

STANDING COMMITTEE ON RAILWAYS
(2004-05)

FOURTEENTH LOK SABHA

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

DEMANDS FOR GRANTS
(2005-06)

EIGHTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

April, 2005/Chaitra, 1927 (Saka)

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(2005-06)**

*Presented to Lok Sabha on 20.04.2005
Laid in Rajya Sabha on 19.04.2005*



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2005/Chaitra, 1927 (Saka)

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STANDING COMMITTEE ON RAILWAY (2004-05)**Shri Basudeb Acharia - Chairman****MEMBERS****LOK SABHA**

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

22. Smt. Kamla Manhar
23. Shri Karnendu Bhatttcharjee
24. Maulana Obaidullah Khan Azmi
25. Shri Lalit Kishore Chaturvedi
26. Shri Su. Thirunavukkarasar
27. Shri Tarini Kanta Roy
28. Shri R. Kamraj
29. Shri Isam Singh
30. Shri Harendra Singh Malik
31. Shri Abani Roy

SECRETARIAT

1.	Shri P.D.T. Achary	-	Secretary
2.	Dr. (Smt.) P.K. Sandhu	-	Joint Secretary
3.	Shri V.S. Negi	-	Deputy Secretary
4.	Smt Abha Singh Yaduvanshi	-	Under Secretary
5.	Shri U.C. Bharadwaj	-	Executive Officer
5.	Smt. Archana Srivastava	-	Sr. Executive Assistant

INTRODUCTION

I, the Chairman of the Standing Committee on Railways (2004-05), having been authorised by the Committee to present the Report on their behalf, present this Eighth Report of the Standing Committee on Railways (2004-05) on 'Demands for Grants (2005-06) of the Ministry of Railways'.

2. The Committee took evidence of the representatives of the Ministry of Railways on 15th, 16th, 22nd, March, and 4th April, 2005.

3. The Committee considered and adopted the Report at their sitting held on 12th April, 2005. Minutes of the sittings held on 15th, 16th, 22nd, March, 4th and 12th April, 2005 form Part-II of 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 (2005-06) and sharing with them the issues concerning the subject which came up for discussion during evidence.

NEW DELHI;
April, 2005
Chaitra, 1927 Saka

BASUDEB ACHARIA
Chairman,
Standing Committee on Railways

REPORT

INTRODUCTION

The Indian Railways since its maiden journey way back on 16th April, 1853 from Boribunder (now Mumbai Chhatrapati Shivaji Terminus) to Thane covering a short distance of 34 Kms. has travelled a long way. From this small beginning, the Indian Railways during the last 152 years have expanded its network very fast. As on 31.03.2004 it has 63,221 route kms. comprising 46,807 kms broad gauge, 13,290 kms. metre gauge and 3,124 kms. narrow gauge traversing through the length and breadth of the country. It owns a fleet of 2,28,170 wagons (units), 40,781 coaches and 7,817 locomotives and are running 13,684 trains daily, including 8,622 passengers trains carrying 1.6 million tonne of freight traffic and about 14 million passengers covering 7,031 stations.

2. As Railway finances were separated from the General Finances under the 'Separation Convention' in 1924, a separate Budget is presented since then for the Railways showing the estimated receipts and expenditure in respect of every financial year. The Railway Budget for the year 2005-06 was presented in the Parliament by the Minister of Railways on 26th February, 2005. An outlay of Rs.15,349 crore comprising of Rs.3,895.19 crore (25%) internal generation of resources, Rs.3,400 crore (22%) market borrowings and Rs.3,821 crore (25%) Capital from General Exchequer has been proposed for the year 2005-06.. In addition Rs.711 crore (5%) from Safety Fund from Diesel Cess and Rs.3,522 crore (23%) to be provided for Special Railway Safety Fund has been proposed.

3. The Budget Statement shows the total revenue receipts, revenue and works expenditure, distribution of excess of receipts over expenditure and position of various Funds which the Railways keep with the Central Government viz., Depreciation Reserve Fund, Development Fund, Pension Fund, Capital Fund, Railway Safety Fund and Special Railway Safety Fund.

4. The Revenue receipts of the Railways consist of earnings from goods traffic, passenger traffic, other coaching earnings including parcels, luggage and sundry other earnings like rent, catering receipts, interest and maintenance charges from outside bodies, commercial utilisation of land and air space and commercial publicity on rolling stock and station buildings etc.

5. There are also other Miscellaneous receipts like receipts of Railway Recruitment Boards from sale of application forms and examination fees, etc. and Government's share of surplus profits which includes receipts from subsidised Railway companies in which the Government has no capital interest. The subsidy from General Revenues in respect of dividend reliefs forms part of Miscellaneous receipts. Contribution from Central Road Fund for financing safety works and receipts from safety surcharge on passenger fares are also accounted for in the miscellaneous receipts. The total of Revenue and Miscellaneous receipts makes up the total receipts of the Railways. The portion of the earnings which is due to the Railways during the financial year but has not actually been realised is held in a 'Suspense' account.

6. The expenditure incurred by the Railways is on Revenue account and on Works account. The Revenue account consists of Ordinary Working Expenses incurred by the various Departments on the Railways in their day to day working and other miscellaneous expenditure like the expenditure on Railway Board, Audit, Surveys and other miscellaneous establishments, payments as regulated by contracts to worked lines which are not owned by the Railways and are either worked by the Indian Railways or companies concerned and appropriation to the Special Railways Safety Fund. The Revenue Account also includes appropriation to the Depreciation Reserve Fund, Pension Fund and dividend paid by the Railways to the General Revenues. Appropriation to the Depreciation Reserve Fund is made annually on the basis of the recommendations of the Railway Convention Committee and is intended to finance the cost of new assets replacing old assets including the cost of any improved features that such new assets may have. Appropriation to Pension Fund is to finance Pension and Death-cum-retirement gratuity payments to the Railway staff. Dividend is payable at the rate of 6.5% on the dividend paying capital of the Railways. Out of the 6.5% dividend, 1.5% of the capital invested up to 31st March, 1964 (less Capital entitled to 'Subsidy') is for transfer to the State Governments in lieu of passenger fare tax and balance for appropriation to the Railway Safety Fund.

Demands for Grants, 2005-2006

7. There are following 16 Demands for Grants. The Demand Nos. 1 to 15 which relate to Revenue account contains expenditure to be incurred on day to day working by the various

Departments in the Railways miscellaneous establishments. The Demand No.16 relates to expenditure to be incurred by the Railways on Works Account.

No. of Demands	Name of the Demands
1.	Railway Board.
2	Miscellaneous Expenditure (General).
3.	General Superintendence and Services on Railways.
4.	Repairs and Maintenance of Permanent Way and Works.
5.	Repairs and Maintenance of Motive Power.
6.	Repairs and Maintenance of Carriages and Wagons.
7.	Repairs and Maintenance of Plant and Equipment.
8.	Operating Expenses – Rolling Stock and Equipment.
9.	Operating Expenses – Traffic.
10	Operating Expenses – Fuel.
11.	Staff Welfare and Amenities.
12.	Miscellaneous Working Expenses.
13.	Provident Fund, Pension and Other Retirement Benefits.
14.	Appropriation to Funds.
15.	Payment of Dividend to General Revenues
16.	Assets – Acquisition, construction and replacement.

8. Works expenditure is financed from capital borrowed from the General Revenues and also by internal resources viz., Capital Fund, Depreciation Reserve Fund, Development Fund, Railway Safety Fund, Special Railway Safety Fund and Revenues. (The cost of unremunerative operating improvements and works other than passenger amenities costing below certain financial limits are charged to Revenue). The overall annual budgetary support of the General finances of Government of India to the Railways consists of the Capital loans and the sums temporarily loaned to meet the deficiency, if any, in the Development Fund and the Capital Fund. A part of the investment in Railway assets is also made by the Indian Railways Finance Corporation (IRFC) which raises funds through market borrowing.

9. Demand-wise Budget Estimates for 2005-06 is as under:-

DEMAND NO. 01 - RAILWAY BOARD

Voted: Rupees seventy nine crore thirty lakh sixteen thousand

(thousands of Rupees)

Actuals 2003-04	Budget Estimate 2004-05		Revised Estimate 2004-05	Budget Estimate 2005-06
10,16,42	15,86,95	Pay of Group 'A' & 'B' Establishment	10,00,00	10,22,00
14,41,55	22,58,98	Pay of Group 'C' & 'D' Establishment	14,32,00	14,79,00
43,29,88	36,59,07	Other Charges	48,06,51	54,29,16
67,87,85	75,05,00	Total Voted	72,38,51	79,30,16
<p>The above estimates do not include the recoveries mentioned below, which are taken outside the gross budget and adjusted in the accounts in reduction of expenditure.</p>				
	1,00	Credits/Recoveries	1,00	1,00
67,87,85	75,04,00	Net	72,37,51	79,29,16

10. The Budget Estimates 2005-06 exceeds the Revised Estimates 2004-05 by Rs.6.92 crore. This increase is mainly due to incremental effect on Allowances and more demand in Contingent and Other Expenses.

11. The credits under this Demand represents recoveries from the Ministry of Urban Development and Poverty Allevation for expenditure on the maintenance of 'Rail Bhawan' which is arranged by the Railway Ministry in agreement with the Ministry of Urban Development.

DEMAND NO. 02 – MISCELLANEOUS EXPENDITURE (GENERAL)

Voted:- *Rupees two hundred and sixty crore eighty four thousand*

(thousands of Rupees)

Actuals 2003-04	Budget Estimate 2004-05	Minor Heads of Demand		Revised Estimate 2004-05	Budget Estimate 2005-06
2,16,30	13,68,27	Surveys	Voted	3,86,02	13,36,15
55,36,87	64,47,60	Research, Design and Standards Organisation, Lucknow	Voted	58,53,63	63,38,62
82,35,27	85,68,93	Expenditure on Miscellaneous Establishment	Voted	82,89,29	94,91,51
49,62,51	53,97,10	Reimbursement of Cost of Statutory Railway Audit	Voted	53,97,10	55,65,00
21,77	26,27	Payments to Worked Lines, Subsidised Companies	Voted	16,69	23,08
17,40,67	35,91,83	Miscellaneous Charges	Voted	34,24,76	32,46,48
207,13,39	254,00,00	Total	Voted	233,67,49	260,00,84
The above estimates do not include the recoveries mentioned below, which are taken outside the gross budget but adjusted in accounts as reduction of expenditure.					
-14120	-13500	Credit or Recoveries		-12000	-13500
205,72,19	252,65,00	Net		232,47,49	258,65,84

12. The Budget Estimates (Gross) 2005-06 under this Demand exceeds the Revised Estimates 2004-05 by Rupees 26.33 crore mainly due to additional requirement for surveys including Anti Collision Device, Research Designs and Standards Organisation, Other Miscellaneous Expenditure, Reimbursement of cost of Railway Audit, Training, etc.

DEMAND NO. 03 - GENERAL SUPERINTENDENCE AND SERVICES ON RAILWAYS

Voted: Rupees one thousand nine hundred two crore twenty six lakh eighty seven thousand

(thousands of Rupees)

Actuals 2003-04	Budget Estimate 2004-05	Minor Heads of Demand		Revised Estimate 2004-05	Budget Estimate 2005-06
114,29,43	126,14,63	100 – General Management	Voted	131,30,34	139,44,26
2,34	1,00	including General Management Services.	Charged	..	..
451,79,54	483,14,24	200 – Financial Management.	Voted	499,84,99	520,08,62
3,82	..		Charged	..	..
262,52,39	284,87,75	300 – Personnel Management	Voted	288,60,81	309,97,01
52	..		Charged	54	..
276,99,98	290,51,11	400 – Materials Management	Voted	290,17,63	302,92,93
12,66	..		Charged	..	..
137,35,12	135,92,21	500 – Way and Works Management	Voted	147,17,08	155,57,99
..	..		Charged	1,61	..
89,87,21	97,51,04	600 – Rolling Stock Management	Voted	99,60,93	108,17,10
9	..		Charged	..	..
64,51,66	72,30,01	700 – Electrical Management	Voted	77,20,93	83,42,29
10	..		Charged	..	..
48,68,57	52,01,96	800 – Signal and Tele- communication Management	Voted	54,85,97	57,80,71
..	..		Charged	..	..
196,98,99	206,71,55	900 – Traffic Management	Voted	212,90,04	224,85,96
..	..		Charged	..	..
1643,02,89	1749,14,50	Total (100 to 900)	Voted	1801,68,72	1902,26,87
19,53	1,00		Charged	2,15	..
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure					
-13,85,63	-13,10,50	Credits or Recoveries		-15,94,87	-15,97,87
1629,36,79	1736,05,00	Net		1785,76,00	1886,29,00

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

14. The Budget Estimates for 2005-06 exceed the Revised Estimates of 2004-05 by Rs.10056.00 lakh made up of an increase of Rs.10058.15 lakh under Voted portion and a decrease of Rs.2.15 lakh under Charged appropriation. The increase under Voted portion is to provide for:-

(thousands of Rupees)

1.	Dearness Allowance	81,52,54
2.	Other Staff Cost	2,27,24
3.	Cost of computers & consumables	4,89,94
4.	Other Miscellaneous Factors	11,88,43
	Total	100,58,15

15. The decrease of Rupees 2.15 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrease.

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

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

Voted: Rupees three thousand six hundred five crore forty four lakh thirty two thousand

Charged: Rupees one lakh

(thousands of Rupees)

Actuals 2003-04	Budget Estimate 2004-05	Minor Heads of Demand		Revised Estimate 2004-05	Budget Estimate 2005-06
265,28,32	278,03,69	100 – Establishment in	Voted	288,87,31	304,77,18
18	..	Offices	Charged	16	..
2027,99,57	2162,50,00	200 – Maintenance of	Voted	2175,02,13	2378,35,97
26,98	1,60	Permanent Way	Charged	21,78	..
97,94,36	111,71,63	300 – Maintenance of Bridge	Voted	114,29,68	126,34,79
10,51	..	work and Tunnels including ROB/RUB	Charged	..	..
346,35,05	355,63,40	400 – Maintenance of Service	Voted	359,20,88	395,96,95
69	50	buildings (other than Staff Quarters and Welfare buildings).	Charged	88	1,00
215,79,40	218,99,57	500 – Water Supply,	Voted	227,41,03	253,66,86
1,37	..	Sanitation and Roads (other than colonies, Staff Quarters and Welfare buildings).	Charged	50	..
33,11,11,	41,99,20	600 – Other Repairs and	Voted	40,24,57	43,68,79
..	..	Maintenance.	Charged	..	..
55,46,65	84,10,45	700 – Special repairs	Voted	94,65,81	102,63,78
21,63	..	pertaining to Breaches, Accidents etc. including Special Revenue Works.	Charged	..	..
3041,94,46	3252,97,94		Voted	3299,71,41	3605,44,32
61,36	2,10	Total (100 to 700)	Charged	23,32	1,00
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-26,17,07	-27,46,04	Credits or Recoveries		-24,36,73	-24,99,32
3016,38,75	3225,54,00	Net		3275,58,00	3580,46,00

17. This Demand is for expenditure on repairs and maintenance of the Permanent Way assets like tracks, other buildings and structures. The Charged expenditure under this Demand represents payments in satisfaction of court decrees and arbitration awards where made into rule of the court.

