606.23 million originating passengers and 772 billion passenger Kilometers (BPKM).

3.15 On being asked about the proposed steps taken/to be taken to achieve the projected higher target for the year 2007-08 and the percentage increase/decrease in the lean season/peak season, the Ministry of Railways informed that the projected higher target for passenger earnings is proposed to be achieved through introduction of 32 new trains, increase in frequency of existing trains, adding another 800 coaches to trains, manufacture of higher capacity passenger coaches and introducing them on trains, augmentation of trains, during busy season, running of holiday specials for clearance of extra rush. They further informed that passenger interface area is being improved with proliferation of ticket dispensing arrangements so as to make easy availability of tickets, installation of more UTS, ATVMs, expanding e-ticketing, having ticketing at Post Offices, ATMs etc.

3.16 When asked whether any study had been undertaken about the extent of passengers switching over to other modes of travel viz. Road and Air, the revenue loss on this account and the steps taken to check this trend, the Ministry of Railways informed the Committee that no separate study had been made by the Railways regarding extent of passenger switching over from Railway to other mode of transport. However, Railways are introducing various passenger friendly scheme viz upgradation scheme, Frequent Traveler Scheme, issuing of tickets through internet (I & e tickets), through ATMs, introduction of Smart Card based ticketing system. Also, higher class fares are being rationalized.

3.17 When the Committee desired to know about the market share of freight traffic as well as passenger traffic and whether any scientific study in this regard in both the segments has been conducted and whether any innovative measures have been taken, the Member (Traffic), Railway Board stated during evidence as under :-

“I would just like to mention that the point is very well taken. We have come to realize that there is a need to carry out scientific market analysis and market studies. During this year, we plan to initiate steps in that direction to carry out market surveys, origin and destination surveys etc. so that we can improve upon whatever models for freight concession we have introduced.”

3.18 It has been stated in the Explanatory Memorandum that a Special Railway Safety Fund with a corpus of Rs. 17000 crore has been set up. For this Rs. 12000 crore will be provided by the Ministry of Finance and the balance Rs. 5000 crore will be mobilized by the Railways through levy of safety surcharge on passenger fares. When the Committee desired to know as to whether after completion of six years period of SRSF, the Safety surcharge which is being levied will be discontinued or whether it will be included in the fare, the Financial Commissioner Railways Board stated during evidence as under :-

“What happened in the old surcharge for Accident Compensation that we had imposed a few years ago was that once the period was over that amount which we were charging got subsumed in the actual fare. So, at present also we have done the same thing. This money will be utilized for funding support of constructing dedicated freight corridor. It will be called a development charge.”

C. Other Coach Earnings

3.19 As per the explanatory memorandum, taking into account the trend of earnings during the course of the year 2006-07, the Revised Estimates of earnings from Other Coaching Traffic are fixed at Rs.1,726.00 crore i.e. Rs.326.00 crore higher than the Budget Estimated for the year. These for 2007-08 have been assessed at Rs.2,200.00 crore, anticipating a growth of around 27.5%.

Goods Earnings

3.20 As per the Budget documents the revised target of freight loading has been retained at the budgeted level of 726 million tones for 2006-07. However, keeping in view uptrend in yield per million tones and peak-season surcharge levied on freight traffic, the target of freight earnings in 2006-07 has been enhanced to Rs. 42,299.00 cr., which is Rs. 1,979.00 crore more than the Budgeted Estimates. The goods earnings for 2007-08 have been placed at Rs. 46,943.00 crores assuming an additional 59 million tonnes originating revenue earning freight traffic over the Revised Estimates for 2006-07.

Sundry Other Earnings

3.21 As per the Explanatory Memorandum, anticipating a higher dividend from the public sector undertaking more registration of private parties for container routes, the Revised Estimates for 2006-07 of Sundry earnings have been fixed at Rs.1,695.00 crore i.e.

Rs.387.00 crore higher than the Budget Estimates for the year. Sundry Other Earnings have been assessed at Rs.2,000.00 crore in 2007-08 anticipating a growth of 18%.

Suspense

3.22 In the Revised Estimates, 2006-07, the target of clearance from 'Suspense' which represents unrealised traffic earnings, has been reduced from the budgeted level of Rs.150 crore to Rs. 100 crore. In the Budget Estimates 2007-08 the target of clearance under this head has been kept at the level of Rs.100 crore.

3.23 On being asked about the reasons for downward revision under this Head 'Suspense' during the year, the Ministry of Railways informed that the target for clearance was revised to Rs.100 crore from Rs.150 crore, keeping in view the trend of realization of disputed outstanding dues especially from Power Houses and State Electricity Boards. When asked about the net accretion under this head, the Ministry of Railways informed that from 1st April, 2006 to January, 2007 it was Rs.1252.15 crore and the actual realization and fresh accretion upto February, 2007 would be made available after the finalization of February, 2007 account.

3.24 During the examination of 'Demands for Grants' in the preceding years, the Railways had informed that dues under this Head were mostly from the Power Houses/State Electricity Boards. When asked about the latest position in this regard the Ministry of Railways informed that the freight outstanding from State Electricity Boards and Power Houses as on 31st January, 2007 amounted to Rs.1411.78 crore out of the total outstanding dues of Rs.2940.09 crore under 'Traffic Suspense' as compared to Rs. 1421.94 crore as on 31.01.2006.

3.25 When asked about the steps taken for recovering the outstanding dues the Ministry of Railways informed the Committee as under:

- “(a) Power Houses/State Electricity Boards are being encouraged to follow the scheme for pre-payment of freight for carriage of coal,

- (b) close monitoring of recovery of outstanding dues from State Electricity Boards (SEBs) is done by holding meetings with the representatives of State Electricity Boards/Power Houses, and with Secretaries of the concerned Ministries and Chief Secretaries of the State, from time to time
- (c) adjustment of outstanding dues against traction bills is done in respect of some SEBs
- (d) extension of facility of Electronic payment to all major customers including SEBs is being pursued on priority, which will definitely help to reduce the freight outstanding dues further.”

3.26 When asked about the break-up of the outstanding dues, the Financial Commissioner, Railway Board informed the Committee during evidence as under :-

“Mostly the dues are from Government controlled State Electricity Boards. AP State Electricity Board has, as of January end Rs.4.65 crore; Assam State Electricity Board there is no due; Bihar Electricity Board has less than a crore; Delhi Vidhut Board has Rs.176.65 crore; Gujarat is Rs.7.12 crore, Haryana has Rs.29.30 crore; Jharkhand is less than one crore and for Karnataka there are no dues. They have cleared all their dues. Maharashtra – Rs.26.32 crore, Punjab State Electricity Board is Rs.442.19 crore, Rajasthan is Rs.56.39 crore, Tamil Nadu – Rs.1.20 crore, UP – Rs.81.57 crore and West Bengal Rs.2.97 crore. In this Badarpur Thermal Power Station was Rs.554.81 crore. So the majority of the dues are from Badarpur, Punjab Electricity Board and also Delhi Vidyut Board. So, we are concentrating on this. At the end of 2005-06, we had an outstanding of Rs.1687.94 crore. This is supposed to be reduced by Rs.100 crore. So, the balance would come down to Rs.1587 crore. We would be achieving this target. There will be no problem. But the next question is that why at the time of budget we had changed from 100 to 150. At that time, we had an apprehension on account of UP Electricity Board, which was bifurcated into the public sector undertaking. They piled up their dues by defaulting some payments. In the meantime we took it up with the Chief Secretary and what was thought to be an impossible recovery could be made in the month of March, 2007. Therefore, the position has improved. Secondly, I have also got more than Rs.300 crore paid by the Badarpur Thermal Power Station in the month of March, 2007. As a result of that, the position has considerably improved. The final position will be coming from the Railways and I will be able to submit the final position may be in a couple of weeks’ time.”

3.27 He further added :

“Apart from Punjab and there is DVB where we have serious disputes and they are saying that they owe us nothing. They have gone to court and the arbitration award has also gone against us. The point is that we take coal from Bengal and Bihar and delivering to Electricity Boards every day and ask them deposit some advance

amount with the Railways. We have a rule saying that a minimum of ten days dues must be with us. Once the rake reaches the EBs, they would unload the coal and go away. They will not make the payment. It is a Government Department. We cannot stop them also because in view of the power situation we have to release the coal.”

3.28 When asked as to what action has been taken by the Ministry to recover these dues from the Punjab Electricity Board and Delhi Vidyut Board, the Financial Commissioner, Railway Board stated as under :-

“they are in the State Government and the channel is through the Central Government. They have gone to the court. It is a long process. Normally we have discussions with the Chief Secretary, then at the Minister’s level and we have tried to do everything. They have gone to Punjab and Haryana High Court. The court had appointed an arbitrator and the verdict of the arbitrator has also gone against us and he has said that these dues are not due.”

D. Miscellaneous Transactions

3.29 As per the Budget documents, the Actuals 2005-06 Budget and Revised Estimates 2006-07 and Budget Estimates 2007-08 under Miscellaneous Transaction is under:-

(Rs. in crore)

Details	Actuals 2005-06	Budget 2006-07	Revised 2006-07	Budget 2007-08
RECEIPTS				
(i) Receipts from Subsidised Companies	0.13	--	--	--
(ii) Railway Recruitment Boards	14.49	12.77	13.48	12.67
(iii) Other Misc. Receipts	18.33	15.10	16.56	15.56
(iv) Receipts from Safety Surcharge on passenger fares	748.60	750.00	850.00	--
(v) Subsidy from General Revenues towards dividend relief and other concessions	1042.58	1078.15	1212.23	1276.00
(vi) Interest on Railway Fund Balances	436.49	568.93	665.86	820.24
TOTAL	2260.62	2424.95	2758.13	2124.47
EXPENSES				
(i) Payment to worked lines	0.31	0.31	0.32	0.40
(ii) Subsidy	0.01	0.01	0.01	0.01
(iii) Surveys	10.23	22.73	18.84	30.55
(iv) Misc. Railway Expenditure	308.56	340.30	361.18	454.04
(v) Open Line Works Revenue	42.80	50.00	60.00	60.00
(vi) Appropriation to Special Railway Safety Fund	748.60	750.00	850.00	--
(vii) Appropriation to Pension Fund	10.00	10.00	9.55	8.66
TOTAL	1120.51	1173.35	1299.90	553.66

Dividend to General Revenues

3.30 It has been stated in the Explanatory Memorandum, taking into account the latest estimates of Capital-at-Charge, Dividend payable to General Revenue works out to

Rs.3,579.26 crore in Revised Estimates 2006-07, which is Rs. 99.03 crore higher 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.

3.31 The dividend liability to General Revenues for 2007-08 is estimated at Rs.3,908.54 crore including Rs.2.57 crore to be appropriated to Railway Safety Fund, involving an increase of Rs.329.28 crore over the Revised Estimate of Rs.3,579.26 crore for 2006-07. It is also proposed to make payment of the final installment of Deferred Dividend of Rs.664.00 crore to the General Revenues.

Working Expenses

3.32 The Actuals of the year 2005-06, Budget and Revised Estimates 2006-07 and Budget Estimates 2007-08 of Working Expenses as given in the Explanatory Memorandum is as under:-

(Rs. in crore)				
Demand No. and Nomenclature	Actuals 2005-06	Budget 2006-07	Revised 2006-07	Budget 2007-08
General Superintendence and Services on Railways	1948.71	2157.71	2155.41	2502.09
Repairs and Maintenance of Permanent ways and works	3652.43	3958.35	3865.90	4495.06
Repairs and Maintenance of Motive Power	1845.61	2135.65	2082.17	2414.85
Repair and Maintenance of Carriage and Wagons	3948.32	4307.20	4351.43	4904.29
Repairs and Maintenance of Plant and Equipment	1998.53	2316.96	2199.01	2516.73
Operating Expenses – Rolling Stock and Equipment	2956.50	3174.57	3137.20	3479.24
Operating Expenses – Traffic	5669.90	6271.49	6223.29	6962.60
Operating Expenses – Fuel	10285.92	10875.58	11392.86	12291.71
Staff Welfare and Amenities	1541.67	1740.04	1679.79	1930.18
Miscellaneous Working Expenses	1801.27	1895.37	1893.38	2057.16
Provident Fund, Pension and other Retirement Benefits	7193.91	7956.53	7715.25	8229.36
TOTAL	42842.77	46789.45	46695.69	51783.27
Credits or Recoveries	-949.83	-861.95	-954.69	-936.27
Deduct – Amount recouped from funds	-7145.32	-7900.00	-7650.00	-8160.00
NET	34747.62	38027.50	38091.00	42687.00

3.33 From the above table it may be seen that the sanctioned Budget Grant for 2006-07 for Ordinary Working Expenses was Rs. 46789.45 crore (Gross). The Revised Estimates of Rs. 46695.69 crore (Gross) is less than the Budget Grant by Rs. 93.76 crore. There has been excess in Demand Nos. 6 & 10. Credits in reduction of expenditure are estimated at

Rs.954.69 crore i.e. Rs.92.74 crore more than the Budget. The amount recouped from Pension Fund has been decreased to Rs.7650.00 crore as against the Budget Grant of Rs. 7900.00 crore. The Revised Estimates of Net Working Expenses has, thus, been kept at Rs.38091.00 crore, Rs. 63.50 crore more than the Budget. Decrease of Rs. 93.76 crore in gross expenditure comprises of a decrease of Rs. 110.71 crore under 'Voted' portion, and an increase of Rs. 1694.03 lakh under 'Charged' appropriation, which is on account of more payments anticipated in satisfaction of court decrees.

3.34 The Budget Estimates of Ordinary Working Expenses (Gross) for the year 2007-08 has been placed at Rs.51783.27 crore involving an increase of Rs.5087.59 crore over the Revised Estimates of Rs.46695.69 crore for 2006-07. Credits in reduction of expenditure are estimated at Rs.936.27 crore i.e. Rs.18.42 crore less than the Revised Estimates. The amount recouped from Fund is estimated at Rs.8160.00 crore. Taking together the credits and the amount recouped from Funds, the Net Working Expenses are estimated to be Rs.42687.00 crore during 2007-08 as against the Revised Estimates for 2006-07 of Rs.38091.00 crore, an increase of Rs.4596.00 crore.