Repairs and Maintenance of Railway Colony, Staff Quarters and Welfare Buildings are included under Demand No.11 – Staff Welfare and Amenities.

18. The Budget Estimates for 2005-06 exceed the Revised Estimates of 2004-05 by Rs.30550.59 lakh made up of an increase of Rs.30572.91 lakh under Voted portion and decrease of Rs.22.32 lakh under Charged appropriation. The increase under Voted portion is to provide for:

(thousands of rupees)		
1.	Dearness Allowance	124,12,69
2.	Other Staff Cost	1,91,30
3.	Cost of Materials	53,40,04
4.	Contractual Payments	120,77,43
5.	Transfer of Dr./Cr.	2,81,85
6.	Miscellaneous Factors	2,69,60
	Total	305,72,91

19. The decrease of Rupees 22.32 lakh under ‘Charged’ appropriation is due to anticipation of less payments in satisfaction of court decrees.

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

DEMAND NO. 05 – REPAIRS AND MAINTENANCE OF MOTIVE POWER

Voted: Rupees one thousand eight hundred eighty six crore sixty seven lakh one thousand

Charged: Rupees fifty thousand

(thousands of Rupees)

Actuals 2003-04	Budget Estimate 2004-05	Minor Heads of Demand		Revised Estimate 2004-05	Budget Estimate 2005-06
153,54,92	173,36,97	100 – Establishment in Offices	Voted	169,74,20	180,73,28
..	50		Charged	20	50
2,15,69	2,09,28	200 – Steam Locomotives	Voted	2,64,54	2,60,39
..	..		Charged	..	..
935,23,29	927,76,35	300 – Diesel Locomotives	Voted	960,27,29	1061,14,85
47	..		Charged	..	..
530,15,10	575,92,62	500 – Electric Locomotives	Voted	552,64,78	652,14,59
5	..		Charged	14	..
-5,73,87	-9,95,57	600 – Rail Cars, Ferry Steamers and other maintenance expenses.	Voted	-12,03,54	-9,96,10
..	..		Charged	..	..
1615,35,13	1669,19,65	Total (100 to 600)	Voted	1673,27,27	1886,67,01
52	50		Charged	34	50
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-34,45,56	-33,82,15	Credits or Recoveries		-37,58,61	-37,16,51
1580,90,09	1635,38,00	Net		1635,69,00	1849,51,00

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

22. The Budget Estimates for 2005-06 exceed the Revised Estimates of 2004-05 by Rs.21339.90 lakh made up of an increase of Rs.21339.74 lakh under Voted portion and increase of Rs.0.16 lakh under Charged appropriation. The increase under Voted portion is to provide for:

	(thousands of rupees)
1. Dearness Allowance	31,74,92
2. Wages on POH	1,88,46
3. Increased Maintenance Activities	89,93,26
4. Contractual Payments	27,92,41
5. Transfers of Dr./Cr. etc.	59,07,96
6. Miscellaneous Factors	2,82,73
Total	213,39,74

23. The increase of Rupees 0.16 lakh under 'Charged' appropriation is due to anticipation of more payments in satisfaction of court decrees.

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

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

Voted : Rupees three thousand seven hundred seventy six crore eighty three lakh seventy four thousand

(thousands of Rupees)

Actuals 2003-04	Budget Estimate 2004-05	Minor Heads of Demand		Revised Estimate 2004-05	Budget Estimate 2005-06
224,74,53 ..	257,19,06 ..	100 – Establishment in Offices.	Voted Charged	262,91,93 ..	276,41,56 ..
1301,78,14 1,78	1356,01,62 ..	200 – Carriages.	Voted Charged	1365,39,51 2,78	1505,44,63 ..
966,85,56 44,76	949,22,73 ..	300 – Wagons.	Voted Charged	918,04,53 1,32	1001,94,99 ..
308,55,79 10	341,63,48 ..	400 – Electrical Multiple Unit Coaches.	Voted Charged	337,82,26 ..	375,45,80 ..
505,42,77 2,70	552,33,46 ..	500 – Electrical General Services – Train lighting, fans and Air- conditioning.	Voted Charged	568,06,97 ..	611,93,95 ..
-27,48,93 ..	-27,18,04 ..	600 – Miscellaneous Repairs and Maintenance expenses	Voted Charged	-31,06,29 ..	-33,60,79 ..
20,27,23 ..	31,40,03 ..	700 – Diesel Multiple Units (DMUs)	Voted Charged	28,33,63 ..	39,23,60 ..
3300,15,09 49,34	3460,62,34 ..	TOTAL (100 To 700)	Voted Charged	3449,52,54 4,10	3776,83,74 ..
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-86,11,44	-96,93,34	Credits or Recoveries		-85,75,64	-86,21,74
3214,52,99	3363,69,00	Net		3363,81,00	3690,62,00

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

26. The Budget Estimates for 2005-06 exceed the Revised Estimates of 2004-05 by Rs.32727.10 lakh made up of an increase of Rs.32731.20 lakh under 'Voted' portion and decrease of Rs.4.10 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:

(thousand of Rupees)

1.	Dearness Allowance	58,88,39
2.	Wages on POH	19,02,56
3.	Increased Maintenance Activities	140,87,67
4.	Transfers of Dr./Cr. Etc.	86,26,30
5.	Miscellaneous Factors	22,26,28
	Total	327,31,20

27. The decrease of Rs.4.10 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

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

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

Voted : Rupees two thousand forty two crore twenty lakh forty seven thousand.

Charged: Rupees three lakh fifteen thousand.

(thousands of Rupees)

Actuals 2003-04	Budget Estimate 2004-05	Minor Heads of Demand		Revised Estimate 2004-05	Budget Estimate 2005-06
207,58,12	230,46,83	100 – Establishment in offices	Voted	226,14,40	236,78,76
..	..		Charged	..	..
104,56,45	107,97,40	200 – Plant and Equipment – Way and Works	Voted	116,54,13	135,87,85
..	..		Charged	..	..
164,69,54	194,01,37	300 – Plant and Equipment – Mechanical	Voted	191,23,02	218,83,17
..	..		Charged	..	..
532,48,64	590,04,30	400 – Plant and Equipment – Electrical	Voted	570,14,99	636,82,64
16	..		Charged	5,41	3,15
393,80,76	426,37,06	500 – Plant and Equipment – Signalling	Voted	415,93,13	473,03,57
..	..		Charged	..	..
202,95,87	225,26,43	600 – Plant and Equipment – Telecommunication	Voted	222,92,11	240,21,10
55	..		Charged	10	..
44,60,52	36,52,76	700 – Rental to P&T for Signalling and Telecommunication circuits.	Voted	38,83,01	39,99,22
..	..		Charged	..	..
41,54,87	55,49,52	800 – Other Plant and Equipment – General and Traffic Departments.	Voted	53,38,83	60,64,16
..	..		Charged	..	..
1692,24,77	1866,15,67	TOTAL (100 To 800)	Voted	1835,13,62	2042,20,47
71	..		Charged	5,51	3,15
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-11,58,33	-11,26,67	Credits or Recoveries		-10,27,13	-8,53,62
1680,67,15	1854,89,00	Net		1824,92,00	2033,70,00

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

30. The Budget Estimates for 2005-06 exceed the Revised Estimates of 2004-05 by Rs.20704.49 lakh made up of an increase of Rs.20706.85 lakh under 'Voted' portion and decrease of Rs.2.36 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:-

		(thousands of Rupees)
1.	Dearness Allowance	60,99,69
2.	Wages on POH	2,86,64
3.	Increased Maintenance Activities	72,36,98
4.	Contractual Payments	31,28,92
5.	Transfer of Dr./Cr.	8,70,48
6.	Miscellaneous factors	30,84,14
	Total	207,06,85

31. The decrease of Rs.2.36 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

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

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

Voted : Rupees three thousand two crore twenty lakh ninety two thousand.

(thousands of Rupees)

Actuals 2003-04	Budget Estimate 2004-05	Minor Heads of Demand		Revised Estimate 2004-05	Budget Estimate 2005-06
1,03,48 ..	1,21,44 ..	100 – Steam Locomotives	<i>Voted</i> <i>Charged</i>	1,16,31 ..	1,22,98 ..
846,17,27 11,87	900,59,81 ..	200 – Diesel Locomotives	<i>Voted</i> <i>Charged</i>	895,87,34 16,59	939,99,74 ..
475,34,46 66	488,09,67 ..	300 – Electric Locomotives	<i>Voted</i> <i>Charged</i>	514,47,92 ..	546,46,54 ..
80,38,83 ..	76,80,20 ..	400 – Electric Multiple Unit Coaches	<i>Voted</i> <i>Charged</i>	90,14,12 ..	96,84,77 ..
411,64,28 ..	482,42,21 ..	500 – Carriages and Wagons	<i>Voted</i> <i>Charged</i>	449,64,88 2,11	483,36,68 ..
863,41,72 ..	860,02,46 ..	600 – Traction (other than Rolling Stock) and General Electrical Services	<i>Voted</i> <i>Charged</i>	861,85,72 ..	910,96,13 ..
20,57,38 ..	24,95,32 ..	700 – Signalling and Telecommunication	<i>Voted</i> <i>Charged</i>	22,20,19 ..	23,25,55 ..
7,30 ..	11,10 ..	800 – Ferry services and Rail Cars	<i>Voted</i> <i>Charged</i>	7,13 ..	8,53 ..
2698,64,72 12,53	2834,22,21 ..	TOTAL (100 To 800)	<i>Voted</i> <i>Charged</i>	2835,43,61 18,70	3002,20,92 ..
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-92,42,97	-81,96,21	Credits or Recoveries		-83,29,31	-76,10,92
2606,34,28	2752,26,00	Net		2752,33,00	2926,10,00

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

34. The Budget Estimates for 2005-06 exceed the Revised Estimates of 2004-05 by Rs.16658.61 lakh made up of an increase of Rs.16677.31 lakh under 'Voted' portion and decrease of Rs.18.70 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:-

		(thousands of Rupees)
1.	Dearness Allowance	74,85,35
2.	Kilometerage Allowance	7,97,78
3.	Cost of Materials	40,78,31
4.	Contractual Payments	42,25,99
5.	Miscellaneous factors	89,88
	Total	166,77,31

35. The decrease of Rs.18.70 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

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

DEMAND NO. 09 – OPERATING EXPENSES – TRAFFIC

Voted : Rupees seven thousand three hundred thirty crore fifty three thousand.

(thousands of Rupees)

Actuals 2003-04	Budget Estimate 2004-05	Minor Heads of Demand		Revised Estimate 2004-05	Budget Estimate 2005-06
24,53,78	27,08,47	100 – Establishment in offices	Voted	29,72,86	32,41,09
..	..		Charged	..	..
2205,65,60	2355,68,30	200 – Station operations	Voted	2360,32,21	2492,36,00
13,16	..		Charged	14,17	..
138,97,57	157,53,93	300 – Yard operations	Voted	157,88,96	167,25,85
61	..		Charged	..	..
1,64,72	2,20,52	400 – Transhipment and Repacking operations	Voted	2,34,76	2,52,42
..	..		Charged	..	..
769,32,01	784,66,70	500 – Trains operations	Voted	822,09,41	856,84,54
1,69	..		Charged	33,05	..
4,23,69	7,14,50	600 – Safety	Voted	9,01,74	10,18,73
..	..		Charged	..	..
3371,75,16	3787,68,86	700 – Other miscellaneous expenses	Voted	3734,44,38	3768,41,90
..	..		Charged	..	..
6516,12,53	7122,01,28	TOTAL (100 To700)	Voted	7115,84,32	7330,00,53
15,46	..		Charged	47,22	..
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-170,41,72	-33,74,28	Credits or Recoveries		-28,19,54	-31,11,53
6345,86,27	7088,27,00	Net		7088,12,00	7298,89,00

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

38. The Budget Estimates for 2005-06 exceeds the Revises estimates of 2004-05 by Rs.21368.99 lakh made up of an increase of Rs.21416.21 lakh under 'Voted' portion and decrease of Rs.47.22 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:-

(thousands of Rupees)

1.	Dearness Allowance	150,43,21
2.	Kilometerage Allowance	3,72,66
3.	Other Staff Costs	1,14,32
4.	Cost of Materials	5,26,14
5.	Contractual Payments	14,13,84
6.	Transfer of Debits/Credits	13,86,77
7.	Lease/Hire Charges to IRFC	46,00,00
8.	Lease charges under OYW & BOLT scheme	17,11,99
9.	Partly off-set by less requirements under:	
	Other Misc. factors	37,52,72
	Total	214,16,21

39. The decrease of Rs.47.22 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

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

DEMAND NO. 10 – OPERATING EXPENSES – FUEL

Voted : Rupees nine thousand one hundred seventy five crore seventeen lakh fifty six thousand.

(thousands of Rupees)

Actuals 2003-04	Budget Estimate 2004-05	Minor Heads of Demand		Revised Estimate 2004-05	Budget Estimate 2005-06
2,50,60 2,01	1,31,29 ..	100 – Steam Traction	<i>Voted</i> <i>Charged</i>	1,88,74 ..	1,99,22 ..
3786,91,42 7,59,36	4227,97,29 ..	200 – Diesel Traction	<i>Voted</i> <i>Charged</i>	4351,29,03 9,16.90	4713,23,46 ..
4159,26,19 ..	4047,14,16 ..	300 – Electric Traction	<i>Voted</i> <i>Charged</i>	4274,86,57 ..	4459,94,88 ..
7948,68,21 7,61,37	8276,42,74 ..	TOTAL (100 To 300)	<i>Voted</i> <i>Charged</i>	8628,04,34 9,16,90	9175,17,56 ..
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-28,32,25	-32,72,74	Credits or Recoveries		-23,53,24	-23,90,56
7927,97,33	8243,70,00	Net		8613,68,00	9151,27,00

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

42. The Budget Estimates for 2005-06 exceed the Revised Estimates of 2004-05 by Rs.53796.32 lakh made up of an increase of Rs.54713.22 lakh under ‘Voted’ portion and decrease of Rs.916.90 lakh under ‘Charged’ appropriation. The increase under ‘Voted’ portion is to provide for:-

		(thousand of Rupees)
1.	Staff Costs	99,71
2.	Increase in fuel cost due to increase in traffic/prices	
	(a) Diesel	361,05,20
	(b) Electric	185,08,31
	Total	547,13,22

43. The decrease of Rs.916.90 lakh under ‘Charged’ appropriation is due to anticipation of less payments in satisfaction of court decrees.