3.35 According to the Ministry, the increase in expenditure of Rs.5087.59 crore (Gross) is mainly on account of:-

- (a) Increase in staff costs (Rs.2651.48 crore) analysed as under:-
 - (i) Salaries, wages on POH and Other Allowances (Rs.149.76 crore).
 - (ii) Payment of Dearness Allowance (Rs.1987.61 crore).
 - (iii) Higher pensionary charges (Rs.514.11 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. 1292.46 crore).
- (c) More expenditure on fuel arising from increase in traffic and prices of Diesel and Electricity tariff (Rs.893.93 crore).
- (d) Lease/Hire charges to Indian Railway Finance Corporation and under BOLT and OYWS (Rs.256.93 crore).
- (e) This increase is partly off-set by less provision under *Charged* appropriation due to less payments anticipated in satisfaction of court decrees (Rs.721.28 lakh).

E. New Trains

3.36 The Ministry have informed the Committee in a written reply that 57 new trains besides extension of 37 trains and increase in frequency of 12 popular trains was announced in Railway Budget 2006-07. However, as on 31.01.2007 Railways could introduce 35 new trains and 27 trains were extended. When asked about the reasons for shortfall in this respect, the Ministry of Railways in their reply stated that as on 18.03.2007 there was a backlog of 5 trains only in respect of introduction of new trains and of 4 trains in respect of extension of trains. The Ministry have quoted various reasons for the delays such as delay in gauge conversion works, construction of new lines and paucity of coaching stock.

3.37 Railways have announced introduction of 45 new trains during 2007-08. The Committee in their 20th Report on 'Demands for Grants 2006-07' of the Ministry of Railways, had recommended that the new trains should be announced only after the completion of the ground works so that the public is not subjected to disappointment. In the Action Taken Notes, the Railways had promised that proper care would be taken to include only those train services which were likely to be completed during the concerned financial year.

3.38 When asked whether the Railways will be able to introduce all the trains announced in the Budget, the Ministry of Railways informed that proper care has been taken this time to include only those services in the Railway Budget which will be most probably introduced during 2007-08 and it will be possible to introduce all the services announced in the Railway Budget during the current financial year unless some unforeseen situation arises.

F. Operating Ratio

3.39 The Committee note from the Budget document documents that although the overall Operating Ratio of Indian Railways has improved but some of the Zonal Railways viz. ER, NER, NFR and Southern Railway are still having operating ratio of 100% and above. When asked about the reasons for their poor performance and the steps taken for their improvement, the Ministry of Railways informed as under:

“Details of earnings and working expenditure on the Zonal Railways having operating ratio of more than 100 percent in 2006-07 are given below:

(Rs. In cr.)

	Traffic Earnings			Total Working Expenses			Operating Ratio	
	B.E.	R.E.	Var. (RE-BE)	B.E.	R.E.	Var. (RE-BE)	B.E.	R.E.
Eastern Railway	2931	2625	-306	4047	3966	-81	138.2	151.1
N.E. Railway	1283	1451	168	1887	1812	-75	147.1	124.4
N.F. Railway	1540	1793	253	2135	1998	-137	138.8	111.5
Southern Railway	3155	3400	245	3663	3581	-82	116.0	105.2

As may be seen from the above, the performance of the above railways except Eastern Railways has registered an improvement over the Budget Estimates, 2006-07 both in earnings and expenditure. Consequently, the operating ratio in case of these railways has also improved distinctly in the Revised Estimates, 2006-07. In case of Eastern Railway, the operating ratio is likely to deteriorate over the budget estimates as this railway is unlikely to achieve the budgeted earnings even though there is likely to be saving in expenditure. The reasons for some of the railways showing higher operating ratio of more than 100 percent have been analyzed below.

Passenger and Freight earnings constituting more than 90% of Railways' Traffic earnings, are apportioned between zonal railways based on the traffic carried on their respective systems. All the zonal railways are not placed evenly with regard to traffic earnings, by virtue of their jurisdiction and geographical location, which dictates the potential for originating and through traffic. On the other hand, the operating expenses on the zonal railways necessary to keep the system operative has an element of fixed costs which would be incurred irrespective of their traffic throughput. Hence a higher operating ratio is being reflected in case of some of the railways for reasons beyond the control of these railways.

The Zonal system on the railways has been introduced as a measure of administrative convenience and the operating ratio which reflects the operating efficiency of the Indian Railways may be viewed as a whole.

Notwithstanding this, on going efforts are being made to improve earning and control expenditure to bring about overall improvement in operating ratio of the Indian Railways. This also includes making extra efforts for the zonal railways registering operating ratio of more than 100%. New traffic streams and increase in earnings from parcel, advertisement, commercial exploitation of railway property etc. are being explored to add to the earnings of these railways.”

3.40 The Committee enquired about the specific reasons for the poor performance of the Eastern Railway. In this connection the Member (Traffic), Railway Board informed the Committee during evidence as under :-

“In Eastern Railway, the operating ratio is compiled on the basis of apportioned earnings. If a wagon starts from Asansol and comes to Ropar in Punjab, then the revenue that we get from that wagon is distributed amongst the various Railways it travels based on the kilometreage it does on each Railway. Unfortunately, in Eastern Railway now, particularly after the bifurcation, the length of haul is less, although they do load coal in significant quantity. The actual lead over the Eastern Railway portion is very small. So Asansol to Pradhankanta is a very short distance.

Secondly, the coal in the BCCI and ECL belt has, over a period of time reduced. They are very old mines in that area. So, there has been some decline in the production of those mines. So unless new streams of traffic come up in that area, significant improvement may not be there. The other traffic that is loaded on the Eastern Railway is a lot of stone traffic which is loaded from Pakur area. But there again the leads are very small. So, unfortunately, overall, although Indian Railways is doing well, there are these few Railways which are handicapped because of this problem, because of our methodology of compilation. The methodology is a very fair system that we have.”

3.41 In this regard the Financial Commissioner, Railway Board added as under :-

“The Eastern Railway has shown a drop in the traffic earnings and in their working expenses, they have tried their level best to contain and they have succeeded in it also. They have made some representation to us about certain corrections in the accounting system that is to be made. We are examining it. We will consider it actively and to that they are end railway and extent they may show a little more improvement than what is shown under RE. The whole problem with these Railways is that the Eastern Railway is also now an end railway like Southern Railway and NF Railway. The originating trains mostly depend upon originating traffic. They will have to depend upon the apportionment received from the received traffic. But they will not have much cross traffic, as some other Railways would have it. So, when cross traffic is there, those railways earnings will automatically get boosted. *Ab initio* in 2006-07 there was a representation from Eastern Railway that the earnings target set for Eastern Railway was slightly unrealistic. It was on the high side. But we did not reduce it immediately. We asked them to carry on with that target. We knew that they would not be able to make it.”

3.42 When asked about the problems in accounting system of Eastern Railway, the Financial Commissioner, Railway Board stated as under :-

“They have pointed out two-three things. One is that the inter-change of wagons with Bangladesh is done by NF Railway and the Eastern Railway. But due to the holding of wagons on the Indian Railways system by Bangladesh Railways, the Indian Railways are getting credit from Bangladesh Railways. This was not properly accounted for. Therefore, we are asking IRCA to give us the details, and we will take action on it.

Secondly, Eastern Railway is paying the lease charges for BOXN and BTPN wagons owned by TISCO and PSU oil companies under Own Your Wagon Scheme. But these are now in the Dhanbad Division because these are plying in close circuit route between West Bokaro Colliery of Dhanbad Division of Eastern Railway and Adityapur of SE Railway. So, the Eastern Railway should not be burdened with this, and this point is well taken. They will get some relief like this, but overall it does not make much of a difference for Indian Railways.”

CHAPTER IV
RAILWAY PLANS AND PERFORMANCE

A. 10th FIVE YEAR PLAN

The Ministry have stated in the Performance Budget that for the 10th Five Year Plan of Railways, the Planning Commission approved a total Plan outlay of Rs.60,600 crore comprising of Rs.33,000 crore (54.5%) of internal generation of resources and market borrowings and Rs.27,600 crore (45.5%) of Capital/Budgetary Support from General Exchequer. The plan outlay for the 10th Five Year Plan is given below:

	10th Plan Outlay as per Planning Commission	Likely to be achieved by end of 10th Plan
Internal resources & Market Borrowing	Rs. 33,000 crore	Rs. 46,545 crore
Gross Budgetary Support	Rs. 27,600 crore	Rs. 38,163 crore*
Total	Rs. 60,600 crore	Rs. 84,708 crore

* This includes Budgetary Support for SRSF, Diesel Cess and National Projects

IEBR of Rs. 45739 crores:

- Rs. 29539 crores from internal generation (incl. Safety Surcharge)
- Rs. 17006 crores from Market borrowings.
- Year wise position is as under:

Year	Internal Generation	Market Borrowings	Budgetary Support	Total
2002-03	3113	2517	5778	11408
2003-04	3475	2837	7081	13393
2004-05	3712	3041	8669	15422
2005-06	7033	3731	8074	18838
2006-07 (RE)	12206	4880	8561	25647
Total (Provisional)	29539	17006	38163	84708

Major achievements and initiatives during the 10th Plan

4.2 According to the Ministry of Railways, major achievements and initiatives during 10th Plan were as under:

- Improved asset utilization to achieve reduction in cost of transportation
- Rationalization of freight tariff structure – leading to simplification of rail tariff
- Allowing competition in the movement of container traffic – thereby increasing availability of containers for rail users
- Initiated exercise for setting up of Dedicated freight rail corridors – will lead to decongesting the saturated network and will help increase in speed of both passenger and goods trains for faster transit times. Will facilitate induction of new and upgraded technology in track, rolling stock and signaling and telecommunications with a view to effect eventual reduction in unit cost of operations. These corridors will permit longer, faster and heavier goods train movement.
- Providing warehousing facilities through CWC and private freight terminals – to facilitate cargo aggregation, enable round the clock working at terminals, reduce cost of secondary warehousing, saves the clients demurrage and wharfage charges facilitates state of art facilities
- Wagon Investment Scheme – to promote participation of rail freight clients in enhancing availability of rolling stock.
- Direct procurement of power from NTPC and other Central power generating agencies to reduce energy costs.
- High horse power Electric Locos, Diesel Locos introduced to improve operational efficiency – better speeds and higher trailing load per train enables better throughput.
- LHB type coaches have been introduced – for better riding comfort.
- Corporate Safety Plan prepared – to ensure sustained focus and investment in safe operations and rail movement.
- Special Railway Safety Fund of Rs. 17,000 crores created to liquidate the accumulated arrears of renewals of assets.
- Double stack container operations started on a pilot section. This will significantly bring down unit cost of transportation.

- Execution of projects through BOT and through SPV route etc. – to facilitate resource mobilization for augmenting capacity of the rail network and bringing in new technologies.

Physical Achievements

4.3 The year 2006-07 was the last year of the 10th Five Year Plan. It is observed that the physical targets in respect of some of the important areas of activity at the end of 10th Plan and likely achievements are as under:

	Target for 10th Plan	Likely to be achieved at the end of 10th Plan	Likely Shortfall/surplus
New Lines (Kms)	1310	945	365
Gauge Conversion	2365	4432	(+)2067
Doubling (Kms)	1575	1363	212
Track Renewals	23000	24053	(+)1053
Railway Electrification(Kms.)	1800	1809	(+)9
Wagons (FWUs)**(nos.)	65000	86619	(+)21619
Coaches (nos.)	9160	10722	(+)1562
EMUs(nos.)	1965	869	1096
MEMU/DEMU (nos.)	750	610	140
Diesel Locomotives(nos.)	444	607	(+)163
Electric Locomotives(nos.)	343	524	(+)181

- Target set for gauge conversion likely to be exceeded.
- Progress in new lines and doubling works has been proportionately lower in the first four years as these projects involve land acquisition, clearance and construction of major bridges etc.

4.4 When asked as to what were the reasons for the expected shortfalls in achieving the physical targets mentioned above, the Ministry of Railways informed the Committee that the main reasons have been delays in land acquisition, forestry clearance, geo-technical problems being faced in tunneling works on some projects and slow progress/failure of

contractors. Further, delay in finalization of contracts has also been the reason for shortfall in some of the cases.

4.5 On being asked to give the details of those New Lines and Doubling Projects which will remain unimplemented at the end of the 10th Five Year Plan, the Ministry informed that a total number of 379 Kms of new lines and 343 Kms of doublings which were targeted for completion during 2006-07 are likely to slip over.

4.6 Stating the reasons for shortfall with regard to EMUs/DEMUs, the Ministry informed that the bulk of EMUs and DEMUs are manufactured at Integral Coach Factory (ICF), Chennai and MEMUs at Rail Coach Factory (RCF), Kapurthala, supplemented to a small extent by BEML/Bangalore and Jessops/Kolkata. The shortfall is a result of limitations of capacity in the production units coupled with higher demands of General Service Coaches for augmentation of trains and new services on main line sections.

4.7 Replying to the concern of the Committee that most of the reasons given for the shortfall were general in nature and repeated after every Five Year Plan and the Railways should have visualized these contingencies in advance, the Member (Engineering), Railway Board stated during evidence as under:

“With reference to these comments, I would like to respectfully submit the facts. The land acquisition has become a very tedious process. For example, I would like to give the example of Bihar. As per their circular the land acquisition process will stretch to 18 months. The land acquisition rates keep on getting revised which call for, at times, to seek review Committees, revision of our estimates and till the land is available with us, even the contracts which we might float in anticipation that land would be available and work would begin, have to be either discharged or terminate contracts without cost on the either side.

...Then, about land acquisition, there is problem of disbursement, though we have even hired their *patwaris* or such revenue staff. We support those revenue authorities continuously in the preparation of the details, in the distribution of the notices to the villages, in making arrangements about them to come to site and recognize what is happening, but the process is quite slow. Of course, on top of it, there is a problem that total volume of the infrastructure work that is on hand has become so large that the executing agencies at many places in the country, not only in one State, are very choosy. They abandon the less profitable works or do not pick up the less profitable works. These things are also causing delay in finalization of the contract or success of the contracts.”