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

DEMAND NO. 11 - STAFF WEFARE AND AMENITIES

Voted : *Rupees one thousand five hundred twenty three crore ninety three lakh thirty two thousand*

(thousands of Rupees)					
Actuals 2003-04	Budget Estimates 2004-05	Minor Heads of Demand		Revised Estimates 2004-05	Budget Estimates 2005-06
83,01,18	99,68,07	100 – Educational facilities	Voted	97,07,12	102,32,99
2,38	2,75		Charged	50	..
491,58,33	532,28,65	200 – Medical services	Voted	542,24,22	582,08,14
..	..		Charged	2,58	..
171,28,10	191,53,31	300 – Health and welfare services	Voted	183,10,82	191,84,56
22	..		Charged	3	..
19,98,83	22,03,05	400 – Canteen and other staff amenities	Voted	22,49,34	23,20,02
..	..		Charged	..	..
511,00,39	533,89,18	500 – Residential and welfare buildings – Repairs and Maintenance	Voted	548,51,25	624,15,84
3,78	20		Charged	5,00	..
11,25	41,59	600 – Miscellaneous expenses	Voted	27,41	31,77
..	..		Charged	..	..
1276,98,08	1379,83,85	TOTAL (100 To 600)	Voted	1393,70,16	1523,93,32
6,38	2,95		Charged	8,11	..
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-1,12,39	-2,38,80	Credits or Recoveries		-1,86,27	-1,92,32
1275,92,07	1377,48,00	Net		1391,92,00	1522,01,00

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

46. The Budget Estimates for 2005-06 exceed the Revised Estimates of 2004-05 by Rs.13015.05 lakh made up of an increase of Rs.13023.16 lakh under 'Voted' portion and a decrease of Rs.8.11 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:-

(thousands of Rupees)

1.	Dearness Allowance	41,02,95
2.	Cost of Materials	13,81,20
3.	Contractual Payments	51,50,22
4.	Transfer of Debits/Credits	11,65,31
5.	Misc. Factors	12,23,48
	Total	130,23,16

47. The decrease of Rs.8.11 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

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

DEMAND NO. 12 - MISCELLANEOUS WORKING EXPENSES

Voted : *Rupees one thousand seven hundred ninety two crore twenty lakh twenty two thousand*

Charged: *Rupees thirty one crore fifty lakh twenty six thousand*

(thousands of Rupees)					
Actuals 2003-04	Budget Estimates 2004-05	Minor Heads of Demand		Revised Estimates 2004-05	Budget Estimates 2005-06
775,56,39 10,82	937,08,01 11,94	100 – Security	Voted Charged	925,91,04 22,00	992,39,11 1,00
163,96,58 15,96,12	238,60,66 18,46,03	200 – Compensation Claims	Voted Charged	209,93,71 13,31,77	204,22,48 13,24,86
20,65,34 65,11	20,26,22 1,00,00	300 – Workmens’ and other compensation Claims	Voted Charged	17,45,88 70,83	18,12,01 61,00
216,99,68 2,20	246,71,67 1,72	400 – Catering	Voted Charged	218,62,43 ..	233,70,51 ..
84,36,47 ..	102,74,80 ..	500 – Cost of Training of staff	Voted Charged	103,04,96 ..	113,71,86 ..
86,97,16 49	78,28,55 1,50	600 – Other expenses	Voted Charged	91,27,33 ..	99,40,33 ..
86,26 ..	8,95,97 ..	700 – Hospitality and entertainment Expenses		1,06,69 ..	1,17,82 ..
1349,37,88 16,74,74	1632,65,88 19,61,19	TOTAL (100 To 700)	Voted Charged	1567,32,04 14,24,60	1662,74,12 13,86,86
233,49,52 21,68,18	79,81,12 16,20,90	800 – Suspense		122,53,54 19,58,40	129,46,10 17,63,40
1582,87,40 38,42,92	1712,47,00 35,82,09	TOTAL (100 To 800)	Voted Charged	1689,85,58 33,83,00	1792,20,22 31,50,26
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-303,95,73	-220,22,09	Credits or Recoveries		-234,38,58	-209,61,48
1317,34,59	1528,07,00	Net		1489,30,00	1614,09,00

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

50. The Budget Estimates for 2005-06 is more than the Revised Estimates of 2004-05 by Rs.10001.90 lakh made up of an increase of Rs.10234.64 lakh under 'Voted' portion and a decrease of Rs.232.74 lakh under 'Charged' appropriation. The increase under 'Voted' portion is to provide for:-

(thousands of Rupees)

1.	Dearness Allowance	37,89,71
2.	Cost of Materials	9,06,32
3.	Contractual Payments	4,25,00
4.	Transfer of Debits/Credits	9,42,97
5.	Other Misc. Factors	41,70,64
	Total	102,34,64

51. The decrease of Rs.232.74 lakh under 'Charged' appropriation is due to anticipation of less payments in satisfaction of court decrees.

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

Voted : *Rupees seven thousand two hundred crore seventy lakh forty seven thousand*

Charged: *Rupees sixty seven lakh fifty four thousand*

(thousands of Rupees)					
Actuals 2003-04	Budget Estimates 2004-05	Minor Heads of Demand		Revised Estimates 2004-05	Budget Estimates 2005-06
3329,79,32 4	3327,24,35 4	100 – Superannuation and Retiring Pension.	Voted Charged	3552,73,81 5	3807,97,49 4
648,56,14 ..	799,50,72 ..	200 – commuted Pension	Voted Charged	825,09,75 53	873,03,79 ..
5,00,53 1,99	6,19,88 ..	300 – Ex-gratia Pension	Voted Charged	6,05,88 ..	6,38,52 ..
953,09,55 30,81	1001,25,56 31,00	400 – Family Pension	Voted Charged	1034,60,82 31,81	1126,25,81 32,00
702,20,20 4,58	864,48,05 ..	500 – Death-cum-retirement gratuity	Voted Charged	823,36,68 2,75	866,76,72 3,00
135,04,71 31,18	157,24,57 35,00	600 – Other allowances, other pension and other expenses	Voted Charged	188,27,41 32,50	187,35,77 32,50
253,20,63 16	247,90,63 ..	700 – Leave Encashment Benefits	Voted Charged	272,84,52 5	285,42,41 ..
6026,91,08 68,76	6403,83,76 66,04	TOTAL (100 To 700)	Voted Charged	6702,98,87 67,69	7153,20,51 67,54
41,54,83 77	55,69,66 ..	800 – Gratuities, Special contri. To PF & contri. To PF	Voted Charged	39,26,15 18	47,49,96 ..
6068,45,91 69,53	6459,53,42 66,04	TOTAL (100 To 800)	Voted Charged	6742,25,02 67,87	7200,70,47 67,54
The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.					
-6,09,31	-4,49,80	Credits or Recoveries-Pension		-3,66,56	-3,88,05
-29,01	-1,02,66	Total Credits – Provident Fund and others		-37,33	-43,96
-6,38,32	-5,52,46	Total - Credits or recoveries		-4,03,89	-4,32,01
-6021,50,53	-6400,00,00	Deduct Amount met from Pension Fund		-6700,00,00	-7150,00,00
41,26,59	54,67,00	Net		38,89,00	47,06,00

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

53. The various pension and other retirement benefits to pensionable employees covered under minor heads (100) to (600), Leave encashment for Pension Optees and leave encashment other than Pension Optees (sub-heads 710 and 720 respectively) are met out of the Pension Fund. The contribution to Provident Fund and payment of gratuities and special contribution in respect of non-pensionable employees are met out of revenue.

54. The Budget Estimates for 2005-06 as now proposed are more than the Revised Estimates of 2004-05 by Rs. 45845.45 lakh under 'Voted' portion and less by Rs. 0.33 lakh under 'Charged' appropriation. The increase under 'Voted' portion is made up of Rs. 45021.64 lakh for pensionary benefits and remaining for Contribution to Provident Fund etc. The increase in 'Charged' expenditure is due to anticipation of more payments of pension of Railway Pensioners on account of Court Decrees.

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

DEMAND NO. 14 - APPROPRIATION TO FUNDS

Voted : Rupees thirteen thousand two hundred seventy seven crore forty eight lakh.

(thousands of Rupees)				
Actuals 2003-04	Budget Estimates 2004-05	Minor Heads of Demand	Revised Estimates 2004-05	Budget Estimates 2005-06
2592,54,77	2267,00,00	Appropriation to Railway Depreciation Reserve Fund.	2662,00,00	3604,00,00
6263,09,00	6300,00,00	Appropriation to Railway Pension Fund	6550,00,00	6950,00,00
730,00,00	715,00,00	Appropriation to Railway Development Fund	1724,80,00	1852,98,00
992,98,05	858,00,00	Appropriation to Special Railway Safety Fund MUTP	670,00,00	823,00,00
..	..	Appropriation to MUTP Loan Repayment Reserve Fund	47,50,00	47,50,00
..	..	Appropriation to Capital Fund – Railways	..	..
10578,61,82	10140,00,00	Total	11654,30,00	13277,48,00

56. This Demand is for appropriation from Revenue to the various Railway Funds as Under:

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

- (e) A reserve fund has been set up for repayment of loan taken for MUTP project. Receipts from surcharge on Mumbai suburban passenger fares are credited to this Fund and, if necessary, appropriations can also be made to this fund from railway revenues.
- (f) Appropriation to the Capital Fund is being made keeping in view the Plan requirement for building up the Railway infrastructure out of the internal resources.

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

Voted : Rupees three thousand nine hundred thirty eight crore.

(thousands of Rupees)				
Actuals 2003-04	Budget Estimates 2004-05	Minor Heads of Demand & Sub Heads of Demand	Revised Estimates 2004-05	Budget Estimates 2005-06
3087,07,72	3305,24,00	Dividend to General Revenues	3276,08,00	3638,00,00
300,00,00	300,00,00	Repayment of deferred Dividend liability in respect of the period 1978-79 onwards	300,00,00	300,00,00
..	..	Repayment of loans for Development Fund taken from General Revenues and interest thereon	..	..
..	..	Repayment of loan for Capital Fund taken from General Revenues and interest thereon	..	..
..	47,50,00	Repayment of loan for Mumbai Urban Transport Project	47,50,00	47,50,00
..	..	Payment towards Amortization of Over-Capitalization.	..	..
3387,07,72	3652,74,00	Total	3623,58,00	3985,50,00
..	..	Credits or Recoveries	47,50,00	47,50,00
3387,07,72	3652,74,00	Net	3576,08,00	3938,00,00

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

BUDGET AT A GLANCE

(Rupees in crore)

Actuals 2003-04	Budget 2004-05	Description	Revised 2004-05	Budget 2005-06
42904.94	44902.00	(a) Gross Traffic Receipts	46785.00	50968.00
30636.57	32860.00	(b) Ordinary Working Expenses	33260.00	35600.00
2592.55	2267.00	(c) Appropriation to Depreciation Reserve Fund	2662.00	3604.00
6253.09	6290.00	(d) Appropriation to Pension Fund	6540.00	6940.00
39482.21	41417.00	(e) Total Working Expenses (b)+(c)+(d)	42462.00	46144.00
3422.73	3485.00	(f) Net Traffic Receipts (a)-(e)	4323.00	4824.00
1055.76	993.24	(g) Net Miscellaneous Receipts	977.88	1089.98
4478.49	4478.24	(h) Net Revenue (f) +(g)	5300.88	5913.98
3087.08	3305.24	(i) Dividend Payable to General Revenues	3276.08	3638.00
300.00	300.00	(j) Payment of Deferred Dividend	300.00	300.00
3387.08	3605.24	(k) Total Dividend payment to General Revenues	3576.08	3938.00
1091.41	873.00	(l) Excess/Shortfall (h) – (k)	1724.80	1975.98
730.00	715.00	(m) Appropriation to Development Fund	1724.80	1852.98
361.41	158.00	(n) Appropriation to Special Railway Safety Fund	..	123.00
92.1%	92.6%	(o) Operating Ratio	91.2%	90.8%
8.0%	7.4%	(p) Ratio of Net Revenue to Capital-at- Charge and investment from Capital Fund	8.7%	9.1%

Traffic Receipts

58. The gross traffic receipts for 2003-04 according to the final accounts, the revised estimates for that year and actuals of the preceding year 2002-03 are as under:-

(In crore of Rupees)

Detail	Actuals 2002-03	Revised 2003-04	Actuals 2003-04
Passenger – Upper Class	2597.04	3125.11	2640.77
Passenger – Second Class	9988.40	10334.89	10657.56
Total – Passenger Earnings	12575.44	13460.00	13298.33
Other Coaching Earnings	987.95	930.00	922.28
Goods Earnings	26504.82	27115.00	27617.96
Sundry Other Earnings	1079.52	1050.00	1003.59
Total Earnings	41147.73	42555.00	42842.16
Suspense	-79.51	50.00	62.78
Gross Traffic Receipts	41068.22	42605.00	42904.94

59. The gross traffic receipts for 2004-05 as envisaged in Budget, actuals to end of December, 2004 (which were the latest available while finalizing the Revised Estimate) and the Revised Estimates fixed for the fiscal year are as under:

(Rs. in crore)

	Budget Estimates, 2004-05	Proportionate Target to end of December, 2004	Actuals to end of December, 2004	Revised Estimates, 2004-05
Passenger Earnings	13940.00	10387.98	10440.07	14035.00
Other Coaching Earnings	1040.00	720.67	692.04	1000.00
Goods Earnings	28745.00	21021.05	22073.22	30450.00
Sundry Other Earnings	1072.00	681.39	694.32	1150.00
Total Traffic Earnings	44979.00	32811.09	33899.65	46635.00
Suspense*	105.00	\$	-915.96	150.00
Gross Traffic Receipts	44902.00	32811.09	32983.69	46785.00

[*(=) indicates clearance and (-) indicates accretion]

[\$ For clearance of traffic suspense, monthly targets are not fixed. Typically, the suspense builds up in the course of the year and bulk of clearance tends to take place in the last quarter of the fiscal year.]

60. When asked about the reasons for enhancing the targets for Gross Traffic Receipt for the year 2004-05 at the Revised Estimate stage, the Ministry of Railways informed that the Budget Estimates for a fiscal year are primarily based on anticipated traffic output during that year and other parameters adopted for the revised estimates of the previous year. The targets so fixed are monitored and reviewed with the progressive traffic output particularly under passenger and

freight segments and the performance of the Zonal Railways on monthly basis. The revised estimates for the year are framed keeping in view the latest available trend of performance, historical growth, projection made by Zonal Railways and overall economic outlook. Freight traffic being a derived demand the economic growth and the production in the various sectors have also to be taken into account.

I. Operating Performance - Passenger Traffic

(a) 2003-04

61. Passenger traffic during 2003-04 were 5202.91 millions and earnings were Rs.13,298.33 crore.

(b) 2004-05

62. In view of the up trend in originating passenger traffic and growth of passenger earnings the target of passenger earnings for 2004-05 has been enhanced to Rs.14,035 crore as against Rs.13,940 crore of Budget Estimates and passenger traffic was expected to be 5488 million. At the end of December, 2004 passenger earnings surpassed the proportionate target by Rs.52 crore. During this period number of originating passengers also registered a growth of around 6% over the corresponding period of previous year. This growth included 5.46% growth in suburban traffic and 6.7% growth in non-suburban traffic.

(c) 2005-06

63. The Budget Estimates for the year 2005-06 for Passenger traffic have been projected at 5707.44 millions with 596,435 millions passenger kms. Assuming a 4% growth in the originating number of passengers, improvement in average lead and taking into account the various steps taken to augment earnings, passenger earnings for 2005-06 have been estimated at Rs.15,080.00 crore which is Rs.1,045 crore higher than the Revised Estimates for 2004-05 and indicates a growth of around 7.4 per cent.

Passenger Fares

64. There was no increase in the passenger fares of any class of travel for the year 2003-04. The fare structure for Rajdhani Express and Shatabdi Express trains was rationalised. The basic fares for each class of these trains were fixed 15% higher than the fares for the corresponding class of Superfast Mail/Express trains on a uniform basis. The rationalized fares were generally lower.

65. The basic fares for each class of Jan Shatabdi Express trains were reduced from the earlier mark-up of 10% to 5% over the fares of corresponding class of Super fast Mail/Express trains. The Catering services were made operational on these trains.

66. With regard to non hike in passenger fares, the Chairman, Railway Board apprised the Committee as under:-

“We have not felt any need of increasing the passenger fares because this is not the only way to get the revenues. We can increase our volume by way of going for better quality of services. The results show that last year by doing so we have 6% passenger growth which is one of the best in the last 25 years. Nonetheless, we have got the growth of the passenger earning also to the extent of 5.6 per cent against the target of 4.8 per cent because our volumes have really gone up. We have introduced the computerised passenger profile management system as well as very soon going to have frequent traveller scheme. These two approaches of the Indian Railways will help us capturing more of long distance passengers as well as upper class passengers. At present we do not feel any need for going for hike in the passenger fares. We went on a lot of changes in our time table. We were reviewing manually as to what is the percentage of patronisation on various types of coaches for long distance trains as to which train has a passenger patronisation and whether we have to add more coaches in a particular class and what is the patronisation which is better etc. In trains which do not have better patronisation we have to withdraw the coaches and lessen the number of coaches on that. Similarly, in the suburban services also, we increased the number of coaches in certain trains. We increased the number of services but marginally. We maintained it at a good level of quality of service. In the suburban service.”

67. He further enumerated the reasons for increased passenger traffic:-

“LTC was restored in 2004-05, reduced ticketless travel due to increased penalty from Rs.50 to Rs.250, UTS expansion as well as giving better facilities to our passenger or users.”

68. Giving details about the ‘reduced fares’ scheme during the non peak periods the Ministry of Railways stated that the discount of 10% was offered in AC-1 and AC-II classes in all Rajdhani trains between 15th July, 2003 to 15th September, 2003. The volume of traffic

increased due to many factors such as restoration of LTC facilities to government employees, general encouraging growth in passenger traffic besides reduction in fares. The number of passengers in AC-I and AC-II classes of Rajdhani trains increased by about 27% and earnings by about 15% during this period as compared to the corresponding period of the previous year.

69. The Ministry of Railways have decided to combine the discount scheme with the scheme of 'Frequent Rail Traveller' this year. This scheme proposes to reward frequent travellers with discounts redeemable in form of complimentary tickets.

70. Regarding the steps taken by the Railways to achieve the target of Rs.15080 crore passenger earnings as projected for 2005-06, the Ministry of Railways in their written replies have stated that the progress of budgetary targets fixed for 2005-06 will be monitored on a monthly basis. In view of growth of travelling public, new trains are introduced to carry the additional volume of passengers. Further, railway are looking for providing around 400 additional coaches on the well patronized trains to accommodate wait listed passengers, by re-deployment of under utilized coaches on other trains. With the expansion of Passenger Reservation System (PRS), Unreserved Ticketing System (UTS) and extension of the timings of internet booking window sales may go up. Other initiatives such as computerized train enquiry system across the country, advance reservation status and display of vacant accommodation, will result in lesser cancellation of tickets.

II. Operating Performance - Freight Traffic

71. According to the Ministry of Railways, in view of the overall economic scenario of the country being on uniform growth path as in previous years, in the Budget Estimates for 2005-06 the buoyancy in traffic is likely to be maintained. Notwithstanding these favourable indicators, Railway have projected a slightly lower lead at 680.4 and a conservative 5.8% growth in freight traffic compared to the previous years. Even with this growth, the originating tonnes is likely to be 635 million. As the lead and average rate remains the same as last year since there is no hike in freight rates, at slightly over 50 crore/million tonnes average earnings, the Railways are likely to achieve the projected target of Rs.33480 crores. The table below summerises the position:

	2002-03 Actuals	2003-04 Actuals	2004-05 BE	2004-05 RE	2005-06 BE
Tonnes Originating (in millions)	518.74	557.39	580	600	635
% increase in tonnage		7.5		7.7	5.8
Freight earnings (in crore)	26505	27618	28745	30450	33480
Average lead		684	680.2	684.8	680.4

72. During the evidence, the Chairman, Railway Board apprised the Committee as under:-
 “For 2005-06 freight loading target we have pitched it at 635 million tones. We had a meeting first with various user Ministries. They had indicated details. If we sum up their assessment and projections, it works out roughly to 631 million tones. We are going as per the GDP growth during 2004-05. So, our projection is based on these factors and also taking into account the rail co-efficient which we have increased during 2004-05 in many segments.”
73. About the projected lower lead for 2005-06 he added:-
 “We have assessed leads of Coal and other major commodities and a rough assessment has been done. There will be marginal short of lead and it would come down from 685 to 680 or so. But it may hover between 680 and 685. It is a mere assessment, which may vary. In fact, whenever country develops economically, when the GDP is growing, it is growing mainly because more growth centers are there and then lead shortens. This is the situation all over the world. But still we are optimistic that we would try to retain the lead of 680.”
74. Explaining the steps being taken to achieve the freight loading during 2005-06, the representative of the Ministry of Railways stated:-
 “We are going to further improve upon our wagon turn round from six days to five days. We will be reducing our terminal detention; further improving upon hours of run; improving our time taken during train examination; and reducing the speed restrictions by strengthening and paying attention to the track, wherever speed restrictions exist so that we continue our momentum of gaining the market share.”
75. He further added-
 “During 2005-06 we have made higher allocations for doubling, terminal detention works so as to reduce time taken in train examination and rake examination, speed restrictions to be reduced through strengthening and upgradation of tracks and bridges and general asset failure.”

Freight Rates

76. There was no increase in freight rates of any commodity for the year 2003-04. The rationalisation in the freight structure initiated in the year 2002-03 continued further during the year 2003-04. The highest class was lowered from Class-300 to Class-250 abolishing 5 Classes at the upper end of the freight rates classification. In these two years, the total number of Classes were reduced from 59 to 27 and the ratio between the highest and the lowest freight rate which was reduced from 8.0 to 3.3 in 2002-03 was further reduced to 2.8.

77. In order to make the rail freight rates competitive, the classification of certain selected commodities such as Petroleum products, Iron & Steel, Cement, Clinker, Soda Ash etc. was also reduced. The reduction in freight rates ranged from 3.7% for Cement to 10.7% for Petrol.

78. Simplification of freight classification was initiated and certain groups of commodities having different classification, based on their different physical forms such as lumps, powder, pellets, fines etc. were assigned a single uniform Class for each group. 57 commodities were grouped under 7 main commodity heads namely, Iron Ore, Managanese Ore, Gypsum, Bauxite, Lime Stone and Dolomite Soapstone, and Chalk.

79. Charging of freight for all traffic booked upto 100 kilometres was rationalized through a scheme of graded concessions ranging from 10% to 50% as under:

Freight Concession	Distance Slab
50%	1-50 km.
25%	51-75 km.
10%	76-90 km.

80. The 'to-pay' surcharge on normal freight was reduced from 10% to 5% for booking of all commodities other than Coal, for which 'to pay' surcharge was reduced from 15% to 10%.

81. All commodities which did not have a notified train load class, were assigned a train load class, one stage lower than the wagon load class. The freight for such commodities, when offered in train loads, is lower by 4% to 5.26%.

82. The benefit of train load rate to 'two-point' block rakes was extended for the entire distance of transportation on end-to-end basis as against the earlier procedure of granting such benefit only upto the common point of transportation.

83. In order to provide rail transportation to a larger number of retailers, clubbing of upto 12 consignments was permitted in a Broad Gauge 8-wheeled wagon. An incentive scheme was introduced for the Premier Customers of the Railways, generating freight earnings of more than 25 crore rupees per annum from traffic originating from their private sidings. Under this scheme, 2% rebate is granted on every five crore rupees of 'net' additional freight earnings over the preceding financial year. This rebate will be in addition to any other freight concession applicable to originating freight earnings from commodities placed in Class-135 and above.

Freight Earnings

84. As per the Ministry of Railways, at the end of December, 2004 freight loading was 438.36 million tonnes which surpassed the proportionate target for the period by 10.17 million tonnes and registered a healthy growth of 7.67% over the corresponding period of previous year. The lead i.e. average movement of freight traffic also improved to 687 kms. as against 680 kms. envisaged in the Budget Estimates. Consequently, freight earnings for the period were Rs.1052.17 crore more than the proportionate target and indicated a growth of 9.61% over the corresponding period of previous year. Going by this trend and with the anticipation for the remaining part of the fiscal, the target of freight loading for 2004-05 has been kept at 600 million tonnes at an average lead of 685 kms. With the enhanced traffic output and taking into account the freight rationalization effected from 27.11.2004, the target of freight earnings in the Revised Estimates, 2004-05 has been assessed at Rs.30,450 crore i.e., Rs.1705 crore over the Budget Target.

85. Freight loading has shown upward trend during the last few years. In the year 2003-04 Railways have actually been able to move 557.39 MT load against the targeted 550 MT. When asked about the reasons for lesser freight earnings which was short of Rs.197.04 crore as against the Budget Estimate, the Ministry explained that during the year 2003-04, freight rates for cement, steel, POL and certain other commodities were reduced to make the freight rates competitive and to attract traffic. Further, there was a spurt in the freight offering under iron ore for export. Earnings, however, is a factor of product mix and lead apart from volumes. Based on the trend, the target of freight earning was scaled down from Rs.27,815 crore to 27,115 crore in the Revised Estimates. As against the target fixed in the revised estimates, Railways have closed the year with a freight loading of 557.39 MT which is 7.39 MT higher than the revised target and the actual freight earnings for the year was Rs.27,617.96 crores.

86. During the oral evidence, the Chairman, Railway Board explained as under:-

“Ultimately when the actual figures came, though it was short of Budget Estimate by Rs.197.04 crore yet it exceeded the Revised Estimates by Rs.502.96 crore.....Earnings is a factor of product mix and the lead apart from the volumes because we assume that we will get this particular class of traffic to this extent, its load will be that much. If it is a good lead for us and provided it does not entail into empty run, it is a paying for us. Take the case of food grain. Its earning is actually a factory of product mix and lead apart from the volumes.”

87. He further added:-

“There is a freight Committee for this e.g., you take fertilizers, urea complex, chemical fertilizers etc... There is a difference. We have tried to give one class. We have put into it 80 main commodities. This has been further put into 19 classes. It is under Budget consideration and it has been hailed by the entire industry. It has simplified the procedure. As a part of simplification of the goods tariff and as a part of the freight rationalization, by eliminating, we have been able to reduce our number of freight classes from 27 further to 19.”

88. In regard to facing competition with road sector and losing its share, the Chairman, Railway Board explained during the oral evidence:-

“a number of Cement industries have come up ...When the growth centers increase, the leads go shorter and when the leads go shorter, the road mobility transport becomes more viable for a customer. And this is one of the reasons why we have lost to road.”

89. Regarding the extent/percentage of market share regained by the Railways and the impact of high speed goods trains introduced last years, the Ministry of Railways stated that while the Rail share of total freight loading is not notified, the details of rail share of important commodities carried are given below:

Year	Coal	Iron Ore	Cement	Food-grains	Fertilizers	POL Products
1975-76	64.50%	60.70%	67.40%	13.40%	83.80%	56.10%
1999-00	64.84%	64.69%	43.42%	14.71%	78.60%	35.68%
2002-03	64.70%	68.10%	39.75%	25.88%	75.82%	30.71%
2003-04 (Provisional)	65.79%	58.21%	39.89%	20.73%	67.77%	25.93%

90. The rail share of two major bulk commodities namely Coal and Iron Ore constituting nearly 60 percent of the total freight traffic, has been marginally increased. The share of Food-grains which constitute around 9 percent of the traffic has increased significantly. Rail share of Fertilizer is being maintained fairly high level of 68%. The share of three important commodities Cement, Steel & POL has been affected due to continuous hike in freight rate necessitated to meet with the losses incurred in passenger segment and other social obligations.

91. When it was pointed out that the problem in loading was non-availability of wagons, the Ministry of Railways stated in their written replies that freight loading as indicated below has increased nearly three times with half the number of wagons, which indicates significant improvement in operational efficiency of the Railways:-

Year	Loading (Million Tonnes)	Index	Holding of wagons on line (in Units)	Index
1970-71	167.9	100	383990	100
1975-76	196.8	117	395250	103
1980-81	195.9	117	400946	104
1985-86	258.5	154	359617	94
1990-91	318.4	190	346102	90
1995-96	390.69	233	280791	73
2002-03	518.74	309	214760	56
2003-04	557.39	332	228170	59

92. During the oral evidence, the Chairman, Railway Board elaborated further as under:-

“Earlier we used to have four-wheeler wagons. Now we have got eight –wheeler wagons. If we take into account the eight-wheeler wagons, if earlier four wheeler wagon was worth ‘X’, the present time wagons are equal to 2.5 ‘X’. It means one unit is equal to 2.5 ‘X’. Earlier we used to have plain bearings. Now, we are having the roller bearings in most of the wagons. Previously we were having vacuum stocks. Now we have got air-bearing stocks. So, with this new technology that we have inducted in our wagons, they do not need attention at a very short lead. We are able to attend them after longer leads. Earlier, we used to do at a much shorter intervals. Now, we are going up to 48,000 kilometres or 60,000 kilometres. Our types of wagons are much better. So, there is this technological improvement in our wagons.”

93. Regarding the shortage of wagons, he further added:-

“We have done planning for the wagons, coaches and locomotives. Very recently, the Board has finalized a three-year rolling programme for our rolling stock. We have taken a conscious decision on that. In 2005-06 we are going for

the increased number of wagons; and we are going for the increased number of coaches. Also, our passenger growth has gone up. We have to go for the increased number of locomotives.”

94. When asked about the variation in the wagon acquisition shown in Railways Five Year Plan document and Budget document, the Chairman, Railway Board admitted:-

“Public sector undertakings, which supply wagons, have miserably failed. We have tried to take a number of measures in this regard with Bharat Wagons Limited and others. We have tried to pull up their production. In 2004-05, we have planned for 20,000 wagons but we will be marginally short by 500 wagons. We are expecting that we will be going for nearly 19,500 in terms of four wheeler units. Definitely, in the next year, we are planning for much higher figures.”