4.8 Responding to the query of the Committee for shortfall in those projects which do not suffer from the general problems but remain to be completed due to paucity of funds, the Member (Engineering), Railway Board submitted as under:

“About the issue of allotment of funds where land is not a problem, it is true that we pursue, allot funds, reappropriate funds for the project which is progressing without hindrances. I am not challenging the isolated case of Lalitpur and Singrauli or similar cases. That is the aim and declared policy. I hope I can say on behalf of the entire Board that we do complete projects, which are progressing.

As far as problems which are mentioned and which are common and are being repeated, I do not deny. But the severity of the problem has been increasing. In regard to the resistance against land acquisition, the price of land, I wish to be pardoned that the States are trying to extract as much money from the Central projects through land acquisition as possible. This is in regard to almost all the States.”

4.9 When asked about the reason for shortfall in the targets set for doubling the Member (Engineering), Railway Board stated as under:

“...There are delays in tenders, but with reference to that, I would like to say that there is a problem about capacity of the market to do the junction works (stations), to arrange the materials correspondingly and with the train operations also. To execute those junction works, it is not as simple as a Greenfield project where at times we begin the project without opening many stations even.”

4.10 When the Committee pointed out that the land acquisition was not the only problem and there could be many more reasons for such shortfalls, the Member (Engineering), Railway Board stated as under:

“Rates are revised. The charges levied by the States necessitates revision of estimates. Therefore, that is a procedural problem. As I said, even I have sought that a Committee be appointed jointly with a State to review the pricing of the land. Monitoring should be more frequent and thorough. I do not deny. I also do not deny that there would have been failures at the Railways end. I am not taking shelter. The total volume of work has really increased tremendously as you can see from the plan size that we have funds that are being generated. Therefore, funds are being pumped into the projects and the market and even the Railways itself is not yet fully geared up for all that quantum jump but still we are aspiring to achieve more and more. We do fix difficult targets and we do pursue them.

4.11 Responding to the reasons for huge shortfall in EMUs, the Chairman Railway Board stated during evidence as under:

“...In case of EMUs, it was essentially a design problem. We were switching over from DC to AC traction system in Mumbai. Designs took a considerable time for finalization in association with the Siemens.”

4.12 While elaborating the reasons for the expected shortfall in achieving the physical targets in regard to EMUs/DEMUs coaches, the Ministry of Railways stated as under :-

“As regards EMUs/DEMUs, it is submitted that the bulk of EMUs and DEMUs are manufactured at Integral Coach Factory (ICF), Chennai and MEMUs at Rail Coach Factory (RCF) Kapurthala, supplemented to a small extent by BEML/Bangalore and Jessops/Kolkata for EMUs.

The shortfall is as a result of limitations of capacity in the Production Units coupled with higher demand of General Service coaches for augmentation of trains and new services on non-suburban mainline sections.

To make good the shortfall, production of EMUs at ICF shall be increased from 2007-08, when 576 EMU coaches shall be made per year for the next two years, raising production of EMUs from the present level of 300-350 coaches per year. To permit this increased manufacture, General Service Coaches at ICF shall be reduced by approximately 300 numbers per year from the present level.

Works have also been sanctioned to enhance the production capacity at ICF/Chennai, and RCF/Kapurthala to 1500 and 1400 coaches annually, from the present installed capacity of 1000 coaches per year, so that higher number of coaches of various types are built. This enhanced capacity is expected to become available in two to three years time.

4.13 Elaborating further the Member (Electrical), Railway Board stated:

“...Our production units has been ICF only for EMUs and over the period of time as what Member (Mechanical) said, the pressure for producing conventional coaches, meaning the mail express type of coaches, was more. So the production level was increased to meet the public demand and EMU was cut and keeping this in mind, we took two actions.

Firstly, we enhanced the capacity of both ICF and RCF. A decision has been taken and that has been implemented. Now both the units are manufacturing not 1,000 per year; they are manufacturing more than 1,200 coaches per year. Even then the demand of EMUs and MEMUs is so high that, we will not be able to meet the requirement.

So we decided in 2005 to supplement the EMU requirement through trade. That specification and other things took some time, about a year. The tender was opened on June 2006. The tender case is with the hon. Minister for the placement of order. So we will supplement the shortfall in production of ICF and RCF from trade. But this whole process is taking time. It will take about two years time when we get the new rakes from trade and that is where we are now. So to get over this problem, we enhanced the capacity of ICF from 16 rakes per year to 60 rakes per year and decided that they will produce 200 conventional coaches less so that EMUs demand is met. Equivalently, RCF will produce 200 coaches more per year. That is broadly the picture.”

4.14 When asked by the Committee whether such shortfalls in physical targets were due to bad planning, the Chairman, Railway Board, stated during evidence as under:

“Our planning process is such that we as managers at the Board level who fix targets that are indeed difficult and tough as mentioned by him? We do it deliberately. There is not denying of the fact that the entire intention being that unless this slight tension is available, we do not get the best out of the system. It is proven by this fact that we set up a target for Wheel and Axle Plant of one lakh wheels. We are going to clock about 1.30 lakh. Again and again monitoring has been done to do even better than the target set. The loading target has been fixed at 624 MT at the end of the 10th Plan. We will end up with 726 MT. I can agree having crossed that we should have modified out 10th Plan targets. This is our day to day exercise.

Another example is freight corridor – we have been announcing everywhere that we shall put DFC into position in five years knowing fully well it is a very difficult target for all of us unless those difficult targets are set unless the team gears up, we will not get the best out of the team. If we were to set only a realistic target, the tendency would then be for me to achieve far less than what I am capable of achieving.”

4.15 The Committee pointed out that the reasons for shortfalls enumerated in respect of new lines were not applicable in respect of doubling and whether any action has been taken against the officers concerned for the shortfalls in respect of doublings, the Member (Engineering), Railway Board informed the Committee as under:

“I would like to confirm that it has been pointed out to them also. That confirmation, of course, is not possible for me to provide in this forum. Perhaps, it will not be possible to provide this kind of information.”

4.16 The figures shown in the Outcome Budget (page 12) as 10th plan targets for terminal year 2006-07 appear to be incorrect and fall much short of the figures given in the

10th plan documents in regard to number of originating passengers and passenger kilometers which are shown below:

	Figures in Outcome Budget	Figures in 10th Plan document	Actuals in fourth Year of 10th plan (2005-06)
No. of originating passengers (Million)	5686	5885	5832
Passenger Kilometer (billion)	593	625	617

4.17 It has been claimed in the Outcome Budget that the actual passenger traffic surpassed the 10th plan target for terminal year (2006-07) in the fourth year of the Plan itself. Going by the figures of the Plan document, the above claim made in the Outcome Budget appears to be erroneous.

B. Annual Plan 2006-07

4.18 According to the Ministry, the Annual Plan for 2006-07 was proposed for a total outlay of Rs. 23,475 crore comprising internal generation of resources of Rs. 10,794 crore (46%), extra-budgetary resources of Rs. 5,170 crore (22%) and Capital from General Exchequer of Rs.5,435.14 crore (29%). In addition, Rs. 710.86 crore (3%) was proposed from the Railway Safety Fund which is funded from Railways' share of the Central Road Fund. An outlay of Rs. 2,240 crore (10%) was expected to be provided for through Special Railway Safety Fund, of which the support from the Ministry of Finance shall be Rs. 1,365 crore.

4.19 The Ministry have stated in the Performance Budget that the budgetary estimate and revised estimate for the year 2006-07 were as under:

	(Rs. in crore)	
	Budget Estimates	Revised Estimates
I. Internal Resources		
DRF, DF & OLWR	5910	6603
Capital Fund	4009	4815
Total Internal Resources	9919	11418
II. Safety Funds		
Railway Safety Fund	710.86	710.78
Special Railway Safety Fund (Railway's contribution)	875	788
III. Capital from General Exchequer		
a) Budgetary Support	5435.14	5435.14
b) Additional Budgetary Support for National Projects	..	1050
c) Contribution to SRSF	1365	1365
Total Capital from General Exchequer	6800.14	7850.14
IV. Market Borrowings and Others		
IRFC	4170	4170
RVNL	500	500
WIS	500	210
Total Market Borrowings	5170	4880
TOTAL PLAN SIZE	23,475	25,647

- 9% increase in plan size during the year
- 15% increase in deployment of internal resources in revised estimates
- The thrust of the Annual Plan, 2006-07 has been to take up and complete throughput enhance works on priority.
- Special emphasis was given to remove bottleneck on the system so as to remove various operational constraints.
- Works relating to electrification of sidings where detention in rolling stock exist due to traction problem were given priority.

Net outlays provided in Revised Estimates 2006-07 (including contribution to SRSF) for various Plan Heads were as under:

(Rs. in crore)

Plan Heads	BE 2006-07	RE 2006-07
New Lines (Construction)	1500.00	2524.64
Restoration of dismantled lines	10.00	10.00
Gauge Conversion	1299.88	1901.85
Doubling	1052.00	1175.70
Traffic facilities – Yard remodeling & others	615.00	595.54
Computerization	273.00	272.28
Railway Research	61.00	40.04
Rolling Stock	6800.14	6661.39
Leased Asset – Payment of Capital Component	1720.12	1720.12
Road Safety Works – Level Crossings	275.00	274.92
Road Safety Works – Road Over/Under Bridges	435.86	435.86
Track Renewals	2922.00	3418.39
Bridge Works	590.00	512.32
Signalling and Telecommunication Works	1518.00	1345.35
Electrification Projects	226.00	223.04
Other Electrical Works	215.00	234.81
Machinery & Plant	255.00	238.68
Workshops including Production Units	442.00	421.41
Staff Quarters	115.00	115.13
Amenities for Staff	140.00	145.38
Passenger Amenities	353.00	400.98
Investment in PSUs	1750.00	2028.00
Other specified works	249.00	268.21
Metropolitan Transport Projects	308.00	259.77
Inventories	350.00	423.10
Total	23475.00	25646.92

4.20 The physical targets fixed at the Budget estimate revised estimate and likely to be achieved, alongwith reasons for variation as stated by the Ministry of Railways are as under:

Plan Head	B.T.	R.T.	Reasons for variation
New Lines	550 Kms.	275 Kms.	The process involves finalization of detailed estimates first. Thereafter availability of land on the alignment, finalization of contract both for labour and material is done to start the work. All these procedures consume time.
Gauge Conversion	1100 Kms.	1225 Kms.	
Doubling	435 Kms.	450 Kms.	
Electrification projects	360 route Kms.	360 route Kms.	
Rolling Stock			
Locomotives (No.)	271 No.	300 No.	
Coaches (No.)	2307 No.	2861 No.	
Wagons (Vehicle Units)	10220 Vus	10220 Vus	
Signalling & Telecom (only major items)			
Replacement works	450 Nos. of stations	594	Shortage of contractors
Track circuiting rehabilitation works	1900 locations 300 Nos. of stations	2147 Locations 286 Nos. of stations	
Automatic block signaling	150 RKM	200 RKM	
Anti Collision Device	182 RKM	100 RKM	Technology to be fine tuned
Block proving by Axle counters	250 Block sections	450 block sections	Shortage of vendors
Train protection and warning system	280 RKM	200 RKM	Adoption of technology of Indian Rolling Stock
Bridge Works	1600 Nos.	1334 Nos.	Sometimes due to increase in steel costs, non-availability of steel/cement and non-availability of traffic restrictions/ block, works get delayed.
Track Renewals	4000 km	4000 km	Targets are achievable
Metropolitan Transport Works			Balance portion of Chennai MRTS Phase II up to 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. Reconfirmation of sharing of 2/3 rd cost of the project by State Government is still awaited. Works on three main projects, MRTS Chennai, extension of Metro Rail, Kolkata and MUDP Mumbai are in progress.
Others			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/summarized position of physical targets/outcomes for such Plan Heads.

C. Annual Plan 2007-08

4.21 The Ministry have informed the Committee that the Budget Estimates for 2007-08 for the Railways have been fixed at Rs. 31,000 cr. The total outlay comprises of the following components –

	Outlay For 2007-08	%age to total outlay
Internal Resources	16606	54%
Extra Budgetary Resources	5740	19%
Gross Budgetary Support [a(i) + b(i) + c]	7611	
a) Special Railway Safety Fund		
(i) Amount from General Exchequer	1165	
(ii) Railways' contribution	717	
Total	1882	6%
b) Railway Safety Fund		
(i) Amount from General Exchequer	725	
(ii) Amount drawn down from fund balances	326	
Total	1051	3%
c) Capital from General Exchequer	5721	18%
Total	31000	100%

4.22 The Minister of Railways in his budget speech has stated that three fourth of the plan outlay will be sourced from internal resources and the share of internal resources alone would be 56 per cent. Deployment of internal resources is projected at Rs.17,323 crore. Extra budgetary resources will include Rs.5,000 crore for leasing of rolling stock from IRFC, loan of Rs.240 crore to be raised by RVNL and investment of Rs.500 crore under the Wagon Investment Scheme. The budgetary support to be received from the General Exchequer of Rs.7,611 crore that includes Rs.1,165 crore for SRSF, Rs.725 crore from Central Road Fund and Rs.5,721 crore for other projects and works. The allotment of dedicated freight corridor has been proposed at Rs.1,330 crore.

According to the Ministry the thrust of the Annual Plan 2007-08 is to maintain the high growth in traffic by focussing on early completion of works for throughput

enhancement on high traffic density routes, improvement of traffic facilities and enhancing sectional capacity. The thrust areas include –

- (a) making the high density network suitable for running of heavy axle load trains,
- (b) enhancing line capacity of busy routes by implementing measures like intermediate block sections, automatic signalling etc.,
- (c) increase in speed of trains through construction and modification of fly-overs, by passes, yard redesigns etc. at busy junction stations, besides,
- (d) increasing rolling stock through procurement of 200 diesel and electric locomotives each and 11000 wagons.