95. He also added:-

“Although private sector undertakings are also manufacturing yet they are not manufacturing to the extent desirable.”

96. A work for capacity expansion of Rail Coach Factory has been included in the Railway Budget 2005-06. It is proposed to enhance the manufacturing capacity to 1400 coaches per annum. The anticipated cost of work is Rs.35 crore. A proposal of West Central Railway for development of Habibgunj as a second coaching terminal at Bhopal at the cost of Rs.4.95 crore has been included in the Budget 2005-06.

97. The Ministry of Railways while giving in brief the initiatives announced in the Railway Budget 2005-06 to enhance the freight earnings as well as to attract additional traffic have stated as under:

1. There are plans to improve throughput of the traffic through increased productivity and efficiency.
2. Wagon turn round shall be brought down to 5 days in the near future from about 6 days in the current year.
3. Preferential traffic schedule for supply of wagons has been rationalised and simplified. Higher priority within the same class will be accorded to customers adopting EOL scheme, Wagon Investment Scheme and Mechanized round-the-clock working etc.

4. Electrification of diesel sidings located on electrified sections will be done at Railway's cost where justified by traffic.
5. Engine-on-Load Scheme, has been further liberalised and made attractive; scheme has also been extended to selected goods sheds and for customers not having their own private sidings.
6. Terminal Incentive Scheme including cash incentives, aimed at reduction of detention at terminals, will be formulated in consultation with industry.
7. Facilities at freight train examination centers will be upgraded for qualitative improvement in examination and for providing longer intervals between successive examinations.
8. Electronic Payment Gateway facility has been implemented in January, 2005 for Badarpur Thermal Power Station, and the facility will be extended to major customers.
9. Freight customers will be encouraged to develop their private sidings through cost sharing. The cost of a new railway siding shall be shared by the Railway, if the industry comes up with a long-term commitment of traffic, say for 10 years or more for which a cost benefit analysis would be done by the Zonal Railway. The cost of removable superstructure including railway track, sleepers and the overhead electrical equipment shall be borne by the railways. The cost of the sub-structure of the track including land, earthwork, ballast etc. shall be borne by the customer.
10. Scheme for development of integrated Warehouse Complexes to provide single window service to customers will be introduced through Public-Private partnership.
11. Goods tariff has been made simple, rational and transparent. The rationalised Goods Tariff shall contain only 80 group of commodities instead of over 4000 commodities at present.
12. Total number of classes have been reduced from 59 in March, 2002 to 19 w.e.f. April, 2005.
13. The highest class has been reduced in stages from class 300X in 2001-02 to Class-240 in 2005-06.
14. A new 'Premium Registration Scheme' has been drawn up for those customers who are willing to pay freight at two classes higher than the prescribed class to be accorded higher preference in allotment of rakes within the same class of priority.

15. Two days in a week shall be reserved for allotment of rakes strictly as per the date of registration.

16. A new attractive 'Wagon Investment scheme' has been formulated assuring guaranteed supply of wagons to customers investing in railway wagons. Scheme also envisages freight rebate and higher priority for such customers.

98. With close liaison with the user industries and continuous monitoring coupled with the freight initiatives mentioned above, targets for freight envisaged for the fiscal, are expected to be achieved.

Other Coach Earnings

99. Other coaching earnings to end of December, 2004 were short of the proportionate target by around Rs.28.63 crore. The trend was also reflected in the projection for the year made by the Zonal Railways and accordingly, the target of other coaching earnings was kept at Rs.1,000 crore in the Revised Estimates i.e., Rs.40 crore less than the Budget Estimate target. The rate structure for booking of Parcels and Luggage traffic was also rationalized during the year 2003-04. In place of the commodity-based rate structure, a service-based rate structure was put in place. Under the rationalized rate structure for parcels, all types of commodities, including Luggage, are charged uniformly at same rates, under four different scales, depending on the types of service as given below:

- (i) Scale-R, for Rajdhani service, by Rajdhani Express trains.
- (ii) Scale-P, for Premier service, by notified well patronized Mail/Express and Shatabdi Express trains.
- (iii) Scale-S, for Standard service, by other Mail/Express trains, Shatabdi Express trains and Parcel Express trains.
- (iv) Scale-E, for Economy Service, by Ordinary Passenger trains.

Newspapers and Magazines are charged at same rates, under the lowest Scale-E, by all trains.

100. With the proposed initiatives in Parcel segment, Other Coaching earnings are anticipated to grow at 10%. Accordingly, these earnings for 2005-06 have been assessed at Rs.1100.00 crore.

Sundry Other Earnings

101. Anticipating a higher dividend from the profit making public sector undertaking under the Railways, the revised estimates for 2004-05 of Sundry earnings have been fixed at Rs.1,150.00 crore i.e. Rs.78.00 crore higher than the Budget Estimates for the year. Sundry Other Earnings have been assessed at Rs.1,208.00 crore in 2005-06 anticipating dividend at the usual level from public sector undertakings.

Suspense

102. Taking into account Rs.100 crore as a part payment of Railways' dues by the Badarpur Thermal Power Station on implementation of 'Electronic Payment Gateway', Revised Estimates, 2004-05 envisage a clearance of Rs.150.00 crore from the 'Suspense' which represents unrealised traffic earnings, as against Budget Estimates of Rs.105 crore. In the Budget Estimates 2005-06 the target of clearance under this head has been kept at the level of Rs.100.00 crore.

103. When asked about the actual realisation, efforts made by the Railways for recovery of outstanding dues from various Power Houses/State Electricity Boards, the Ministry of Railways explained that accretion and realization under the head 'Traffic Suspense' is a continuous process and the position of actual realisation is clear only at the end of March every year.

104. During Oral evidence, the Chairman, Railway Board informed:-

“this accumulation has happened because it was 'freight to pay' in most of the cases. It has been 'freight to pay' because at the loading points, the State Electricity Boards or the Power House Authorities do not have requisite infrastructure. Those who have the infrastructure at the loading point, they are able to make the 'freight pre-paid'. We should try to go for the 'freight pre-paid' instead of 'freight to pay' so that these arrears do not accumulate. In many cases, we have tried to adjust the outstanding bills against the traction bills also. The outstanding stands at Rs.1605.86 crore as on 31.01.2005 which, at the end of December, 2004 was Rs.1754 crore. We are hopeful and we will try to get them cleared soon. We had gone even for the Cabinet note, particularly for the Badarpur Power Plant, and in totality also, whatever was pending. We had told that we should be compensated for this because this is the money which is locked up as regards the Railway Ministry. We are not getting any interest on that also. But, the Central Government on the Cabinet note did not agree with that proposal. However, we are making our effort to realize it.”

105. Further, the representative of the Ministry of Railways added:-

“So far as Punjab State Electricity Board is concerned, they were disputing the method of our billing and they went to court. The court said that an arbitrator should be appointed. The arbitrator had given an award in their favour. Then, we have gone in appeal against that. This outstanding amount of the Punjab State Electricity Board is because of that dispute. Then, similarly, in Rajasthan also, there is one disputed item. We are getting that reconciled. So far as Delhi Vidyut Board (DVB) is concerned, again the figures are to be reconciled. We are again talking to them so far as securitisation aspect is concerned. Taking note of Dr. Montek Singh Ahluwalia formula, we have to reconcile the figures for the issue for the securitisation and that dialogue is going on. The Northern Railway is engaged in a dialogue with DVB. We do hope that there will be a breakthrough in respect of Delhi Vidyut Board. So far as Punjab State Electricity Board is concerned, until the court verdict is received, we will not be able to make any further progress in that. This is the specific reason for the outstanding against the Electricity Boards.”

106. As per the assessment the realization for 2004-05 is likely to be Rs.150 crore by the end of March, 2005. Giving the reasons for lowering the targets for 2005-06, the Ministry of Railways stated that the target under ‘suspense’ has been revised to Rs.150 crore in the revised estimates, 2004-05 taking into account a payment of Rs.110 crore made by Badarpur Thermal Power Station (BTPS) on the inauguration of Electronic Payment Gateway, as a part payment of Railways’ outstanding dues. It is anticipated that in 2005-06 railways would receive regular payment of its dues through this system. A regular clearance on gradual extension of Electronic Payment Gateway, is also anticipated from other major customers. As such the target of clearance in 2005-06 (BE) has been kept at Rs.100 crore. The steps initiated by the Railways for recovery of the same is as under:

- (A) Power Houses are being encouraged to follow the scheme for pre-payment of freight for carriage of Coal.
- (B) Close monitoring of the recovery of outstanding dues from State Electricity Boards/Power Houses (SEBs/PHs) is done by holding regular meetings with their representatives. Meetings are also held with Secretaries of the concerned Ministries and Chief Secretaries of the States from time to time.

- (C) Adjustment of outstanding dues against traction bills is done in respect of some SEBs.
- (D) Special drives for clearance of Station outstanding dues are launched by forming teams of Accounts and Commercial officials from time to time.
- (E) Regarding BTPS, Ministry of Power had given a schedule of payment for Rs.966.63 crore outstanding as on 31.03.2003 in 13 installments commencing from 31.03.2004 to November, 2009, subject to introduction of Electronic Payment System. Out of this, first installment of Rs.111 crore was released on 31.03.2004 and second installment of Rs.110 crore has been released after introduction of the Electronic Payment System on 19.01.2005. Realization of the outstanding dues will also be pursued.

III. Miscellaneous Transactions

107. The following table compares the Actual 2003-04, Budget and Revised Estimates 2004-05 and Budget Estimates 2005-06 under Miscellaneous Transactions:-

(Rs. in crore)

Details	Actuals 2003-04	Budget 2004-05	Revised 2004-05	Budget 2005-06
RECEIPTS				
(i) Receipts from Subsidised Companies	0.08	..	..	..
(ii) Railway Recruitment Boards	18.25	8.05	8.98	10.42
(iii) Other Misc. Receipts	27.97	9.22	9.25	10.01
(iv) Receipts from Safety Surcharge on passenger fares	631.57	700.00	670.00	700.00
(v) Subsidy from General Revenues towards dividend Relief and other concessions	1327.81	1362.16	1333.00	1476.00
(vi) Receipts from surcharge on Mumbai suburban passenger Fares	..	34.00	34.00	34.00
TOTAL	2005.68	2113.43	2055.23	2230.43
EXPENSES				
(i) Payment to worked lines	0.21	0.26	0.16	0.22
(ii) Subsidy	..	0.01	0.01	0.01
(iii) Surveys	2.16	13.68	3.86	13.36
(iv) Misc. Railway Expenditure	272.74	313.74	300.82	324.36
(v) Open Line Works Revenue	33.24	35.00	45.00	45.00
(vi) Appropriation to Special Railway Safety Fund	631.57	700.00	670.00	700.00
(vii) Appropriation to Pension Fund	10.00	10.00	10.00	10.00
(viii) Appropriation to MUTP Loan Repayment Reserve Fund*	..	47.50	47.50	47.50
TOTAL	949.92	1120.19	1077.35	1140.45
Net Miscellaneous Receipts	1055.76	993.24	977.88	1089.97

* On opening of MUTP Loan Repayment Reserve Fund, appropriation to the fund being proposed to be made from Revised Estimates, 2004-05 onwards.

(a) 2004-05

108. Taking into account the shortfall in miscellaneous receipts, primarily on account of lesser Subsidy towards dividend and collection of Safety Surcharge which is partly offset by savings in miscellaneous expenditure, the Net Miscellaneous Receipts in the Revised Estimates, 2004-05 have been placed at Rs.977.88 crore against Budget Estimates of Rs.993.24 crore.

(b) 2005-06

109. The Budget Estimates for 2005-06 of Net Miscellaneous Receipts is estimated at Rs.1089.98 crore which provides for an increase of Rs.112.10 crore over the Revised Estimate of 2004-05.

IV. Dividend to General Revenues

110. Based on the latest estimates of Capital-at-Charge and adjustment of losses in operation of strategic lines, Dividend payable to General Revenues works out to Rs.3,276.08 crore in Revised Estimates, which is Rs.29.16 crore less than that assessed to Budget Estimates. Out of this, Rs.2.74 crore has been appropriated to Railway Safety Fund. Besides, it is proposed to make a payment of Deferred Dividend of Rs.300.00 crore to the General Revenues.

111. The dividend liability to General Revenues for 2005-06 is estimated at Rs.3,638.00 crore including Rs.2.74 crore to be appropriated to Railway Safety Fund, involving an increase of Rs.361.92 crore over the Revised Estimate of Rs.3,276.08 crore for 2004-05. Besides, it is also proposed to make a further payment of Deferred Dividend of Rs.300.00 crore to the General Revenues.

Working Expenses

112. The table below compares the Actuals of the year 2003-04. Budget and Revised Estimates 2004-05 and Budget Estimates 2005-06 of Working Expenses:-

Demand No. and Nomenclature	(Rs. in crore)			
	Actuals 2003-04	Budget 2004-05	Revised 2004-05	Budget 2005-06
General Superintendence and Services on Railways	1642.77	1749.16	1801.71	1902.27
Repairs and Maintenance of Permanent ways and works	3042.56	3253.00	3299.95	3605.45
Repairs and Maintenance of Motive Power	1615.36	1669.20	1673.28	1886.68
Repairs and Maintenance of Carriages and Wagons	3300.64	3460.62	3449.57	3776.84
Repairs and Maintenance of Plant and Equipment	1692.26	1866.16	1835.19	2042.24
Operating Expenses – Rolling Stock and Equipment	2698.77	2834.22	2835.62	3002.21
Operating Expenses – Traffic	6516.28	7122.01	7116.31	7330.01
Operating Expenses – Fuel	7956.30	8276.43	8637.21	9175.17
Staff Welfare and Amenities	1277.04	1379.87	1393.78	1523.93
Miscellaneous Working Expenses	1621.30	1748.29	1723.69	1823.70
Provident Fund, Pension and other Retirement Benefits	6069.15	6460.19	6742.93	7201.38
TOTAL	37432.43	39819.15	40509.24	43269.88
Credits or Recoveries	-774.35	-559.15	-549.24	-519.88
Deduct – Amount recouped from funds	-6021.51	-6400.00	-6700.00	-7150.00
NET	30636.57	32860.00	33260.00	35600.00
Appropriation to D.R.F.	2592.55	2267.00	2662.00	3604.00
*Appropriation to Pension Fund	6253.09	6290.00	6540.00	6940.00

* Excludes Appropriation to Pension Fund from Miscellaneous Establishment

Budget Estimates 2005-06

113. The Budget Estimates of Ordinary Working Expenses (Gross) for the year 2005-06 has been placed at Rs.43269.88 crore involving an increase of Rs.2760.64 crore over the Revised Estimates of Rs.40509.24 crore for 2004-05. Credits in reduction of expenditure are estimated at Rs.519.88 crore i.e. Rs.29.36 crore less than the Revised Estimates. The amount recouped from Fund is estimated at Rs.7150.00 crore. Taking together the credits and the amount recouped from Funds, the Net Working Expenses are estimated to be Rs.35600.00 crore during 2005-06 as against the Revised Estimates for 2004-05 of Rs.33260 crore, as increase of Rs.2340.00 crore.