The outlays for Doubling has been almost doubled at Rs. 2000 Crore to expedite execution of Doubling projects while for Gauge Conversion and Traffic Facility works have been substantially increased in the Annual Plan 2007-08 as compared to 2006-07. Special emphasis is being given to complete Gauge Conversion works which would form alternative routes and 1800 km of Gauge Conversion is targeted for the year. The allocations for Metropolitan Transport projects have been more than doubled as compared to 2006-07 with special emphasis on improvement of the Mumbai suburban system. For Road Safety Works – Level Crossings, the provisions have almost been doubled to ensure smooth operation and improve safety.

4.23 As per the Budget Speech, outlay for the four other major plan Heads have been kept at Rs. 5,036 Crore. Provision of Rs. 1,610 Crore has been made for New Lines, Rs. 2,404 Crore for Gauge Conversion, Rs. 300 Crore for Electrification and Rs. 722 Crore for Metropolitan Transport Projects. The outlay for safety related plan Heads includes Rs. 3,360 Crore for Track Renewal, Rs. 597 Crore for Bridge Works, Rs. 1,597 Crore for Signal and Telecom Works, Rs. 551 Crore for construction of Road Over/Under Bridges and Rs. 500 Crore for Level Crossings. Additional fund of Rs. 2,725 Crore have been sought by Ministry of Railways from the Ministry of Finance for national projects of Jammu and Kashmir and North Eastern Region, namely Udhampur-Srinagar-Baramulla, Jiribam-Imphal Road (Tupul), Kumarghat-Agartala - New Line and Lumding-Silchar-Jiribam - Gauge Conversion projects.

D. 11th Five Year Plan

4.24 According to the Railways for the preparation of Railway Programmes for the 11th plan, a Working Group has been set up by Planning Commission. The Report of the Working Group is under finalization after which it would be sent to the Planning Commission for consideration. The Approach Paper to the 11th Plan has identified capacity expansion in the Railways as a key thrust area for the Transport Sector. Considering the challenges faced by the railways the main objectives of the 11th plan would be:

- Increase the market share of railways in freight business
- Consolidate the rail share in Passenger Business
- Reduce unit cost of operation
- Improve Safety
- Modernise and up grade technology in track, rolling stock and signalling.

4.25 The thrust areas identified to achieve these objectives include:

- Building capacity by construction of New lines including Dedicated Freight Corridors, doubling, gauge conversion to develop alternate routes.
- Enhancement of capacity of existing network by adopting low cost capacity improvements.
- Improved operational efficiency by better assets utilization, technology upgradation, introducing heavier axle loads, improved rolling-stock, running of longer trains.
- Improvement in the quality of services by modernization of freight & passenger terminals and construction of world class stations.
- Provision of a world class passenger system. Pre-feasibility studies will be conducted for construction of high speed passenger corridors, equipped with state of the art signalling and train control systems.
- Enhancing manufacturing capacity of existing rail coach and locomotive production units. In addition, one new factory each for rail coaches, diesel locomotives, electric locomotives and wheels will also be established. Feasibility of setting up these units through joint ventures will be explored.

- Investment in IT projects will be increased. IT applications will be deployed to improve passenger and freight services, make Railways more customer friendly, reduce operating costs, ensure effective utilization of human and physical resources.
- The electrified network will be extended over the other important routes .
- Public Private Partnership options will be explored with the aim of modernization of metro and mini-metro stations with world class passenger amenities, development of agro retail outlets and supply chains, construction of multi-modal logistic parks, warehouses and budget hotels and expansion of network and increase in production capacity.

4.26 The outlay for the 11th plan will be finalized in consultation with the Planning Commission. Investments at a much larger scale will be required for the various capacity augmentation initiatives and as compared with the provision made in the 10th Five Year Plan, the funding of this much larger plan size would require significant budgetary support and mobilization of sizeable internal resources besides market borrowing and resources generated from public private partnerships.

4.27 The physical and financial targets for New Lines, Gauge Conversion, Doublings and electrification for the 11th Plan period are expected to take a quantum jump from the levels of the 10th Plan in line with the objectives and thrust areas indicated above. The targets are still under finalization.

4.28 The ongoing projects in the NE region are:

- Azra-Byrnihat new line
- Bogiebeel bridge with linking lines between Dibrugarh and North Bank Line
- Dimapur-Kohima New Line
- Dudhnoi-Depa New Line
- Harmuti-Itanagar New Line
- Jiribam-Imphal Road New Line
- Jogighopa-Guahati New Line including rail-cum-road bridge across river
- Brahmaputra and Jogighopa

- Kumarghat-Agartala New Line
- New Mayanaguri-Jogighopa New Line
- Katakhal-Bairabhi gauge conversion
- Lumding-Dibrugarh, Haibargaon-Mairabari and Senchoa junction-Sihghat town gauge conversion
- Lumding Silchar gauge conversion including alignment between Migrendisa-Dittockchera and extension from Badarpur to Bhariagram
- New Jalpaiguri-Siliguri-New Bongagaon gauge conversion including link branch lines.
- Rangia-Murkongselek gauge conversion along with link fingers.

4.29 The allocation for these and other projects to be taken up in the NE Region during the 11th Five Year Plan will be decided along with finalization of the 11th Five Year Plan.

4.30 Replying to the concern of the Committee that the plan period for the 11th Five Year Plan had begun from the 1st April, 2007 and the Railways are yet to finalise the plan, the Chairman, Railway Board submitted as under:-

“We are late but I would like to submit that before preparing the Railways Plan, we have already discussed threadbare our Plan with various Chambers, with representatives of different sectors of industry, with Railway Federations, with Railway units as also with separate Committee formed in the Railways for this purpose, which has input from other Ministries of the Government of India. So in terms of deliberations and discussions, there have been very wide discussions and the draft Plan is a result of that. However, we are late in submitting it to the planning Commission.”

CHAPTER V

TRACK RELATED MATTERS

A. New Lines

As per the Budget documents, Rs. 1,510 crore were allocated under the Head 'New Lines' which was revised to Rs. 2,534.64 crore at the RE stage. The physical targets which were projected at 550 kms. at the BE stage were brought down to 275 kms. at the RE stage. However, the achievements made up to Mar., 2007 were only 250 kms.

5.2 Railways have informed that the outlay for construction of New Lines was increased by 67.8% at the Revised Estimate stage. However, at the same time the physical targets were reduced by nearly 50 per cent. The reasons for downward revision of physical targets have been stated to be delays in land acquisition, forestry clearance, geo technical problems being faced in tunneling works on some projects and slow progress/failure of contractors and also in some cases delay in finalization of contracts. The hike in allocation of new line projects was mainly due to allocation of Rs. 900 crores for the National Projects by Ministry of Finance during the course of the year and these get reflected in the Revised Estimate. The other reason for increase at Revised Estimate stage was provision of Rs. 84 crore for projects in NE Region and Rs. 40 crore on South Central Railway for completion of Karimnagar-Jagtiyal of Peddapally-Nizamabad new line project.

5.3 The Committee pointed out that with the increased funds, there should have been increase in physical targets as well and desired to know the reasons for the same. In this regard, the Financial Commissioner, Railway Board informed as under:

“In the national projects certain funds had been promised and the money actually did not come fully during the year. Ministry of Finance released three lots, one is Rs.1050 crore. Then even towards the end, the Finance Ministry was not in a position to tell Ministry of Railways or give Ministry of Railways the money.

There was a time when Zonal Railways wanted to divert and spend from other projects into national projects, which would have resulted in a regular expenditure. We exceeded the expenditure by taking out funds from some other areas. Then we had to put a stop to this practice stating that unless the Finance Ministry released the funds, we should not go ahead. Even out of the total funds promised, that is, Rs. 2,000 plus crore, what we got was only a sum of Rs. 1050 crore. It did come late. Yes, it has come in three phased installments, but to that extent, the project group

suffered. They do not know whether they should go ahead with the project or whether they would continue with the work. It is beyond our control.”

B. Gauge Conversion

5.4 In his Budget Speech, the Minister of Railways has stated that during 2006-07 Gauge Conversions of Neemuch-Ratlam, Samakhali-Gandhidham of Gandhidham-Palanpur, Latur-Osmanabad of Miraj-Latur, Trichy-Puddukottai of Trichy-Manamadurai, Klhagaria-Hasanpur of Khagaria-Samastipur, Kinwat-Mudkhed of Adilabad-Mudklhed and Basvanna Bagewadi-Bagalkot of Solapur-Gadag have already been completed. Besides this, works on Ajmer-Chittaurgarh, Puddukottai-Karaikkudi of Trichy-Manamadurai, Vriddhachalam-Salem of Cuddalore-Salem, Manamadurai-Rameshwaram, Sonamukhi-Rainagar of Bankura-Damodar railway line and Hasanpur-Samastipur Gauge Conversion projects are likely to be completed shortly.

5.5 After completion of gauge conversion works on these sections, the projects of Neemuch-Ratlam, Gandhidham-Palanpur, Ajmer-Chittaurgarh-Udaipur, Klhagaria-Samastipur, Adilabad-Mudkhed, Cuddalore-Salem and Madurai-Rameshwaram will be completed.

5.6 During 2007-08, a target of completion of about 1,800 km of following gauge conversion works has been fixed:

1. Kurduwadi-Osmanabad of Miraj-Latur
2. Saharsa-Dauram Madhepura of Mansi-Sahrsa-Purnea
3. Phulera-Ringus-Rwari of Ajmer-Ringus-Rewari
4. Pipar Road-Bilara
5. Darbhanga-Sitamarhi of Jayanagar-Darbhanga-Narkatiaganj
6. Akola-Purna
7. Pratapnagar-Bodeli of Pratapnagar-Chhota Udepur
8. Pakala-Madanapalli of Dharmavaram-Pakala
9. Kaptanganj-Thawe of Kaptanganj-Mathura
10. Bagalkot-Gadag of Solapur-Gadag
11. Mathura-Kasganj of Kanpur-Kasganj-Mathura
12. Katihar-Jogbani
13. Guntakal-Kalluru of Guntur-Guntakal-Kalluru
14. Vellore-Thiruvannamalai of Villupuram-Katapadi
15. Karaikkudi-Manamadurai of Trichi-Manamadurai
16. Mehsana-Patan
17. Shimoga-Anandapuram of Shimoga Talguppa

5.7 With the completion of these sections, Trichy-Manamadurai, Katihar-Jogbani, Akola-Purna, Solapur-Gadag, Pipar Road-Bilara, Guntur-Guntakal-Kalluru, projects would be completed. Gauge Conversion of Sakri-Nirmali and Jhanjharpur-Laukaha Bazar have been targeted for completion in 2008-09.

5.8 The allocation for Gauge Conversion was Rs. 1300 crore which was later revised to Rs. 1901.85 crore. The physical target too was revised to 1225 Kms from 1100 Kms. The upward revision of Gauge Conversion target was done to include some of the additional sections where adequate progress had been achieved. According to the Ministry, upto the end of February, 2007 about 850 Kms of gauge conversion have almost been completed and about 501 Kms of Gauge Conversion projects are likely to spill over to 2007-08

5.9 When the Committee desired to know as to why the targets as well as the outlay were increased the Executive Director, Railway Board informed the Committee as under:

“Basically, one or two sections were there, which the Railway indicated after we fixed the target that we can perhaps complete those sections also. So, we included those sections also in the list of targeted works. There were spillover sections also which were to be completed. In total we had a scope of about 1,400 kms to be done. So, 1100 kms was initially targeted.”

5.10 When asked as to what were the reasons for not including the revised targets at the time of finalization of Works Programme, the Member (Traffic), Railway Board stated during evidence as under:

“The only thing which I can say is that in the Works Programme, a project is sanctioned, and in that a particular target for a particular year is not included. The whole project cannot be executed in a year. These are being completed in different years. If a particular work is progressing well, then they automatically will like to prepare the target after the mid-year review, if possible. Somewhere if it is not progressing well, they may have to compensate that shortfall from other projects.”

5.11 The Executive Director, Railway Board further added:

“Keeping in view the progress of the work actually on site and the Railways indication that whatever they can complete and seeing the priority that these are becoming missing links for alternative routes, we finalize the targets initially. Actually, an additional section Farrukabad-Kasganj which we had not targeted initially, is 107 kms, which had been targeted later.”

C. Electrification

5.12 Railways had targeted to cover 360 route kms of electrification during 2006-07 and the Plan outlay of Rs. 223.04 crore was allocated for the same at the Revised Estimate stage. Up to the end of Dec. 2006 Rs. 122.95 crore expenditure had been incurred under this head. Railways have stated that till 28th February, 2007, 69 route kms in Krishnanagar-Debagram-Beldanga section have been energized. Replying to the concern of the Committee as to how the Railways would be able to achieve their target, the Member (Electrical), Railway Board submitted as under:

“For 2006-07, we had fixed the target of 360 kms. In the Tenth Plan, the balance was 351 kms out of a total of 1800 kms. We fixed the target of 360 kms, and the break-up of which are as under:

Sl. No.	Section	Route Kilometre
1	Krishnanagar-Dabagram	39
2	Cuttack-Raghunathpur	32
3	Talcher-Angul	15
4	Tirupati-Pakala-Katpadi	105
5	Bangalore Sub Urban Area	46
6	Najibabad-Harthala	93
7	Lucknow-Dilwarnagar	30
	Total	360

Out of this, by February, 2007, 69 kms of Krishnanagar-Debagram-Beldanga line was energized. On the other sections also, I have been watching the progress closely and we are going to achieve the target of 360 kms. The logical question that may come up now is that we have done till now only 69 kms, and how we will complete the rest so quickly. This happens in electrification projects because we do not energize the section block by block. As is for laying a new track. We take longer sections, 3 to 5 blocks at a time because traffic cannot come to a wayside station; it comes to the major station, and the procedure is longer. It requires E.I.G. and C.R.S. sanctions. We accumulate longer sanctions and then energize. If you look at Krishnanagar-Debagram-Beldanga, the initial target was 39 kms. I recall that I made you a promise that I would complete Lalgola this year. My people said that they would complete 39 kms. But we had put our best efforts there and we had seen the completion of 69 kms as against a target of 39 kms. The total length was 127 kms. Honestly, I am trying to finish the project by April end. I am not committing anything, but I will try my best.”