114. The increase in expenditure of Rs.2760.64 crore (Gross) is mainly on account of:-
- (a) Increase in staff costs (Rs.1167.66 crore) analysed as under:-
 - (i) Payment of Dearness Allowance (Rs.662.45 crore)
 - (ii) Salaries, wages on POH and Other Allowances (Rs.46.76 crore)
 - (iii) Higher pensionary charges (Rs.458.45 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.996.27 crore)
 - (c) More expenditure on fuel arising from increase in traffic and prices of Diesel and Electricity tariff (Rs.546.14 crore).
 - (d) Lease/Hire charges to Indian Railway Finance Corporation and under BOLT and OWYS (Rs.63.12. crore) is partly offset by less provision under Charged appropriation due to less payments anticipated in satisfaction of court decrees (Rs.1254.77 lakh).

New Trains

115. In the budget 2005-06, 54 new trains have been announced besides increasing frequency of 10 and extending the run of 28 others.

116. When asked about the details as to how many trains, announced during 2004-05 have started running, the Ministry of Railways intimated that of the 32 pairs of new trains announced in the Rail Budget 2004-05, 13 pairs of trains have already been introduced. 19 pairs of trains could not be introduced due to operational and resource constraints and enforcement of model code of conduct in States of Bihar, Jharkhand and Haryana.

117. The new trains announced in the annual Rail Budget are introduced during the course of that financial year subject to availability of resources and operational feasibility. All the trains announced in the Rail Budget 2004-05 were proposed to be introduced during the financial year itself except Saharsa-Mansi Passenger, which will be introduced as soon as gauge conversion between Saharsa and Mansi is over.

118. Most of the 54 pairs of new trains proposed to be introduced during the financial year 2005-06. Most of these trains will be introduced by the 31st March, 2006. However, in cases where major infrastructure changes is required like gauge conversion, new line, additional platform & pitlines at originating/terminating stations introduction of new services will be done on completion of the work.

119. When asked about the basis on which the new trains are decided, the Chairman, Railway Board during oral evidence informed:-

“Now that we have computerised systems, on a daily basis virtually we are able to get the information not only train-wise, but also class-wise in each train for all the trains in the entire Indian Railways. We are now having the class-wise position of under utilisation and over-utilisation. So we are able to know which class in which sector is under patronised or over-patronised. Secondly, we have already introduced Passenger Profile Management System. That is also giving us good database. Thirdly, we have the system of Divisional Railways Users’ Consultative Committees at Divisional level and Zonal Railway Users’ Consultative Committees at Zonal level. We have got the Informal Consultative Committee and the Formal Consultative Committee. Apart from that, the suggestions we get from the Hon. Public representatives are also analysed. Then we have got the annual feature of the All-India Time-Table. All these things are discussed in that to see which is feasible and which is not. We do see as to which sections are getting really over-patronised and where there is a need for additional train or augmentation of trains in that. A detailed study is done. In All-India Time-Table we form up our decisions that these are the trains which we can go for.... Even for a simple extension of train we have to see whether that lie over is available or not for that, when we take it over whether there is coaching complex or berthing facility and washing pit is available or not at that time.”

120. He further added:-

“Out of total 54 trains, we had introduced 13 trains up to that given time and we had gone for extension of five trains and frequency of 11 trains was increased. Except one train on Mansi-Saharsha Section where the Gauge Conversion work is still going on because of the damages due to floods in Bihar and train for Udampur which is scheduled on 13.04.2005, all the 54 trains are getting

introduced by 31st March, 2005. We could not introduce these trains earlier because elections were notified in Jharkhand, Haryana and Bihar. We took a conscious decision after discussion with the Election Commissioner that till the elections are over, we should not go for introduction of the new trains.”

121. When pointed out that instead of starting all the announced trains at the fag end, a quarterly time schedule should be chalked out for starting these trains, the Chairman, Railway Board while agreeing to the suggestion stated :

“This time the situation was exceptional otherwise usually we try to start $\frac{3}{4}$ of the trains by September.”

Operating Ratio

122. The operating ratio for the year 2004-05 is expected to improve to 91.2% as against the projected 92.6%. The Operating Ratio of the following Railways since 1999-2000 onwards is as under:-

Particulars	Actual 1999-2000	Actuals 2000-01	Actuals 2001-02	Actuals 2002-03	Budget 2003-04	Revised 2003-04	Budget 2004-05
Eastern Railway	112.8%	121.4%	121.3%	121.0%	@	165.7%	167.1%
East Central Railway					@	93.9%	98.8%
North Eastern Railway	152.7%	156.6%	154.0%	152.3%	@	151.7%	158.7%
Northeast Frontier Railway	292.1%	208.2%	175.3%	173.8%	@	156.8%	152.1%
North Eastern Railways					@	127.7%	109.1%
Southern Railway	114.7%	120.8%	125.0%	119.2%	@	119.0%	118.9%
South East Central Railways					@	50.7%	60.1%
South Western Railway					@	83.7%	89.5%
Western Railway	81.5%	88.7%	87.7%	83.1%	@	89.6%	92.7%

123. Though the overall operating ratio for the year 2004-05 is expected to improve to 91.2% against the projected 92.6%, some of the Zonal Railways as shown above are operating much above 100%. The Ministry of Railways informed that the Operating Ratio is the total Working Expenses (excluding ‘Suspense’) to the total traffic earnings. Traffic earnings, particularly from passenger and freight which constitute nearly 95% of Railways’ earnings, are apportioned between Zonal Railways based on the distances traversed on the respective zones. As such, all Zonal Railways, by virtue of their jurisdiction and geographical location, are not placed evenly with regard to traffic earnings. On the other hand, each Zonal Railway would be incurring

operating expenses which include an element of fixed costs, which are necessary to keep the system operative irrespective of their traffic output.

124. The Railways are striving to improve their financial health through higher earnings and reduced expenses adopting measures for greater operational efficiency. The Zonal Railways are given targets of traffic earnings (in rupee terms) and physical traffic targets both under passenger and freight segments. On the expenditure side, spending limits are fixed which are lower than their budgetary allocation, so as to encourage economy. The performance of each zone as against the targets fixed for them is closely monitored on a monthly basis so as to keep a watch on the efficiency of the Zones. Consequently, operating expenses of the Indian Railways in the last four years have registered an annualized growth of 3.6% whereas the traffic earnings have grown at 6.7% on an average thereby improving the overall operating ratio from 98.3% in 2000-01 to 92.1% in 2003-04. The same is anticipated to further improve to 91.2% in 2004-05 and the operating ratio for 2005-06 has been projected at 90.8% in the Budget Estimates.

125. Regarding ideal operating ratio, the Chairman, Railway Board informed during oral evidence that :-

“In the last decade, our best operating ratio has been 90.3% or so. In 2005-06, we are expecting to achieve 90.8%. This is the best ever in the last ten years. Anything around 90% should be an ideal operating ratio. If we can improve it further, it is definitely a measure of further efficiency index for us.”

126. When pointed out that the operating ratio of India though comparable to some other countries, is still much more than National Rail Road Passenger Corporation of America which has a operating ratio of 87.7%, the Ministry of Railway enumerated the following steps being taken to reduce their cost of operation.

- (i) Improvement in technology such as high horse power locomotives.
- (ii) Introduction of new coach/wagon designs like LHB higher passenger carrying capacity coaches with higher reliability and lower maintenance costs.
- (iii) Reduction of energy consumption by conservation of energy through various means, availing energy tariff benefits, reducing maximum energy demand etc.
- (iv) System improvement by increasing interval between train examination, mechanical material handling etc.
- (v) Manpower planning, and

- (vi) Austerity in administrative expenditure by exercising control over expenditure on hospitality, travelling expenses etc.

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

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

X FIVE YEAR PLAN

128. For the X Five Year Plan of Railways, the Planning Commission has approved a total plan outlay of Rs.60,600 crore comprising of Rs.33,000 crore of internal generation of resources and market borrowings (54.5%) and Rs.27,600 crore (45.5%) of Capital from General Exchequer.

129. The objectives of the Railways X Five Year Plan are as under:-

- Strengthening of the High Density Network – Investments towards building up capacity through National Rail Vikas Yojana and investment towards completion of sanctioned rail projects.
- Technological upgradation of assets for improving efficiency, throughput and increasing average speed of trains.
- Utilizing Information Technology for better customer interface.
- Improving safety of operations by replacement of over aged assets through Special Railway Safety Fund.
- Reduction in energy bill by direct purchase of power from Central Generating Agencies and joint ventures for setting up power plants with generating agencies.
- Mobilisation of additional resources though private/public participation in railway projects.
- To increase share of freight and passenger traffic during X Plan.

130. Mid term appraisal of the Railways X Five Year Plan has been carried out by the Railways and is under consideration of the Planning Commission. During the evidence, the Chairman, Railway Board informed as under:-

“Traditionally, we do the Mid-term Appraisal after two years of completion period of Plan. We had a series of discussions with the Planning Commission and based on those discussions, we submitted the Mid-term Appraisal. Only last week we have sent our observations on the remarks of the Planning Commission.

131. While elaborating upon the observations made by the Planning Commission on the mid term appraisal and Railways response thereon, the Chairman, Railway Board stated:-

“They have appreciated that the freight growth is quite good. In fact, whatever the terminal years’ target about loading, we are going to achieve that only in the fourth year of the Plan. In the case of passenger growth, they have observed that it has been marginally short of the target and the reason for this has been that in the year 2002-03, which is the first year of the Tenth Five Year Plan, in this we enhanced the passenger fares and in 2001-02 we had imposed the safety surcharge. The effect of these two is that the passenger growth in the year 2002-03 dipped to as low as minus 3.8 per cent. So, the first two years’ average was much low and in 2004-05, we have picked up. In the current year i.e. 2004-05, the growth has been as high as 5.9 per cent and we are hopeful to continue with that. But, nonetheless, because of the impact on the passenger growth in 2002-03, we may be marginal by short of the final target. They have further observed that internal generation as well as the borrowing, that is called IEBR has been low.

In the first three years starting from 2002-03, taking into account 2003-04 and 2004-05, they have observed that whereas the budgetary support has been to the extent of 70 per cent of the total budgetary outlay as committed by the Planning Commission at the outset, the IEBR has been only 55 per cent. But in this case, the IEBR, what we had demanded before the formulation of the Tenth Plan, we had got it on a lower side and what they agreed finally and the budgetary support that we wanted is on a higher side which they did not agree. But, nonetheless, this is their observation.

Another point that they have observed is that modernisation of railways needs to be speeded up. We had already prepared a five-year modernisation plan. Another important point that they have observed is that there should be a rail tariff regulatory

authority. However, we have submitted a Cabinet note for not having this regulatory authority.

Further they observed that there is a need for going for more of the non-budgetary initiatives. They have further suggested that there should be a moratorium on the new lines and no new line project should be sanctioned any more taking into account the large shelf of the projects and resource crunch overall as obtaining. However, we have not agreed to their observation because public has aspirations for connectivity in remote areas.”

132. Responding to the concern of the Committee regarding the urgent need to complete the ongoing pending projects to augment the carrying capacity of the Railways, the Chairman, Railway Board spelt out the strategy of the Railways as under:-

“Against the throw forward of Rs.46,000 crore for sanctioned projects, efforts are made to mobilise Rs.8000 crore under RVNL, about Rs. 3800 crore will be met through National Projects, Rs.3700-3800 crore from the share of State Governments, about Rs.1200 crore from Special Purpose Vehicles (SPV), Rs.600 crore from Defence/other Ministry, which constitute about Rs.17,000 crore. Rs.13,000 crore are expected from Budgetary Support over next five years @ Rs.2500 crore per year, this aggregates to Rs.30,000 crore for the next five years. For the remaining throw forward of Rs.17,000-18,000 crore, a Cabinet note is being pursued under remote area rail connectivity scheme... We want to complete all projects in the next five years.”

Annual Plan for 2004-05

133. The break up of source-wise Plan outlay (Net) figures for the year 2004-05 and approximate expenditure against them upto December, 2004 is as under:-

(Rs. in crore)			
Particulars	Budget Estimate 2004-05	Revised Estimate 2004-05	Actual (Prov.) upto December, 2004
Capital from General Revenue:-			
Capital	4844.00	5481.00	4587.91
Capital for SRSF	2075.00	2975.00	1557.00
Safety Fund – (Diesel Cess)	401.00	401.00	97.77
Total	7320.00	8857.00	6242.68

Internal Resources:-			
		2215.00	1580.68
Development Fund	715.00	845.80	389.62
Spl. Railway Safety Fund	858.00	670.00	100.56
Open Line Works (Revenue)	35.00	45.00	19.93
Total	3728.00	3775.80	2090.79
Extra Budgetary Resources:-			
I.R.F.C.	3400.00	2992.34	1863.94
B.O.T	50.00	50.00	0.00
Total:	3450.00	3042.34	1863.94
Total Plan Outlay	14498.00	15675.14	10197.41

134. The Annual Plan for 2004-05 was proposed for a total outlay of Rs.14,198 crore comprising internal generation of resources of Rs.2,870 crore (20.21%), Market borrowings of Rs.3,450 crore (24.30%) and Capital from General Exchequer of Rs.4,544.34 crore (32%). In addition, Rs.401 crore (2.83%) was proposed from Safety Fund and diesel cess and Rs.2,933 crore (20.66%) was expected to be provided for within Special Railway Safety Fund, of which the support from the Ministry of Finance shall be Rs.2,075 crore. The last two mentioned sources would however, finance some specific identified Plan Heads only. A separate allotment of Rs.300 crore was received from General Exchequer for Udhampur-Srinagar-Baramulla New Line project. Including this, the total plan expenditure was budgeted for Rs.14,498 crore. In the Revised Estimates, the Annual Plan 2004-05 was increased to Rs.15,675 crore. The incremental amount included Rs.400 crore additional for Udhampur-Srinagar-Baramulla New Line, Rs.237 crore for the progressing various modernisation works and Rs.900 crore as additional contribution to Special Railway Fund from General Exchequer.