Track renewals

5.13 In the Annual Plan for 2006-07 the budgetary allocation for track renewals was Rs. 2922 crore that was later revised to Rs. 3418.39 crore. However, the targets were not increased commensurate with the hike in budgetary allocation and remained the same at 4000 kms. The Railways have stated in a written reply that as against the target of 4000 kms, the progress achieved up to March, 2007 was nearly 4686 km, the target had already been surpassed. Additional funds have been requisitioned to execute additional physical works, compared to the earlier planned. At revised estimate stage though the targets were not enhanced, but actual progress indicate that the additional works are completed which needed appropriate funding.

5.14 When asked how the targets for track renewals were being fixed and the total length of railway track which requires repair or renewal, the Member (Engineering), Railway Board stated during evidence as under:

“We fix our targets after knowing the requirement of renewals, the arrears of renewals and the funds available. Now what justifies the renewal is the life of the rail, the life of the sleeper, the requirement of ballast correspondingly which also suffers attrition, similarly the life of the various fittings. 4,000 kms is total track, but it does not mean that besides this, no other work is done. There are certain revenue expenditures which have to be incurred. These are the Plan expenditures chargeable to DRF. Now the rail life for 60 kgs is 800 GMT, for 52 kg is 550 GMT. So it is on this level of traffic which has passed over that rail, the assessment of life and therefore, the renewals are planned. But in addition, there is also a requirement on condition basis. The conditions can be corrosion, particularly in the coastal areas on the curves. Such things account for 10 to 15 per cent of our annual plan also.

My aim is to come at the level of annual arising which means that what I would generate for the requirement of renewal in one year, that much only should be my area at the beginning of the year. So, I am pursuing that aim. In pursuance of that aim, I am keeping even a little lower target next year because the arrears have been wiped out largely.”

5.15 The Committee desired to know about the life expectancy of the railway tracks keeping in view the incremental traffic being added each year and whether the life expectancy of tracks gets reduced proportionately. In reply, the Member (Engineering), Railway Board) stated as under:

“It has an influence on the track. One index for that is million tonnes of traffic carried by that rail. It is also true that when I am carrying heavier axle load, there is a faster fatigue of the rail. So, the point is whether I will be able to realize the 800 GMT fatigue life from 60 kg. rail. It is under evaluation. But there are methods to

achieve it resorting to rail grinding. That is a continuous research and development activity which is also in progress. So, if more million tonnes are there, the number of years is less. That is a simple arithmetic for the purpose of requirement of renewals.”

E. Surveys

5.16 The Minister of Railways in his budget speech has stated that the following survey works are proposed to be taken up:

New lines:

1. Karad-Chiplun
2. Aligarh-Kasganj
3. Rupai-Parshuramkund
4. Gudur-Durgarajapatnam
5. Shri Satya Sai Prashanthi Nilayam-Kadiri via Nallamada
6. Morappur-Dharmapuri
7. Madurai-Karaikkudi
8. Gaya-Natesar
9. Needmangalam-Puddukottai
10. Nanjangud-Nilambur
11. Tellichery-Mysore
12. Dindigul-Dumuli via Bodinayakkanur
13. Tumkur-Davangere
14. Dharwad-Bayalahongal-Belgaum
15. Ratlam-Banswara
16. Markapur-Shrisailem
17. Chakia-Bairgania via Madhubani, Phenhara, Piprahi
18. Kinwat-Mahur

Gauge Conversion

1. Chhindawara-Nainpur
2. Himmatnagar-Khedbrahma including extension upto Abu Road
3. Indara-Dohrighat

Doubling

1. Rajkharaswan-Adityapur third line
2. Sambalpur-Talcher
3. Mudkhed-Parbhani
4. Secunderabad-Bhongir third line
5. Jirat-Katwa
6. Adra-Gardhubeshwar
7. Khurda Road Puri

Rail Flyovers

1. Dongaposi
2. Dum Dum
3. Itarsi
4. Katni

New projects

5.17 It has been stated in the Budget Speech that Railways propose to take up the following new projects during the year 2007-08. Gauge conversion of Bardhaman-Katwa, Sadulpur-Bikaner and Ratangarh-Degana, Mailaduturai-Karaikkudi and Thiruturaipundi-Agastiyampalli. Dahod-Indore via Jhabua and Deoband (Muzaffarnagar)-Roorkee new line construction works. Doubling works of Pen-Roha, Mau-Indara, Kakrana-Panipat, Bimlagarh-Dumitra (Part), Barabanki-Burhwal, New Guwahati-Digaru, Alwar-Harsauli, Samalkot-Kakinada, Kalumna-Nagpur, Barbil-Badajamda, Adra-Joychandipahar, Kakinada, Kalumna-Nagpur, Barbil-Badajamda, Adra-Joychandipahar, Kuruppantara-Chingavanam, Ramanagram-Mysore, Ambalapuzha-Haripad, Arasikere-Birur, Titlagarh-Raipur, Gokulpur-Midnapore and Mahananda Bridge between Malda and Old Malda have been given approval. Gauge conversion work of Bhojipura-Pilibhit-Tanakpur and new lines between Chhota Udepur-Dhar, Bihta-Aurangabad, Rayadurg-Tanakpur, Bariarpur-Mananpur, Chandigarh-Baddi and Sultanganj-Katuria have been given in principle approval. Doubling of Pune-Guntakal which includes Bhigwan-Mahol is being processed for seeking approvals. Action on Wardha-Nanded via Yavatmal-Pusad new line will be taken after the receipt of approval from Government of Maharashtra on the cost sharing of the project. Further action regarding new line between Masrakh-Rewa Ghat via Taraiya-Amnour, Damoh-Kundalpur and Araria-Supaul and doubling of Muzaffarpur-Bettiah-Narkatiaganj-Valmikinagar will be taken after receiving the survey reports. For some of these projects the Governments of Uttarakhand, Karnataka and West Bengal have given their consent of sharing a part of the total cost. The Government of Andhra Pradesh has requested for construction of new lines between Cuddappah-Bangalore on 50:50 cost sharing basis. All such proposals will be considered on highest priority while seeking necessary approvals.

Signalling & Telecommunication Works

5.18 According to the Ministry, for signaling and telecommunication works such as replacement works, track circuiting, rehabilitation works, block providing works etc. the

budgetary estimate of Rs. 1518 crore was made which was reduced to Rs. 1345.35 crore at the Revised Estimate stage. The targets achieved up to Feb. 2007 is as under:

Sl. No.	Item	Target 2006-07	Target achieved upto Feb. 2007
(i)	Replacement Works (stations)	594	352
(ii)	Rehabilitation Works (stations)	286	95
(iii)	Track Circuiting(locations)	2147	1271
(iv)	Block proving by Axle Counters (block sections)	438	269

5.19 The Ministry have informed the Committee that the Railways have not been able to achieve the targets set in the aforementioned heads due to inadequate manufacturing and contractual capabilities, sharp increase in price of the metals leading to non-supply/non-finalization of tenders especially involving signaling and telecom cables, severe shortage of signal engineers and staff for design and execution works and the delay in provision of service buildings and non-availability of PSC layouts.

5.20 On being asked about the frequency of replacement work and why the problems were not visualized before the targets were fixed, the Member (Electrical), Railway Board stated as under:

“Its life is 25 years. As far as SRSF is concerned, initially some number was assigned to be done as in 2001. Subsequently every year, more were getting due. So, we have not only being doing SRSF, but we are also doing whatever falls due – all put together. I may mention here that this is a big work-panel lever frame, central cable etc. It is a new technology. It is a big work. In 2001-02, we did 131 stations; in 2002-03, it was 229; in 2003-04, it was 300; in 2004-05, we did 324 stations. We found that we were unable to wipe out the SRSF work; we have to push people – the suppliers, contractors, etc. So we put a higher target. With that pressure, people did a wonderful job; So, we had the best we did 402 last year. This was also not enough. So, we put a bigger target for this year; we knew that this is unrealistic. But I put pressure on the people and the result is very good. It is a very high target.”

5.21 The Chairman, Railway Board further added:

“The issue was very clear before us. We had a lot of discussions on this in the full Board. We also came before the government and Parliament – we need to take care of renewals which were falling in arrears. We got Rs. 17,000 crore sanctioned. But the number of contractors and suppliers in the field were not adequate and therefore, our physical progress work was not keeping pace with availability of SRSF funds which were available, for five year duration. One of the reasons for forcing ourselves was that before the five year period is over, we must put in our

best – whatever it may mean. In spite of the effort, we had to request for extension of this work by one year. We are monitoring it at the highest level in the best possible manner and considerable amount of pressure has been generated on all the agencies. The intention was that somehow we should be able to complete this work which we had committed to Parliament 5½ years ago.”

5.22 Responding to the query of the Committee as to what was the target for Corporate Safety Plan and the recommendations made by the Khanna Committee in regard to track circuiting, the Ministry in a written reply have stated as under:

“ Targets for Track Circuiting in Corporate Safety Plan (as per Annexure A-7 of Corporate Safety Plan) is as follows:

ITEM DETAILS	QUANTITY	TIME FRAME BY
Track Circuiting at Stations	5307 locations	2006-07*
Track Circuiting at balance stations (in addition to SRSF)	930 locations	2008-09
Track Circuiting at balance stations (in addition to SRSF)	596 locations on MG and 439 locations on “E”, 37 on “D” and “D spl”	2013-14

* The time frame has been extended by one year i.e.2007-08

The Khanna Committee had recommended that complete track circuiting at stations should be done according to the priorities and time frame indicated below:-

ROUTE	ESTIMATED COST OF BALANCE WORKS	TIME FRAME FOR COMPLETION
‘A’	Rs.190 Crores	2 years) Concurrent) 3 years)
‘B’ & ‘C’	Rs.520 Crores	
‘D’ spl & ‘E’ spl	Rs.290 Crores	3 years after A, B & C

Modern Signalling Arrangement

5.23 During the year 2006-07 track circuiting at more than 96 percent places on A,B, C, routes, multi-aspect colour light signaling system on A and C routes and other upgradation works from Special Railway Safety Fund have been completed at 1,036 stations. All other works taken up under this fund are targeted to be completed by March 2008. To bring about qualitative improvement in reliability of signaling systems, an integrated plan will be prepared and executed during 2007-08. Till now signaling has been mainly used for Railways safety, whereas modern signaling systems have possibilities to effect improvement in line capacity. The average distance between two block sections on high density networks will be reduced from 12 kilometres to 8 kilometres by using the IBS system. Certain junction stations having heavy traffic will be provided with Automatic Block Signalling System on their approaches.

Bridge Works

5.24 To improve the safety of rail and road users, the existing busy level crossings having heavy traffic density are being replaced by Road Over/Under Bridges in a phased manner. Railways are reported to have 1,27,768 bridges. In 2005-06, 1431 bridges were rehabilitated/rebuilt.

5.25 During the year 2006-07, a total of 1334 nos. of bridges were initially targeted for completion under Special Railway Safety Fund (SRSF) & Depreciation Reserve Fund (DRF), for which an outlay of Rs. 590 crore was provided in Budget 2006-07. The physical target for Bridge Works for 2006-07 was subsequently revised to 1272 no. of bridges and outlay was revised to Rs. 512.32 crore at Revised Estimate stage. According to the Ministry of Railways, out of the bridges sanctioned under SRSF, 84 no. of bridges have been dropped after detailed site investigations. The revision in Budget outlay and physical targets of Bridge Works was necessitated in view of trends of expenditure and physical progress reported by various Zonal Railways, due to various complexities involved in execution of Bridge works.

5.26 Up to 31.03.2007, a total of 1114 no. of bridges have been rehabilitated/repared and expenditure of Rs. 476.35 crore has been incurred for Bridge Works. All out efforts are being made by the Zonal Railways to achieve the revised targets of Bridge Works for 2006-07 by 31.03.2007.

5.27 On being asked as to why the targets were getting revised downwards the Member (Engineering), Railway Board stated as under:

“These 1,600 bridges originally identified were on the basis of an identification done when SRSF Plan was made for the bridges and also for the other bridges sanctioned with the Railways chargeable to the DRF as was based on total availability of such sanctions. It was a tall order given to the Railways, at the time of discussion in the month of March, 2006, which needed to be revised downwards because of practical difficulties pointed out by the Railways and also certain decisions taken about the extra strength available in certain projects necessitating that they be deleted from the sanctioned. Their number is 84.

Thus, the target was revised, but it was revised quite early in the year and it had to be revised once again at the mid-term review and out of the achievement whatever shortfall is there, that is intended to be completed in the next year. We may here also like to appreciate what is the total outstanding work of bridges rehabilitation

and what level we will be in the year that has started. It is a smaller level of requirement. We are reaching a fairly more easily manageable situation.”

Level Crossing

5.28 For Railway as well as road users, manning of unmanned level crossings and provision of lifting barriers are the main aspect of safety at the level crossings. As on 31st March, 2006, the Railways maintained 34,897 level crossings, out of which 16,600 had gate keepers and 18,297 crossings were unmanned. In 2005-06, 291 unmanned level crossings were provided with gate keepers.

5.29 The target set for manning the level crossings for 2006-07 was 369 level crossings. Similarly, target for providing lifting barriers was 486 level crossings. Up to December, 2006 works at 94 and 312 level crossings respectively were in progress and the balance likely to remain at the termination of the Annual Plan has been indicated as 275 and 50 level crossings respectively. In this regard, Railways have stated that upto Feb. 2007, Railways has manned 168 unmanned Level Crossings against target of manning of 369 unmanned level crossings. The progress of execution of works and manning of the level crossings depends not only on progress of Civil Engg. Works, but also on availability of manpower for manning. Zonal Railways are finding difficulties in providing suitable gateman to man the unmanned level crossings, as creation of new posts is possible only by providing matching surrender of vacancies, which is usually not available in view of creation of new assets and target for surrender of posts. There are large number of vacancies in Gangman (feeder Grade for Gangman) as the recruitment process is time taking and in quite a few cases the recruitment process is held due to Court orders/and/or investigation by various investigation agencies to prevent malpractices. All efforts are being made by Zonal Railways to recruit suitable manpower so that the posts of gateman are filled up and level crossings are manned. Further the Ministry have stated that though most of the unmanned level crossing accidents are seen at low density crossings, Zonal Railways as a special measure, have been asked to consider and sanction limited height subways wherever feasible so that their number is reduced. To ensure safety at unmaneed level crossings, a policy decision has reportedly been taken to convert unmanned level crossings into limited height subways. The powers of General Managers of Zonal Railways for sanctioning such works have been enhanced to Rs.50 lakhs per case. Emphasis is also being given to close down as many unmanned level crossings as possible,

suggesting their merger with another level crossing in close vicinity with the cooperation of civic and local bodies.

5.30 According to the Ministry of Railways, the number of unmanned level crossing accidents and their percentage to the total accidents since 2000-01 is as under :-

Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2005-06 upto Jan'06	2006-07 upto Jan'07
Total Accidents	473	415	351	325	234	234	202	172
Unmanned Level Crossing Accidents	73	80	82	86	65	65	59	64
Unmanned Level Crossing Accidents (in %)	15.43%	19.28%	23.36%	26.46%	27.78%	27.78%	29.21%	37.21%

From the above, it would be seen that although the percentage of unmanned level crossing accidents has increased, their absolute number has remained in the same range. However, this is equally worrying for Railways. As most of them are caused due to the negligence of road users, public awareness programmes are undertaken regularly for educating road users for observing safe practices while negotiating unmanned level crossings. Publicity campaigns are periodically launched through various media such as quickies on television, slides, news papers, street plays, etc. Joint ambush checks with the involvement of civil authorities are also conducted. As the traffic densities go up, such level crossings are being progressively manned.

5.31 As regards provision of lifting barriers on double/multiple lines, Railways have made substantial progress as lifting barriers have been provided at 349 level crossings against target of 486 level crossings. By the end of June, 2007, it is expected that the Railways shall be able to complete the shortfall in target of providing lifting barriers at 486 level crossings. Further Interlocking of manned level crossing gates and provision of telephone on manned level crossing gates are being done progressively to increase the Safety at the manned level crossings. An amount of Rs. 275 crores has been allocated to the Zonal Railways for Safety works at Level Crossings including works of manning and provision of Lifting barriers.

5.32 During the year 2007-08, a total of 447 level crossings have been targeted for manning. An amount of Rs.500 crore has been proposed to be allocated to the Zonal Railways for Level Crossing works including manning.

CHAPTER VI
MISCELLANEOUS

A. Security

According to the Ministry of Railways Year Book for the year 2005-06, Indian Railways had 1,412,434 regular employees as on 31st March, 2006 as against 1,424,389 as on 31st March, 2005 showing a decrease of 11,955.

6.2 The Minister of Railways in his Budget Speech has stated that there are at present 8,000 vacancies in Railway Protection Special Force (RPSF) which are proposed to be filled up on all India basis. On being asked about the vacancies in RPSF and the year-wise analysis of the vacant posts, the Ministry of Railways informed the Committee as under:-

“11,978 vacancies in different ranks have been filled up in RPF/RPSF during the last 3 years (2004, 2005 and 2006). Now around 7,320 vacancies (including the anticipated vacancies up to 31.12.2008) in the rank of Sub-Inspector, Constable and Ancillary Staff have arisen. Security Directorate has issued necessary instructions to all the CSCs of the Zonal Railways to fill up these vacancies in the next 6 months.”

6.3 During evidence the Committee desired to know that in the changed security scenario and Railways being the soft target, whether the existing strength of staff in RPF and RPSF is capable to meet the challenges. In this connection the representatives of the Ministry of Railways informed the Committee as under :-

“The problem is regarding the basic issue of policing. It is with the State Government and the Railways. There has been an issue, which needs to be settled. In fact, with the change in the Railway Act & RPF Act, we had taken on ourselves the additional duties for which, of course, earlier it was GRP which was doing these activities. We find that the State Governments continue to help us. In fact, if you look at it in areas of NF Railway, it is the State Government and the Army which are giving us a lot of support. We are getting similar help in Jammu and Kashmir also. In Mumbai, it is the GRP which has been working on this issue, we have been in touch with them. This is a major issue and it has yet to be decided who will do what. On this issue, even the Railway Minister had written a letter to the Hon'ble Home Minister. I will not go into further details as this is something which has to be decided.”

6.4 He further added that :-

“As regards RPSF we needed some additional manpower for which we had some proposals. When the Railway Protection & RPF Act was passed, we had said that it is a non-money Bill. We also said that we would not ask for additional manpower. So, with such a commitment given to Parliament obviously any creation of staff needs the clearance of the Finance Ministry. But in the present security scenario, we did send some proposal for 2661 staff which has been turned down by the Finance Ministry. Our Hon’ble Minister would take it up with the Finance Minister. I have also taken up the issue with the Cabinet Secretary. So, we are seized of the need for the additional forces. We are already on the job. But since the requirement of RPSF and RPF are different, the idea is that RPF can do more work with less staff. So, we are thinking of drawing additional force temporarily from them till the manpower is increased.

Two new battalions for the RPSF were cleared by the Government. Those battalions are being raised. Work is going on. Selection is going on. At the same time training has to be given. It will take some time by the time the two battalions get ready. There is a need for the RPF. We felt that first if we can fill up the vacancies. Eight thousand is quite a large number of vacancies. Maybe, we can first look after our immediate needs. There is a drive now in the Zonal Railways to recruit men as quickly as possible. We have given them a target of six months within which these Selection Committees will work and finalise the reports.”

6.5 However, during evidence the representatives of the All India RPF Association informed the Committee as under :-

“The RPF has lesser staff. We need, as per assessment of the Railways, more than 30,000 staff minimum for providing security in important trains, not all trains. The Hon’ble Minister for Railways himself has declared recruitment for 24,000 personnel. In the Budget speech recruitment of another 8000 personnel were announced. But the process of recruitment is very slow. We do not expect to have staff at least in the near future. This aspect has to be looked into.”

6.6 The representatives of the All India Railwaymen Federation (AIRF) stated during evidence as under:

“there are about 2 lakh posts vacant on the Railway. They are there for the last so many years. Xx xx xx xx xx. So the shortage of staff is causing serious anxiety amongst the railwaymen.”

B. Passenger Amenities

6.7 The year 2006-07 was declared as ‘A Year of Customer Service with a Smile’ for which an allocation of Rs. 401 crore was made at the Revised Estimates stage. While informing about the utilization of funds and the additional facilities provided to the

passengers, the Ministry of Railways informed the Committee that the financial year 2006-07 was in progress and the position of expenditure would be known by June 2007. Original allotment for 2006-07 was Rs. 353 cr. Railways had reassessed the likely expenditure based on the midterm review of progress of the works. Rs. 401 crore has been allotted based on their assessment. It is expected that the funds allotted during 2006-07 will be fully utilized.

6.8 When asked about the additional facilities that were provided during the year, the Ministry of Railways informed the Committee as under:

“The following additional facilities are proposed/provided at the stations:

- (a) Improvements in the facade of the station building.
- (b) Improvement in the circulating area so as to ensure proper entry and exit of vehicles etc.
- (c) Renovated water booths.
- (d) Renovated, modern, pay and use toilet.
- (e) Good waiting and retiring rooms with modern furniture.
- (f) Improvement to platform surface.
- (g) Improvement of booking and enquiry offices to give them a facelift.
- (h) Adequacy of water etc.”

C. Cleanliness Year

6.9 In his Budget speech, the year 2007-08 has been declared as ‘Cleanliness Year’ by the Ministry of Railways. While enumerating steps taken/proposed to be taken to achieve cleanliness in the Railways the Ministry informed that with a view to improve the standard of cleanliness, Railways have planned multi-pronged action by synergising technology, education of users and provision of mechanized better equipments. Besides various routine measures taken to improve cleanliness at stations, specific guidelines have been issued to Zonal Railways on the following:

1. Instructions issued earlier (5.11.02) regarding delegation of powers to DRM for purchasing of tools and plants required for carrying out various sanitation related activities, awarding of pest control contracts, specialized contracts for mechanized cleaning and one time cleaning have been reiterated.

2. Introduction of mechanized cleaning at all A & B category stations.
3. Health Inspectors should be provided round the clock at A-1 category stations for ensuring cleanliness/proper upkeep of the station premises. At A category stations, one or more Health Inspectors should be provided and at B category stations one Health Inspector to be provided.
4. The Inspectors/Supervisors of all departments provided for cleanliness supervision will be under the administrative control of the station Supdt/Station manager for the purpose of attendance, leave, pay, awards, DAR etc.
5. The station Managers would be provided with adequate cash imprest exclusively for cleaning of approach to station.
6. The 'Service Improvement Groups' should be activated not only at A class stations but also at B class stations.
7. Periodic contracts for rag picking should be available at all A-1, A, B and C category stations for areas around the station. Accordingly, garbage disposal contracts should also be awarded.

D. Public Private Partnership Schemes

6.10 It has been stated in the Budget speech that investment at a much large scale would be required for the capacity augmentation and expansion of network as compared with the provision made in the 10th Five Year Plan. The funding of this plan of several lakh crores would require multi source approach based upon deployment of internal resources, market borrowings, Public Private Partnerships and budgetary support. The Railway Ministry have constituted a Public Private Partnership Cell which will develop the policy framework to provide non-discriminating level playing field to investors, prepare the bankable documents and set up the procedure for awarding partnerships through open tendering system. The Government have enhanced their capacity by contacting private investors in the wagon investment schemes and siding liberalization schemes etc. Public Private Partnerships options will be explored with the aim of modernization of metro and mini-

metro stations with world class passenger amenities, development of agro retail outlets and supply chains, construction of multi modal logistic parks, warehouses and budget hotels, expansion of network and increase in production capacity.

RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

1. The Committee commend the remarkable performance of Railways with an estimated net revenue of over Rs. 14,000 crore and an operating ratio of 78.7% during 2006-07. The Committee are, however, concerned to note that there is likely to be deceleration in the growth rate of Railways in the year 2007-08 as compared to the year 2006-07. The surplus after dividend which is expected to record a 72% growth in 2006-07 over the previous year is projected to fall to 8% in 2007-08 and Gross traffic receipts from 16% to 13%. On the other hand, the total working expenditure is expected to sharply rise by 14% in 2007-08 as compared to 9% in 2006-07. As a result, the operating ratio of Railways is likely to go up from 78.7% in 2006-07 to 79.6% in 2007-08. The Committee feel that concerted efforts are needed to sustain the growth momentum achieved by Railways in the year 2006-07 by measures such as productivity improvement, better asset utilization, capacity augmentation, increasing the market share, etc.

2. Incidentally, Railway Board Chairman indicated during oral evidence that there has been an incorrect representation of information provided by the Railways to the Committee regarding budget surplus/net revenue. The Committee would like to be informed of the correct figures in this regard. The Committee find that there have also been discrepancies in the documents presented to Parliament by Railways. The Committee urge that extreme care should be exercised to ensure that the documents/information presented to the Parliament and the Parliamentary Committees are free of errors.

3. Though freight traffic gives almost 63% of Railway earnings, freight gets last priority in movement. The Railway Board Chairman was candid enough to admit that Railways should have gone for dedicated freight track about three to five years earlier. The Committee are not clear as to why timely initiatives were not taken in this regard. In order to improve freight business, the budget for 2007-08 has outlined market responsive schemes which include empty flow freight discount, two leg freight discount, incremental freight discount for non-peak season, rationalization of parcel policy and upgradation of routes to carry higher axle load trains upto 23 tonnes and 25 tonnes. Notwithstanding these measures, the Committee feel that utmost priority needs to be accorded to execute the dedicated freight corridor project which is

admittedly lagging behind by five years. The Committee note that allocation of Rs. 1,300 crore has been made for this project during the current year (2007-08). The Committee will await details of this project with target for completion.

4. Track constitutes the basic infrastructure of a railway system and bears the brunt of coping with ever increasing traffic. High speed and heavy axle load operation necessitates upgradation of the track structure as part of track renewals. The Committee are glad to note that the track renewal target of 4,000 kms for 2006-07 was surpassed and the actual achievement in this respect was 4686 Kms. The Committee desire that there should be no arrears of track renewal at any given point of time and action should be taken to ensure this.

5. Signaling has been mainly used for Railways safety, whereas modern signaling systems have possibilities to effect improvement in line capacity. This signifies the importance of modern signaling systems. Regrettably, there has been huge shortfall in achievement during 2006-07 in replacement and rehabilitation works, track circuiting and Blocks proving by Axle Counters. Reasons advanced in this regard such as constraints of manufacturing and contractual capabilities, non-finalization of tenders, severe shortage of signal engineers and staff and delay in provision of service buildings – reflect poorly on the Railways. These factors are controllable with advance planning and proper coordination. The Committee urge that at least now prompt efforts should be made to identify the shortcomings and deficiencies with a view to achieving satisfactory performance in this regard in the current year. The Committee in this connection note that Khanna Committee had recommended that complete track circuiting at stations should be done according to priorities and time frame of 2-6 years. The Committee trust that action will be taken to adhere to the time limit laid down by Khanna Committee.

6. Railways are reported to have 1,27,768 bridges. To improve the safety of rail and road users, the existing busy level crossings having heavy traffic density are being replaced by road over/under bridges in a phased manner. Though in 2005-06, 1,431 bridges were rehabilitated/rebuilt, the initial target fixed for 2006-07 was considerably lower at 1,334. The Committee regret to note that even this lower target was further revised downwards to 1,272 during the year on the plea of complexities

involved in execution of bridge works. The Committee note that work on only 945 bridges* could be completed till the end of Feb., 2007. The Committee hope that the revised target will be achieved as assured by the Ministry in a written reply. The Committee would like to know the total outstanding work of bridges rehabilitation at present and the target fixed for the year 2007-08.