135. Outlays provided in Revised Estimates 2004-05 (including contribution for SRSF) for various Plan heads were as under:-

(Rs. in crore)

Plan Heads	Budgeted Estimates	Revised Estimates
New Lines (Construction & Restoration)	947	1644
Gauge Conversion	780	1073
Doubling	480	434
Traffic Facilities – Yard Remodelling	306	329

Computerisation	188	181
Railway Research	15	14
Rolling Stock	4571	4683
Road Safety Works (Level Crossings)	150	150
Road Safety Works (ROB/RUB)	251	251
Track Renewals	2570	2993
Bridge Works	528	424
Signaling & Telecom Works	813	953
Electrification Projects	125	142
Other Electrical Works	170	179
Machinery & Plant	159	193
Workshops incl. Production Units	273	283
Staff Quarters	75	65
Amenities for Staff	65	73
Passenger & Other Users Amenities	215	222
Other Specified Works	165	174
Metropolitan Transport Projects	385	330
Inventories	250	368
Investment in Public Sector Undertakings	717	517

136. The outlay was being utilised for achievement of the following physical targets:-

Sl.	Electrification	Budgeted Target 2004-05	Revised Target 2004-05	Achievements (upto Dec. 2004)
1.	Electrification (Route Kms)	375	375	110
2.	Track Renewals (Track Kms.)			3311
	(i) Primary	2750	3550	2451
	(ii) Secondary	1375	1375	1100
3.	Construction of New Lines (Route Kms)	273	205	108
4.	Gauge Conversion (Kms.)	1000	993	200
5.	Doubling	381	307	114
6.	Rolling Stock			
	(i) Locomotives:			
	Diesel	120	120	88
	Electric	90	90	43
	(ii) Coaches:			
	EMUs/Metro	332	180	87
	Others	2214	2416	1675
	(iii) Wagons	20,000	20,000	14117
	(in terms of 4 wheelers)			

Road Safety Works

Plan Head	Amount allotted in 2004-05 (RE)	Actual Expenditure to end of Dec. 2004	Physical Target 2004-05		Physical Achievement to end of Dec. 2004
(i) ROB/RUB	251.00	48.75		20 Nos.	5 Nos.
(ii) Level Crossings	150.00	49.18	Inter-locking	300 Nos.	240 Nos.
Total	401	97.93	Telephone	499 Nos.	306 Nos.
			Manning	211 Nos.	95 Nos.

137. Elaborating the reasons for higher allocation at revised stage during 2004-05 under New Lines, Gauge Conversion and Doublings plan heads, the Ministry of Railways have stated that the Railways' Plan was fixed at Rs.15,675 crore at the Revised Estimates 2004-05 stage, which included an additional budgetary support of Rs.1,137 crore, (comprising of Rs.900 crore as contribution for SRSF and Rs.237 crore as Capital towards various modernisation works). It also included additional Rs.400 crore for the Udhampur-Srinagar-Baramulla new line project, which was extended by Ministry of Finance during the mid year. Besides, the collection of safety surcharge was found to be Rs.670 crore only, as against the budgeted Rs.858 crore, hence Railways contribution to SRSF is restricted to this amount. The market borrowings were also restricted to the required level of Rs.2,992.34 crore. All these changes have been adopted in the Revised Estimates, 2004-05. Thus the increase in the Revised Plan outlays for 2004-05 has been mainly on account of additional Budgetary Support provided for the above mentioned specific purposes. Under the project plan heads of New Lines, Doubling and Gauge Conversion, setting aside the additional outlay for the Udhampur-Srinagar-Baramulla National Project, only the Gauge Conversion planhead registered a substantially increased outlay in the Revised Estimates, 2004-05.

138. There has been shortfall in the progress of New Lines, Gauge Conversion and Doubling projects during 2004-05 due to the following reasons.

1. Unprecedented hike in steel prices, as a result of which several contracts had to be terminated.
2. Slow progress against contracts on various reasons by the contractors.
3. Delay in supply of PSC sleepers, Elastic Rail Clips.
4. Non-deposition of share by the State Government of Karnataka for Sholapur-Gadag Gauge Conversion project.

5. Obstruction by public in earth-work on Hassan-Sharavanbelagola New Line project.

139. Responding to the likely slow progress of targets particularly new lines, gauge conversion and doubling, the Chairman, Railway Board submitted the reasons as under:-

“We could not achieve what we targeted for the year 2004-05. We have been able to do 205 kms. of new lines against 273 kms. 885 kms. of gauge conversion against 1,000 kms. and 307 kms. of doubling against 381 kms. ... The basic reasons for why we faltered is that there was a large-scale failure of our contracts because of the steep rise in the steel prices and we had been really struggling for this because as we all know, all our capital projects-minor bridges and major bridges – consume a lot of steel and even they entail the building structure also ... It is very difficult to go beyond the law of contract. A similar situation had arisen few years back also. We had gone for permitting them, going outside the terms and conditions of the agreement.

It was objected to by the Cabinet Secretariat at that time because other Ministries had faced the same problems. Hence, one Ministry could not take such a decision in isolation. But the fact is that we have suffered on that account.”

140. As a result the targets for the year 2004-05 had to be revised to 205 kms. of New Lines, 885 kms. of Gauge Conversion and 307 kms. of Doubling. The achievements upto the end of February, 2005 have been 123 kms. of New Lines, 597 kms. of Gauge Conversion and 155 kms. of Doubling. Regarding Electrification projects, against the target of 375 route kms. for 2004-05 151 route kms. have already been electrified till February, 2005 and the balance 224 route kms. are likely to be completed by the end of March, 2005.

141. Under Rolling Stock, to end of January, 2005 there has been a shortfall in out-turn of 5 electric locomotives and 3 diesel locomotives as compared to the proportionate targets due to non-availability of certain critical components. These problems are being addressed and efforts are being made to achieve the production targets set for the year.

142. In regard to funding of ROB/RUB, Chairman, Railway Board explained:-

“For a level crossing or a ROB/RUB on a road which is carrying very heavy traffic, we find out as to what our level of train operation will be. If the TVU is straightway more than one lakh, then as per the Railway Act, we bear the entire cost of the ROB/RUB there.

Moreover, if there is any justified demand, even if for a level crossing, within the first ten year of the opening of any new line, we provide the same. But, after ten years, as per the Railway Act and our present provisions, it becomes on deposit terms. Later on, after the opening of a level crossing, if the TVU goes up to more than one lakh, then we share the cost”

143. Suggesting one time solution to the problem of non-release of matching amount by the concerned State Governments in respect of ROB/RUBs, the Chairman, Railway Board submitted as under:-

“from the diesel cess, we get a share of 6.25 per cent. Similarly, from petrol, it is 12.5 percent. The balance of the percentage goes to the National Highways Authority of India and the States. So, we are saying that instead of giving that portion to the States, whatever, we require for the ROB/RUBs, that may be given to the Railways.”

Annual Plan 2005-06

144. A comparative source-wise allocation for the plan outlay 2004-05 (RE) and 2005-06 (BE) is given below:-

Particulars	(Rs. in crore)		
	RE 2004-05	BE 2005-06	Variations
Capital from General Revenue:-			
Capital	5481.00	3821.00	-1660.00
Capital for SRSF	2975.00	2699.00	-276.00
Safety Fund – (Diesel Cess)	401.00	710.81	+309.81
Total	8857.00	7230.81	-1626.19

Internal Resources:-			
Depreciation Reserve Fund	2215.00	2650.00	435.00
Development Fund	845.80	1200.19	354.39
Spl. Railway Safety Fund	670.00	823.00	153.00
Open Line Works (Revenue)	45.00	45.00	..
Total:	3775.80	4718.19	942.39
Extra Budgetary Resources:-			
I.R.F.C.	2992.34	3400.00	407.66
B.O.T	50.00	0.00	-50.00
Total:	3042.34	3400.00	357.66
Total Plan Outlay	15675.14	15349.00	-326.14

145. The Annual Plan for 2005-06 has been proposed for a total outlay of Rs. 15,349 crore comprising internal generation of resources of Rs.3,895.19 crore (25%), market borrowings of Rs.3,400 crore (22%) and Capital from General Exchequer of Rs.3,821 crore (25%). In addition, Rs.711 crore (5%) has been proposed from Safety Fund from diesel cess and Rs.3,522 crore (23%) is expected to be provided for within Special Railway Safety Fund, of which the support from the Ministry of Finance shall be Rs.2,699 crore. The last two mentioned sources would however, finance some specific identified Plan Heads only.

146. From the above position, it will be observed that there has been decline in the Budgetary Support extended to the Railways in the year 2005-06 over 2004-05 (RE) which has resulted in reduction in the total plan outlay. This has also contributed to the decline in the allotments under Capital for various projects. The RE (2004-05) outlay under Capital includes Rs.700 crore given for the national new line project of Udhampur-Srinagar-Baramula. For the year 2005-06, Railways have projected a requirement of Rs.1365 crore for this project and for two of the three projects in the Northeast newly declared as national projects viz., Kumarghat-Agartala New Line, Jiribam —Imphal (Tupul) New Line and Lumding – Silchar – Jiribam Gauge Conversion. Ministry of Finance have indicated that funds for these national projects would be released during the course of the year based on the progress of work. Further, the Budgetary Support has to be viewed in conjunction with the Railways having been authorised to access Rs.3000 crore of extra budgetary resources for financially viable projects. As regards contribution to the SRSF, Railways have received Rs.6925 crore to end 2004-05. In the remaining two years viz., 2005-06 and 2006-07, Ministry of Finance required to contribute only Rs.5040 crore. The

contribution of Rs.2699 crore being made in the coming fiscal year is therefore in line with the requirement. There is an increase of nearly Rs.950 crore in the internal resource segment, mainly under the DRF, to cater to higher needs of replacement and renewal and under the Development Fund so as to give a thrust to certain works relating to enhancement of throughput.

147. The outlay is to be utilised for the achievement of the following physical targets:-

Electrification	350 Route Kms.
Track Renewals	4000 Track Kms.
(i) Primary	2000 Track Kms.
(ii) Secondary	2000 Track Kms.
Construction of New Lines	219 Route Kms.
Gauge Conversion	935 Route Kms.
Doubling	538 Route Kms.
Rolling Stock	
(i) Locos:-	
Diesel	130 Nos.
Electric	105 Nos.
(ii) Coaches/DMUs	2320 Vehicle Units
EMUs/MEMUs	359 Vehicle Units
(iii) Wagons	23,300 Four Wheeler Unit
(in terms of 4 wheeler Units)	

148. Outlays (Budget Estimates) proposed for the Plan Heads for 2005-06, inclusive of the component of Special Railway Safety Fund, are as under:-

Plan Heads	Rs. in Crore
New Lines	658
Gauge Conversion	645
Doubling	505
Traffic Facilities-Yard Remodeling	486
Computerisation	160
Railway Research	43
Rolling Stock	5159
Rod Safety Works (Level Crossings)	300

Road Safety Works (ROB/RUBs)	411
Track Renewals	2623
Bridge Works	755
Signalling & Telecom Works	1185
Electrification Projects	102
Other Electrical Works	186
Machinery & Plant	214
Workshops incl. Production Units	360
Staff Quarters	80
Amenities for Staff	93
Passenger & Other Users Amenities	222
Other Specified Works	232
Inventories	162
Metropolitan Transport Project	275
Investment in Public Sector Undertakings	493

149. The major thrust in the plan is on enhancing the throughput and removing the bottleneck on the system. The outlays under Tack Renewals, Doubling, Traffic Facilities, Bridge Works, Signal & Telecommunication, Workshops besides replacement and acquisition of Rolling Stock and Passenger Amenities is higher than last year. Two plan heads are also operated for conversion of unmanned level crossings to manned crossings and construction of Road over/under bridges have been given higher outlays. Apart from the outlays being provided to the project plan heads under Capital allotments have also been made for the works of the Rail Vikas Yojana through investment in Rail Vikas Nigam.

Road Safety Fund

150. The Road Safety Fund is utilised for taking up road related safety works under the planheads 'Road Safety Works – Level Crossings' and 'Road Safety Works Road Over/Under Bridges'. The expenditure incurred under these planheads upto December 2004 has been Rs.97.93 crore (approximately) out of the total outlay of Rs.401 crore for 2004-05. The expenditure to end of January, 2005 is Rs.105.32 crore. Under the Plan Head 'Road Safety Works-Level Crossings', following different categories of works are included:

- (a) Manning of Level Crossing gates
- (b) Improvement at Level Crossing gates

- (c) Upgradation of Level Crossing gates
- (d) Electrification of Level Crossings gates
- (e) Interlocking of Level Crossings gates
- (f) Provision of telephones at Level Crossings gates
- (g) Provision of Train Actuated Warning Device (TAWD) and gates approach warning on Spl./A Class.

151. To improve the safety at unmanned Level Crossings, policy of manning of unmanned Level Crossings has been revised in the year 2003-04. Revised policy is expected to expedite the manning works and is likely to improve the utilisation of funds. In case of ROB/RUB works, allotted Road Safety Fund is utilized for execution of works sanctioned under cost sharing basis with concerned State Governments. Under cost sharing scheme, Railways construct the bridge proper (bridge across the track) and physical progress of the works by the State Governments on approaches. Railways try to complete their portion along with or before the completion of works on approaches. Highlighting the various problems encountered during execution, which affect the overall progress of works, the Ministry enumerated the following constraints:

- Delay in finalisation of approach alignment by State Government/Local Bodies.
- Delay in acquisition of land by State Government/Local Bodies.
- Delay in finalisation of General Arrangement Drawings, preparation of estimates for approaches and sanction of same by State Government/Local Bodies.
- Delay in diversion of existing road traffic of level Crossing to facilitate construction of ROB/RUB work by State Government/Local Bodies.
- Constraints of fund with the State Government for these works.
- Non-inclusion of work in their annual plan by State Government.

152. While explaining the reasons for slow/under utilisation of funds under Road Safety Head, the Ministry have submitted as under:-

“During the year, allocation of funds under this head is revised, keeping in view actual utilisation of the funds for sanctioned work. Efforts are also made to compensate the less utilisation of funds of previous year in subsequent year. Keeping in view the above reasons, alternative remedial action has been taken by the Railway for complete execution of works, i.e. Bridge proper and approaches through single agency like Konkan Railway Corporation Limited (KRCL) and IRCON International Ltd. In some of the Railways, this initiative of Railway has proved successful for speedy execution of work

in utilisation of funds. However, this will not solve the problem of constraints of funds experiences by State Governments, unless they take special initiatives in this regard’.

Throughput Enhancement

153. The thrust of the Annual Plan 2005-06 is towards works for enhancement of throughput, safety and development, apart from completion of last mile projects to reduce the huge shelf of on-going projects. During 2005-06, a special effort has been made to sanction a greater number of route-wise throughput enhancement works to remove congestions on the golden quadrilateral and its diagonals and to bring palpable improvement in the operating efficiency of the railways. These include terminal improvement works to bring down the turn round of wagons, deployment of modern signaling and telecommunication to enhance line capacity, doubling of railway lines, IT related initiatives to improve productivity and efficiency. Besides, 200 odd sanctioned works relating to improvement of terminals, another 42 terminals are proposed to be covered for providing facilities for full rake placement and round the clock working.

154. In order to remove the bottlenecks of the system, during 2005-06, allocation of traffic facility works have been enhanced to Rs.487.59 crore as compared to the revised outlay of Rs.331.40 crore during 2004-05. Similarly, for the doubling works, proposed work for the 2005-06 has been enhanced to Rs.509.39 crore to the revised allocation of Rs.437.08 crore during 2004-05. Apart from this, additional funds are likely to be generated for doubling works through Infrastructure SPV funding. There has been emphasis on terminal improvement works in the Budget 2005-06 and, as many as 32 works of terminal improvement and 10 works of electrification of siding have been included in the Budget 2005-06. As many as 13 patch doubling works on the high density routes have also been included at a cost of Rs.697.54 crore in Budget 2005-06. These works after completion will go a long way in augmenting the throughput and ensuring speedy delivery of goods over the Indian Railways.