7. There were 64 unmanned level crossing accidents up to January during 2006-07 as against 59 accidents during the corresponding period in the previous year. Sadly, the target achievement of manning the unmanned level crossings during 2006-07 has been very poor. As against the target of manning of 369 unmanned level crossings, Railways have manned only 168 unmanned level crossings till Feb., 2007 during the year 2006-07. Manpower shortage and delay in recruitment process are cited as the main reasons for shortfall in this respect. The Committee feel that this is a matter which should have been handled with foresight and by having honest and efficient Recruitment Board. Efforts should be made to ensure that sufficient manpower is in place to man the targeted unmanned level crossings. The Committee in this connection appreciate the policy decision of the Railways to convert unmanned level crossings into limited height subways wherever feasible with powers delegated to Zonal Railways to sanction such works up to Rs. 50 lakh. Hopefully, this will go a long way in bringing down the number of accidents.

8. The Committee are disappointed to note that during the 10th Plan period ending in 2006-07, there is likely to be a considerable shortfall in four important areas of activity as discussed in this and in the succeeding paragraph. Shortfall is expected in construction of new lines to the extent of 365 kms and in doubling as much as 212 kms. The Committee are not convinced of the reasons advanced in this regard such as delay in land acquisition, forestry clearance, geo-technical problems and slow progress/failure of contractors. These reasons are routinely put forth by the Railways year after year. The Committee feel that some of these are within the control of the management and others could be anticipated and provided for at the formulation stage. The claim of the Railway Board Chairman that the Railways set high and difficult targets to get the best out of the system does not carry conviction as the Railways have surpassed the targets in other areas of activity such as gauge conversion, doubling, track renewals, electrification etc. during the 10th Plan. The Committee feel that what is lacking is proper coordination and effective

* at the time of factual verification the Ministry of Railways informed that the actual achievement in this regard upto March, 2007 was 1114.

project management. The Committee desire that at least now inter-departmental and inter-enterprise linkages should be identified and coordination committee at a fairly high level organised to see that various items of work are properly synchronized.

9. The huge shortfall in manufacture of Electric Multiple Units (shortfall of 1096 coaches which is about 56% of the target) and Mainline Electric Multiple Units/Diesel electric Multiple Units (shortfall of 140 coaches which is about 19% of the target) during the 10th Plan is attributed to problem in design, limitation of capacity in the production units and higher demand of General Service Coaches. Design problem is stated to have been set right in association with Siemens. Works have also reportedly been sanctioned to enhance production capacity at ICF/Chennai and RCF/Kapurthala to 1,500 and 1,400 coaches annually from the present capacity of 1,000 coaches. The Committee are at a loss to understand why timely action could not be taken to overcome these problems. The Committee desire that it should be ensured that enhanced capacity becomes available in the production units within two to three years as is expected.

10. Incidentally, there appears to be discrepancy in the figures of passenger traffic shown in the Outcome Budget as that of 10th Plan document. According to the 10th Plan document, the target of number of originating passengers in 2006-07 is 5,885 million whereas the Outcome Budget portrays it as 5,686 million. Similarly, the target of passenger kilometer as given in the 10th Plan document is 625 billion whereas what is shown in the Outcome Budget is 593 billion. The misrepresentation of figures have probably led the Railways to make an erroneous claim in the Outcome Budget that the actual passenger traffic surpassed the 10th Plan target for terminal year (2006-07) in the fourth year of the Plan itself. The Committee would like to be informed of the factual position in this regard.

11. The Committee are surprised to learn that no market study has ever been undertaken by Railways with a view to improving their market share of passenger traffic as well as freight traffic. The Committee hardly need to emphasise the significance and usefulness of such a study to align the Railways to the growing market competition and to adopt strategy of lower unit cost and higher volumes. The Committee hope that as agreed to by a representative of the Railway Board during

oral evidence, a scientific market analysis will be undertaken in a time bound manner and the Committee be informed of the outcome.

12. The freight outstanding from State Electricity Boards and Power Houses as on 31 January, 2007 is stated to be over Rs. 1,411 crore. The Committee have been informed that the main defaulters in this regard are Badarpur Thermal Power Station (Rs. 554.81 crore), Punjab Electricity Board (Rs. 442 crore) and Delhi Vidyut Board (Rs. 176 crore) and that Badarpur Thermal Power Station has since paid Rs. 300 crore. Punjab Electricity Board and Delhi Vidyut Board with whom there was a serious dispute over the dues had reportedly gone to court and the verdict of the court appointed arbitrator has gone against Railways. The Committee would like to be informed as to how it is proposed to recover these dues and whether there was violation of any provisions of the contract by Railways with regard to these cases. The Committee expect the Ministry to order a probe into the matter with a view to fixing responsibility for lapses, if any.

13. The Committee agree with the Railways that the operating ratio which reflects the operating efficiency of the Indian Railways be viewed as a whole and not Zone-wise. The Committee in this connection note that for calculating Zone-wise operating ratios, passenger and freight earnings are apportioned between Zonal Railways based on the traffic earned on their respective systems and that all Zonal Railways are not placed evenly with regard to traffic earnings, by virtue of their jurisdiction and geographical location and that higher operating ratio reflected in Zonal Railways are beyond their control. As such the Zonal operating ratios cannot be relied upon as a measure of the operating efficiency of the zones. The Committee wonder as to what then is the need and relevance of depicting Zonal operating ratios in the documents presented to Parliament. It is high time to have a re-look at this issue.

14. Despite the fact that the 11th Plan period has commenced from 1st April 2007, the physical targets for capacity augmentation in fixed infrastructure, rolling stock and the required financial outlays for implementation are stated to be still under preparation. Admittedly, the Railways are late in submitting the draft Plan to the Planning Commission. The Committee hold that the Ministry of Railways should not be found wanting in this respect. They expect the Ministry to finalise the plan in

consultation with Planning Commission without any further delay and the Committee be apprised of the Plan details.

15. The Committee are distressed to note that of late Railways have become a soft target for terrorists, naxalites and other disruptive forces causing loss of innocent lives and loss of properties of Railways and passengers. Such incidents also create a sense of insecurity and fear psychosis among the Railway passengers. They also note that in the wake of recent bomb blasts in Delhi-Attari link express and Mumbai sub-urban trains and Lumding-Silchar incident, Railways have taken steps to strengthen and modernize security arrangements such as installation of explosive detection devices, door-frames and hand held metal detectors, CCTV and smart Video cameras at sensitive stations. The Committee desire that the Railways should in collaboration with State Police, Intelligence agencies and para military forces evolve a comprehensive and coordinated strategy to strengthen and improve the security on Railways. The Committee in this connection note that there are large number of vacancies in various ranks in Railway Protection Special Force/Railway Protection Force. The Minister for Railways announced in his Budget Speech filling up of 8000 vacancies in Railway Protection Special Force. Necessary instructions have reportedly been issued to fill up these vacancies within six months. The Committee believe that prompt action will be taken in this regard. In this connection, the Committee also stress that the existing vacancies in other departments particularly in safety category should also be filled up simultaneously.

16. It has been stated that Public Private Partnership options will be explored with the aim of modernization of metro and mini metro stations with world class passenger amenities, development of agro - retail outlets and supply chains, construction of multi-modal logistics parks, ware houses, budget hotels, expansion of network and increase in production capacity. The Committee stress that no core activity should be brought under PPP scheme. It should be ensured that the interest of railway employees and railway users are not compromised. In this connection, the Committee feel that the policy of outsourcing also requires critical review.

17. Out of Rs.17,000 crore allocated for Special Railway Safety Fund (SRSF), Rs.5,000 crore were to be mobilized by the Railways through levy of a 'Safety Surcharge'. The Committee note that after expiry of the period of SRSF 'Safety

Surcharge’ will be subsumed in the actual fare and the revenue so generated would be utilized for funding the construction of dedicated freight corridor. The Committee do not agree with such an arrangement. The Committee in this connection would recall their Report on ‘Demands for Grants 2006-07’ where the Committee had disapproved the policy of the Railways putting indirect burden on the commuters and had strongly recommended that the Railways should refrain from adopting such deceptive practices.’

18. The Committee in their 14th Report on ‘Indian Railway Catering & Tourism Corporation (IRCTC)’ had recommended that the whole system of catering including the Catering Policy – 2005 should be reviewed so as to align the Catering Policy as a part of passenger amenities and not as a commercial and profit making venture alone. This was also commented upon by the Committee in their 22nd Action Taken Report and desired that the Catering Policy – 2005 should be reviewed on priority basis. Nothing has been heard from the Railways so far in this regard. The Committee stress that outcome of the review undertaken by the Ministry of Railways be placed before them without any further delay.

NEW DELHI;
25 April, 2007
5 Vaisakha, 1929 Saka

BASUDEB ACHARIA
Chairman,
Standing Committee on Railways

**MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE
ON RAILWAYS (2006-07)**

The Committee sat on Thursday, the 8th March, 2007 from 1500 hours to 1630 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Ramdas Bandu Athawale
3. Shri Bapu Hari Chaure
4. Shri H.D. Devegowda
5. Shri Kishan Lal Diler
6. Shri Giridhar Gamang
7. Shri Anwar Hussain
8. Ch. Lal Singh
9. Shri Ananta Nayak
10. Shri C.H. Vijayashankar

RAJYA SABHA

11. Shri Karnendu Bhattacharjee
12. Shri Satyavrat Chaturvedi
13. Shri Shreegopal Vyas
14. Shri Tarini Kanta Roy
15. Shri Abani Roy

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Shri A. Louis Martin | - | Joint Secretary |
| 2. | Shri V.S. Negi | - | Director |
| 3. | Shri Arun K. Kaushik | - | Deputy Secretary-II |

2. At the outset, the Committee condoled the tragic demise of Shri Sunil Kumar Mahato, MP (Lok Sabha) and a Member of the Committee and adopted the following resolution for being forwarded to the bereaved family:-

“The Parliamentary Standing Committee on Railways express their deep sense of sorrow and grief over the sad demise of Shri Sunil Kumar Mahato, Member of Parliament (Lok Sabha) and a Member of this august Committee.

Late Shri Mahato, a young Parliamentarian who devoted his life for the upliftment of the tribals participated in various social welfare and political activities. Shri Mahato remained a Member of this Committee from 2006 till he breathed his last. As a Member of the Committee, he has been a source of inspiration for other Members in the deliberations of the Committee.

We deeply mourn the loss of our colleague and convey our heart-felt condolences to the bereaved family.”

As a mark of respect to the departed soul, the Members stood in silence for a while.

3. Thereafter, the Committee finalised the questionnaire prepared for calling written replies from the Ministry of Railways in connection with examination of the ‘Demands for Grants 2007-08’ of the Ministry of Railways.

The Committee then adjourned.

**MINUTES OF THE SIXTEENTH SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (2006-07)**

The Committee sat on Monday, the 19th March, 2007 from 1500 hours to 1645 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

16. Shri Ramdas Bandu Athawale
17. Shri Bapu Hari Chaure
18. Shri Kishan Lal Diler
19. Shri Ananta Nayak
20. Shri A. Sai Prathap

RAJYA SABHA

21. Shri Karnendu Bhattacharjee
22. Shri Satyavrat Chaturvedi
23. Shri Lalit Kishore Chaturvedi
24. Shri Tarini Kanta Roy

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Shri A. Louis Martin | - | Joint Secretary |
| 2. | Shri V.S. Negi | - | Director |
| 3. | Shri Arun K. Kaushik | - | Deputy Secretary-II |

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. Sivadasan | Financial Commissioner, Railway &
Ex-officio Secretary to the Govt. of India. |
| 3. | Shri S. K. Vij | Member Engineering, 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. K. Rao | Member Mechanical, Railway Board &
Ex-officio Secretary to the Govt. of India |
| 6. | Shri K. C. Jena | Member Staff, Railway Board & Ex-officio
Secretary to the Government of India. |
| 7. | Shri S. B. Ghosh Dastidar | Member Traffic, Railway Board &
Ex-officio Secretary to the Government of
India. |
| 8. | Shri M. K. Sinha | Director General, RPF |

2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry to the sitting of the Committee. Thereafter, the Committee took oral evidence of the representatives of the Ministry of Railways on 'Demands for Grants' of the Ministry of Railways for the year 2007-08. The evidence remained inconclusive.

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

The Committee then adjourned to meet again on 20th March, 2007 at 1500 hrs.

**MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (2006-07)**

The Committee sat on Wednesday, the 20th March, 2007 from 1500 hours to 1630 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

- 25. Shri Ramdas Bandu Athawale
- 26. Shri Bapu Hari Chaure
- 27. Shri Anwar Hussain

RAJYA SABHA

- 28. Shri Lalit Kishore Chaturvedi
- 29. Shri Tarini Kanta Roy
- 30. Shri Abani Roy

SECRETARIAT

- 1. Shri A. Louis Martin - Joint Secretary
- 2. Shri V.S. Negi - Director
- 3. Shri Arun K. Kaushik - Deputy Secretary-II

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. Sivadasan | Financial Commissioner, Railway &
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. K. Rao | Member Mechanical, Railway Board &
Ex-officio Secretary to the Govt. of India |
| 5. | Shri K. C. Jena | Member Staff, Railway Board & Ex-officio
Secretary to the Government of India. |
| 6. | Shri S. B. Ghosh Dastidar | Member Traffic, Railway Board &
Ex-officio Secretary to the Government of
India. |
| 7. | Shri M. K. Sinha | Director General, RPF |

2. The Committee took further oral evidence of the representatives of the Ministry of Railways on 'Demands for Grants' of the Ministry of Railways for the year 2007-08. The evidence remained inconclusive. The Committee decided to hold their next sitting on 4th April 2007.

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

The Committee then adjourned.

**MINUTES OF THE EIGHTEENTH SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (2006-07)**

The Committee sat on Wednesday, the 4th April, 2007 from 1500 hours to 1700 hours in Committee Room 'C', Parliament House Annexe, New Delhi for taking further oral evidence of the Ministry of Railways.

PRESENT

SHRI ABANI ROY - IN THE CHAIR

MEMBERS

LOK SABHA

31. Shri S. Ajaya Kumar
32. Shri Ramdas Bandu Athawale
33. Shri Kishan Lal Diler
34. Shri Mahesh Kumar Kanodia
35. Ch. Lal Singh
36. Shri Kishan Singh Sangwan
37. Shri K. Subbarayan
38. Shri C.H. Vijayashankar

RAJYA SABHA

39. Shri Satyavrat Chaturvedi
40. Shri Lalit Kishore Chaturvedi
41. Shri Shreegopal Vyas
42. Shri Tarini Kanta Roy

SECRETARIAT

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|----|----------------------|---|---------------------|
| 1. | Shri A. Louis Martin | - | Joint Secretary |
| 2. | Shri V.S. Negi | - | Director |
| 3. | Shri Arun K. Kaushik | - | Deputy Secretary-II |

2 In the absence of the Chairman, the Committee chose Shri Abani Roy, M.P. to preside over the sitting of the Committee under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. Thereafter, the representatives of the Ministry of Railways were called in. The following were present:-

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|----|---------------------|--|
| 1. | Shri J.P. Batra | Chairman, Railway Board & Ex-officio
Principal Secretary to the Govt. of India. |
| 2. | Shri R. Sivadasan | Financial Commissioner, Railway &
Ex-officio Secretary to the Govt. of India. |
| 3. | Shri S.K. Vij | Member Engineering, 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 |
| 4. | Shri R. K. Rao | Member Mechanical, Railway Board &
Ex-officio Secretary to the Govt. of India |
| 5. | Shri K. C. Jena | Member Staff, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 6. | Shri V. N. Mathur | Member Traffic, Railway Board &
Ex-officio Secretary to the Govt. of India. |

4. The Committee took further oral evidence of the representatives of the Ministry of Railways on 'Demands for Grants' of the Ministry of Railways for the year 2007-08. The evidence remained inconclusive.

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

The Committee then adjourned.

**MINUTES OF THE NINETEENTH SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (2006-07)**

The Committee sat on Thursday, the 5th April, 2007 from 1100 hours to 1345 hours in Committee Room 'C', Parliament House Annexe, New Delhi for taking further oral evidence of the Ministry of Railways.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

- 43. Shri S. Ajaya Kumar
- 44. Ch. Lal Singh
- 45. Shri Iqbal Ahmed Saradgi
- 46. Shri C.H. Vijayashankar

RAJYA SABHA

- 47. Shri Satyavrat Chaturvedi
- 48. Shri Lalit Kishore Chaturvedi
- 49. Shri Abani Roy

SECRETARIAT

- 1. Smt. Paramjit Kaur Sandhu - Additional Secretary
- 2. Shri A. Louis Martin - Joint Secretary
- 3. Shri V.S. Negi - Director
- 4. Shri Arun K. Kaushik - Deputy Secretary-II

Representatives of the Ministry of Railways (Railway Board)

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|----|-------------------|--|
| 1. | Shri J.P. Batra | Chairman, Railway Board & Ex-officio
Principal Secretary to the Govt. of India. |
| 2. | Shri R. Sivadasan | Financial Commissioner, Railway &
Ex-officio Secretary to the Govt. of India. |
| 3. | Shri S.K. Vij | Member Engineering, Railway Board &
Ex-officio Secretary to the Govt. of India |
| 4. | Shri R. K. Rao | Member Mechanical, Railway Board &
Ex-officio Secretary to the Govt. of India |
| 5. | Shri V.N. Mathur | Member Traffic, 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 'Demands for Grants' of the Ministry of Railways for the year 2007-08. The evidence remained inconclusive. The Committee decided to continue the evidence on 11th and 12th April 2007.

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 (2006-07)**

The Committee sat on Wednesday, the 11th April, 2007 from 1500 hours to 1715 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Prasanna Acharya
3. Shri Ramdas Bandu Athawale
4. Shri Anwar Hussain
5. Ch. Lal Singh
6. Shri Ananta Nayak
7. Shri Laxmanrao Patil
8. Shri Kishan Singh Sangwan
9. Shri Iqbal Ahmed Saradgi
10. Shri K. Subbarayan
11. Shri C.H. Vijayashankar

RAJYA SABHA

12. Shri Satyavrat Chaturvedi
13. Shri Lalit Kishore Chaturvedi
14. Shri Shri Shreegopal Vyas
15. Shri Tarini Kanta Roy
16. Shri Isam Singh
17. Shri Abani Roy

SECRETARIAT

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|----|----------------------|---|---------------------|
| 1. | Shri A. Louis Martin | - | Joint Secretary |
| 2. | Shri V.S. Negi | - | Director |
| 3. | Shri Arun K. Kaushik | - | Deputy Secretary-II |

Representatives of the Ministry of Railways (Railway Board)

- | | | |
|-----|---------------------|---|
| 1.. | Shri R. Sivadasan | Financial Commissioner, Railway &
Ex-officio Secretary to the Govt. of India. |
| 2. | Shri S.K. Vij | Member Engineering, 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. K. Rao | Member Mechanical, Railway Board &
Ex-officio Secretary to the Govt. of India |
| 5. | Shri V.N. Mathur | Member Traffic, 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 in connection with examination of 'Demands for Grants' of the Ministry of Railways for the year 2007-08. 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 (2006-07)**

The Committee sat on Thursday, the 12th April, 2007 from 1100 hours to 1400 hours in Committee Room No. '63', Parliament House, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

18. Shri Prasanna Acharya
19. Dr. Dharendra Agarwal
20. Shri S. Ajaya Kumar
21. Shri Bapu Hari Chaure
22. Shri Giridhar Gamang
23. Shri Anwar Hussain
24. Ch. Lal Singh
25. Shri Ananta Nayak
26. Shri Laxmanrao Patil
27. Shri Kishan Singh Sangwan
28. Shri K. Subbarayan
29. Shri C.H. Vijayashankar

RAJYA SABHA

30. Shri Karnendu Bhattacharjee
31. Shri Satyavrat Chaturvedi
32. Shri Lalit Kishore Chaturvedi
33. Shri Shri Shreegopal Vyas
34. Shri Isam Singh
35. Shri Abani Roy

SECRETARIAT

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|----|----------------------|---|---------------------|
| 1. | Shri V.S. Negi | - | Director |
| 2. | Shri Arun K. Kaushik | - | Deputy Secretary-II |

Representatives of the Ministry of Railways (Railway Board)

- | | | |
|-----|---------------------|---|
| 1.. | Shri R. Sivadasan | Financial Commissioner, Railway &
Ex-officio Secretary to the Govt. of India. |
| 2. | Shri S.K. Vij | Member Engineering, 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. K. Rao | Member Mechanical, Railway Board &
Ex-officio Secretary to the Govt. of India |
| 5. | Shri K. C. Jena | Member Staff, Railway Board & Ex-officio
Secretary to the Government of India. |
| 6. | Shri V.N. Mathur | Member Traffic, Railway Board &
Ex-officio Secretary to the Govt. of India. |
| 7. | Shri M. K. Sinha | Director General, RPF |

2. The Committee took further oral evidence of the representatives of the Ministry of Railways in connection with examination of 'Demands for Grants' of the Ministry of Railways for the year 2007-08. The evidence was concluded.
3. A verbatim record of the proceedings has been kept.

The Committee then adjourned to meet again at 1500 hrs.

**MINUTES OF THE TWENTY SECOND SITTING OF THE STANDING
COMMITTEE ON RAILWAYS (2006-07)**

The Committee sat on Thursday, the 12th April, 2007 from 1500 hours to 1630 hours in Committee Room No. '63', Parliament House, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

36. Shri Anwar Hussain

RAJYA SABHA

37. Shri Karnendu Bhattacharjee
38. Shri Shri Shreegopal Vyas

SECRETARIAT

1. Shri V.S. Negi - Director
2. Shri Arun K. Kaushik - Deputy Secretary-II

Representatives of National Federation of Indian Railwaymen (NFIR)

1. Shri B.C. Sharma, Vice President, NFIR
2. Shri Vijay Chopra, Asst. Secretary

Representatives of All India Railwaymen's Federation

1. Shri Umaraomal Purohit, President
2. Shri J.P. Chaubey, General Secretary
3. Shri S.G. Mishra, Asst. General Secretary
4. Shri Ch. Sankara Rao, Asstt. General Secretary
5. Shri J.R. Bhosale, Treasurer
6. Shri Harbhajan Singh Siddhu, AIRPF

All India RPF Association

1. Shri U.S. Jha, IPF(Int.), Railway Board and General Secretary
2. Shri Rana Bhattacharjee, HC/MLG and General Secretary / AIRPFA/NFR
3. Shri Pramod Kumar, IPF/Bankura and General Secretary
4. Shri Baliar Singh, IPF

2 At the outset, the Chairman welcomed the Members and the representatives of the Railway Unions/Associations to the sitting of the Committee. Thereafter, the Committee held discussion with the office bearers of the Unions/Associations viz. National Federation of Indian Railwaymen (NFIR), All India Railwaymen's Federation and All India RPF Association on the subject 'Demands for Grants' of the Ministry of Railways for the year 2007-08. The discussion was concluded.

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

The Committee then adjourned.

**MINUTES OF THE TWENTY THIRD SITTING OF STANDING
COMMITTEE ON RAILWAYS (2006-07)**

The Committee sat on Friday, the 20th April, 2007 from 1500 hours to 1600 hours in Committee Room 'B', Parliament House Annexe, New Delhi to consider the draft Report on 'Demands for Grants' of the Ministry of Railways for the year 2007-08.

PRESENT

SHRI ABANI ROY - IN THE CHAIR

MEMBERS

LOK SABHA

2. Dr. Dharendra Agarwal
3. Shri Giridhar Gamang
4. Shri Mahesh Kumar Kanodia
5. Shri Ananta Nayak
6. Shri K. Subbarayan

RAJYA SABHA

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

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Shri A. Louis Martin | - | Joint Secretary |
| 2. | Shri V.S. Negi | - | Director |
| 3. | Shri Arun K. Kaushik | - | Deputy Secretary-II |

2 In the absence of the Chairman, the Committee chose Shri Abani Roy, M.P. to preside over the sitting of the Committee under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee considered the draft Report on 'Demands for Grants' of the Ministry of Railways for the year 2007-08.

4. As regards the recommendation at Sl. No. 14 regarding 11th Five Year Plan, a Member (Shri Satyavrat Chaturvedi) suggested that it should be noted with concern that while consulting other organizations and institutions to formulate the proposals for 11th Five Year Plan, the Ministry of Railways has not consulted the Standing Committee in this regard. Some other Members also supported this suggestion. It was pointed out by the Secretariat that formulation of plans and policies was the prerogative of the Executive and it is not appropriate for the Committee to involve themselves in the Plan Formulation task of the Executive.

5. The Committee thereafter adopted the draft Report subject to the additions shown in the Annexure and authorised the Chairman to finalise the 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 MADE BY THE COMMITTEE IN DRAFT REPORT ON 'DEMANDS
FOR GRANTS 2007-08'
OF THE MINISTRY OF RAILWAYS**

Sl.No.	Page No.	Para No.	Line	Addition/Deletion
1.	58	5	11	<p>Add the following in the end of para 5-</p> <p>'The Committee in this connection note that Khanna Committee had recommended that complete track circuiting at stations should be done according to priorities and time frame of 2-6 years. The Committee trust that action will be taken to adhere to the time limit laid down by Khanna Committee.'</p>
2.	59	8	7	<p>Add the following line after the word 'contractors' –</p> <p>'These reasons are routinely put forth by the Railways year after year.'</p>
3.	62	15	3	<p><u>For</u> 'and Railway properties besides creating' <u>substitute</u> –</p> <p>'and loss of properties of Railways and passengers. Such incidents also create'</p>
4.	62	15	2	<p>After 'suburban trains' add the words 'and Lumding-Silchar incident'</p>
5.	62	15	--	<p>Add in the end –</p> <p>'In this connection, the Committee also stress that the existing vacancies in other departments particularly in Safety Category should also be filled up simultaneously'.</p>

6. 62 16 -- After para 15 add new para –
- ‘It has been stated that Public Private Partnership (PPP) options will be explored with the aim of modernization of metro and mini metro stations with world class passenger amenities, development of agro - retail outlets and supply chains, construction of multi-modal logistics parks, ware houses, budget hotels, expansion of network and increase in production capacity. The Committee stress that no core activity should be brought under PPP scheme. It should be ensured that the interest of railway employees and railway users are not compromised. In this connection, the Committee feel that the policy of outsourcing also requires critical review.’
7. 63 17 -- After para 16 add new para –
- ‘Out of Rs.17,000 crore allocated for Special Railway Safety Fund (SRSF), Rs.5,000 crore were to be mobilized by the Railways through levy of a ‘Safety Surcharge’. The Committee note that after expiry of the period of SRSF ‘Safety Surcharge’ will be subsumed in the actual fare and the revenue so generated would be utilized for funding the construction of dedicated freight corridor. The Committee do not agree with such an arrangement. The Committee in this connection would recall their Report on ‘Demands for Grants 2006-07’ where the Committee had disapproved the policy of the Railways putting indirect burden on the commuters and had strongly recommended that the Railways should refrain from adopting such deceptive practices.’

8. 63 18 --

After para 17 add new para –

‘The Committee in their 14th Report on ‘Indian Railway Catering & Tourism Corporation (IRCTC)’ had recommended that the whole system of catering including the Catering Policy – 2005 should be reviewed so as to align the Catering Policy as a part of passenger amenities and not as a commercial and profit making venture alone. This was also commented upon by the Committee in their 22nd Action Taken Report and desired that the Catering Policy – 2005 should be reviewed on priority basis. Nothing has been heard from the Railways so far in this regard. The Committee stress that outcome of the review undertaken by the Ministry of Railways be placed before them without any further delay.’