155. Emphasizing the need to increase the throughput in 2005-06, the Chairman, Railway Board stated as under:-

“We have increased EMUs and we have also increased our rolling stock acquisition programme. Our throughput is going to increase in 2005-06 and the GDP growth remaining above seven per cent, we have to now go for procurement of larger number of rolling stock. It is inclusive of both diesel and electric locomotives as well as coaches and wagons”

156. Allocation under the Head Rolling Stock has increased to Rs.5159 crore in 2005-06 from Rs.4683 crore (RE) in 2004-05. The rolling stock requirement is broadly assessed for 5 year Plan period and fine tuned on annual basis, from year to year. This exercise involves assessment of different types of Rolling Stock on the basis of volume of traffic expected to be carried and the efficiency of utilisation foreseen in a particular year.

National Rail Vikas Yojana

157. National Rail Vikas Yojana (NRVY) was announced on 15th August 2002 to remove capacity bottlenecks in the critical sections of the railway network. It comprises of the following components:

- (i) Strengthening of the Golden Quadrilateral (GQ) and its diagonals (estimated cost Rs.8000 crores).
- (ii) Providing Rail based port-connectivity (PC) and development of corridors to hinterland including multi-modal corridors for movement of containers (estimated cost Rs.3000 crore).
- (iii) Construction of 4 Mega Bridges viz. At Patna and Munger over river Ganga, at Bogibeel over river Brahmaputra and near Nirmali over river Kosi (estimated cost Rs.3500 crore).

158. The total estimated investment on the Yojana is Rs. 15,000 crore. It is to be largely a non-budgetary investment initiative and is expected to be completed in a time frame of 5 years beginning from the financial year 2003-04.

159. Rail Vikas Nigam Limited (RVNL), has been set up to undertake project development, mobilisation of financial resources and implementation of bankable projects under NRVY i.e. execution of projects on a commercial format using largely non-budgetary funds.

160. Under the present funding plan for RVNL works, budgetary funds, as equity will be provided to the tune of Rs.3000 crore (including Rs.1500 crore of ADB funding) for Golden Quadrilateral (GQ) Projects. The balance Rs.5000 crore for strengthening of GQ are expected to be mobilized through market which may include BOT schemes, domestic borrowings etc. The port connectivity projects will be implemented through public private partnerships by setting up project specific SPVs, BOT schemes and private Railway models of investment. Funding of these projects, therefore, will require budgetary funds to provide equity in project specific SPVs.

In all 53 projects (32 GQ & 21 PC projects) have been transferred to RVNL. The bankability studies for 21 projects have been completed so far. Based on the results of the bankability studies, mode of financing is being decided. A total of 14 projects (13 sanctioned and one unsanctioned) have been posed for funding to Asian Development Bank (ADB). Out of these 4 projects (6 contract packages) have been appraised by ADB. Tenders for the same are in various stages. ADB has also given 'in principle' approval for 6 more projects and bid documents are under preparation for the same. A total of 10 projects (6 sanctioned and 4 unsanctioned) are planned for implementation through public/private partnership by formation of project specific Special Purpose Vehicle (SPV). Kutch Railway Company for Gandhidham-Palanpur has already been established. Memorandum of Understanding for Bharuch-Samni-Dahej gauge conversion, Bhildi-Samdari gauge conversion and Surat-Hajira new line have been signed on 13.1.2005. Equity participation commitments from Paradeep Port, Government of Orissa and Jindal Steel for Haridaspur-Paradeep new line have been obtained. Remaining projects are planned for implementation through BOT, marketing borrowing/railway equity.

161. The head-wise details of financial allocation made and expenditure incurred since 2001-02 till 2003-04, under Special Railway Safety Fund is as below:-

Plan Heads	2001-02		2002-03			2003-04		
	Revised Grant	Actual Expenditure	Budget Grant	Revised Estimate	Actual Expenditure	Budget Grant	Revised Estimate	Actual Expenditure (Provisional)
Track Renewals	1403.15	1347.63	1661.00	1897.09	2006.67	1829.10	1853.89	1943.81
Bridge Works	61.74	44.15	143.30	156.77	151.61	217.00	187.52	157.09
Rolling Stock	60.00	127.62	280.00	240.00	321.95	218.66	250.13	306.14
Signal & Telecom Works	193.77	155.92	505.00	447.23	353.40	470.00	475.00	495.04
Other Electrical Works	..	..	0.50	0.50	0.03	1.00	0.60	0.80
Machinery & Plant	0.01	0.00	9.00	3.26	3.17	13.00	22.12	16.22
Other Specified Works	..	..	0.50	0.50	..	1.00	3.35	0.05
Total Gross	1718.67	1675.31	2599.30	2745.35	2836.84	2749.76	2792.60	2919.19
Credits	318.67	241.03	389.03	435.35	350.54	439.10	441.94	335.41
Total-Net	1400.00	1434.28	2210.00	2310.00	2486.31	2310.66	2350.66	2583.77

(Rs. in crores)

162. The head-wise details of financial allocation made and expenditure incurred during the year 2004-05, upto December, 2004, under Special Railway Safety Fund is as below:-

Plan-Head	Financial Targets (Net) 2004-05 RE (Rs. in crore)	Actual Financial Performance (Net) April'04-December- 2004 (Rs. in crore)
Track Renewals	1715.48	1027.6
Bridge Works	320.1	147.74
Signalling & Telecommunications	663	251.52
Rolling Stock	918	422.16
Machinery & Plant	9.94	14.03
Other Electrical Works	0.6	0.27
Other Specified Works	17.88	2.79
Total	3645	1866.13

163. The physical targets and performance, head-wise, during the year 2004-05, upto January 2005, are given in the following table:-

Type of Assets	Physical Targets 2004-05	Cumulative Actual Performance April, 2004 – January, 2005
Track Renewals	3200 CTR Kms.	2133.16 CTR Kms.
Bridge Works	411 Nos.	296 Nos.
Signalling & Telecommunication	Signalling gear renewal:- * Complete Renewal 350 stns. * Casual Renewal 250 stations. * Track Cktg. 800 locations	* Complete Renewal 126 stns., * Casual Renewal 155, * Track Circuiting 492 locations
Rolling Stock	* BG Dsl locos 45, * NG Dsl loco 2, * BG Coaches 174, * MG Coaches 24, * NG Coaches 20, * OHE car 5, * AC EMU 70, * AC/DC EMU 37, * Wagons 2901	* BG Locos 29, * NG Coaches 5, * OHE Insp. Car 5 * AC EMUs 75, * AC/DC EMU-19 * Wagons 2332

Allocation for Northeast Region

164. The Ministry have submitted that the outlay for the North-eastern region under projects plan-heads New Lines, Gauge Conversion and Doubling is Rs.250 cr. Which excludes the outlay provided for the Eklakhi-Balurghat new line and Katihar-Jogbani-Barsoi-Radhikapur gauge conversion projects. The allotment thus made for the plan-heads for the Northeast region is more than 10% of the provisions under these plan-heads as a whole. The overall allotment i.e. the allotment inclusive of the other plan-heads to the North-eastern region out of the budgetary support available for general distribution works out to about 8.75%. The decline is mainly because of change in the norms of reckoning the expenditure on Northeast region on other plan-heads being adopted as 3/5th instead of the earlier 3/4th, in view of creation of a new division at Rangiya. The shortfall is also likely to be overcome during the year. Further, separate additional budgetary support of Rs.165 crore has been sought for the projects declared as National Projects recently viz. Kumarghat-Agartala new line and Lumding-Silchar-Jiribam gauge conversion projects. Ministry of Finance has indicated that additional funds would be released during the course of the year based on the progress of these works. Moreover, extra resources from the new SPV being set up to fund infrastructure projects, have been permitted to the Railways. On this account, an amount of Rs.70 crore is proposed to be sought during 2005-06 for the projects in the Northeast region.

165. Apart from budgetary support, against the total outlay of Rs.3895.19 crore, 710.81 crore and Rs.3522 crore under internal resources, Railway Safety Fund and Special Railway Safety Fund respectively, the share of Northeastern region comes to Rs.105.15 crore, Rs.13.01 crore and Rs.47.03 crore, based on the 3/5th formula being adopted now. This is 2.7%, 1.83% and 1.34% of the total outlay respectively. Similarly, under the revenue budget of Rs.35,600 crore for ordinary working expenses, the proportionate allotment to Northeast region comes to Rs.876.35 crore which is 2.46%. However, the allocation to Northeast Frontier Railway, which covers the Northeast region is need based and by the large necessary funds are made available.

Corporate Safety Plan

166. The Corporate Safety Plan of Indian Railways for the period 2003 to 2013 has been finalized and presented to both the Houses of the Parliament on 19th August, 2003. The document encompasses the priorities of the safety related works and indicates a broad time frame to complete them along with assessed approximate requirement of financial investments. The Corporate Safety Plan of the IR (2003-2013) also envisages a safety action plan directed towards

continuous reduction in risk level to its customers, implementation of suggested system reforms, imbibing better safety culture, enhancement of asset reliability etc. This covers continuous rehabilitation and modernisation of assets, qualitative changes in men and machines, induction of appropriate technologies in support of human efforts etc.

167. An attempt has been made to assess the scenario of approximate fund requirement for broad safety related works in the next 10 years period. It is assessed that the total investment involved for these safety enhancement works would be around Rs.31,835 crore. The summary of requirement of funds under various heads for these safety enhancement works is as follows:-

(Rs. in Crores)

Allocation	Requirement
Capital	4205.31
Depreciation Reserve Fund (DRF)	955.25
Development Fund (DF)	4660.75
Railway Safety Fund (RSF)	8911
Special Railway Safety Fund (SRSF)	13102.70
Total	31835.01

168. Out of this, Rs.13,000 crore are expected to be available under SRSF for sanctioned works in the Green Book. The net outlay under SRSF in Revised Estimate for 2004-05 is Rs.3645 crore and in Budget Estimate for 2005-06 is Rs.3522 crore. Further, the requirement under Railway Safety Fund works out to Rs.8900 crore, implying an expenditure of Rs.890 crore per year. The outlay under RSF in RE 2004-05 is Rs.401 crore and in BE 2005-06 is Rs.710.81 crore. Though the Corporate Safety Plan is made for the next 10 years, its achievable targets in respect of Asset Reliability are divided into two phases. Phase-I will cover the period between 2003-2008 and Phase-II will span its safety activities upto the year 2012-2013. This has been, basically, done to have a mid-term assessment with changed circumstances, advancement of technology and assimilation of devices.

169. Performance during 2003-04, the first year of Corporate Safety Plan, and during the year 2004-05 (upto February, 2005) vis-à-vis the base year (2002-03) and the final Plan targets for the quantifiable parameters has been as under:-

Item	Performance during the base year (2002-03)	Plan Target (at the end of 2012-13)	Actuals	
			2003-04	
			Actual	Improvement (%)
Overall consequential train accidents per MTKm	0.44	0.17	0.41	6.82
Collisions	16	Nil	9	43.75
Derailments	218	113	202	7.34
Fire Accidents	14	3	14	0.0
Level Crossing Accidents	96	90	95	1.04

Integrated Railway Modernisation Plan

170. Indian Railways was identified as a key infrastructure sector requiring modernisation by the Government Accordingly, Integrated Railways Modernisation Plan has been formulated for 5 year (2005-2010) identifying activities with definite time frame for implementation. Indian Railways intends to achieve an originating freight loading of 776 million tones (growth rate of 6%) and 6366 million originating passengers (growth rate of 3.5%) by the year 2009-10.

171. In this Integrated Railway Modernisation Plan (2005-2010) a total requirement of Rs.24,000 crore for the modernisation of the Railways has been projected which includes Rs.10,260 crore under Capital, Rs.2910 crore under Development Fund, Rs.500 crore under Depreciation Reserve Fund, Rs.4,000 crore under Special Railway Safety Fund and Rs.5,980 crore to be raised through Market Borrowings. A small amount required under Revenue will be covered under ordinary working expenses of the Railways and the rest would form a part of the overall Plan.

172. Passenger Business Segment envisages running of trains of 150 Km/h trains on New Delhi-Howrah and New Delhi-Chennai routes, increased induction of latest technology coaches in all Rajdhani/Shatabdi trains, expansion of Passenger Reservation System (PRS) and

Unreserved Ticketing System (UTS) across the country, Environment Friendly toilets in coaches, Improved Safety features in coaches in terms of its crash worthiness and fire retarding features.

173. Freight Business Segment envisages running of freight trains at 100 Kmph on Golden Quadrilateral and its diagonals, Introduction of Higher Axle Load, Double Stack Containers and Roll-on-Roll-Off wagons on the identified routes, Introduction of light weight and corrosion resistant steel and aluminum wagons, Extension of Freight Operations Management System to cover Terminal, Rake and Crew Management System, Completion of works identified under National Rail Vikas Yojana along with some other throughput enhancement works etc. Other Modernisation Initiatives include Track Modernisation and its maintenance practices, Modernisation of Bridge Management System, Signaling and Telecommunication System, Mechanical and Electrical System and the Disaster Management System.

174. In regard to modernisation plan, the Chairman, Railway Board explained during the oral evidence as under:-

“We have taken axle load as a part of the modernization plan. We are going for 25 tonne axle load on some select sections which are in captive mines. This is one area we have to harness in the years to come. Other countries of the world are also going for much higher loads... The only impediment could be that our bridges might not be fit for those axle loads. We have to upgrade and strengthen those bridges. Higher axle loads have to be given priority”

He further added:-

“Our modernization plan is forgoing for higher speeds for express trains. We are also aiming at 100 kmph speeds for goods trains. We are also going for aluminum wagons which would give 400 tonnes payload in identified sections. These are our efforts to increase our throughput in modernization plan”

Rail Sampark Yojana

175. The ‘Remote Area Rail Sampark Yojana’ envisages investment of about Rs.20,000 crore in a time frame of 5 years to expedite the completion of 60 sanctioned New Line and Gauge Conversion projects, which have primarily been taken up on socio economic considerations. In order to facilitate a balanced funding arrangement by both the Central and State Governments, various options are under active consideration of the government. Funding support from State Governments may include a certain minimum share of funding from their revenues. The

Minister for Railways has written to the Chief Ministers of the States involved for their acquiescence and support for shared funding of these projects. Support from Central Government may include levying of some fee from railway suppliers apart from budgetary support other non-budgetary initiatives will also be considered. Cabinet Note for this purpose will be mooted, when the detailed mechanism is firmed up.

Staff Quarters and Amenities for Staff

176. The Ministry of Railways have allocated Rs.75 crore for Staff Quarters and Rs.65 for Amenities for Staff in their Budget for 2004-05, which have been revised to Rs.65 crore and Rs.73 crore respectively. Allocation for Staff Quarters and Amenities for Staff have been proposed to Rs.80 crore and Rs.93 crore for the year 2005-06.

177. During the year 2004-05, 1628 new quarters were sanctioned for construction and these quarters are in progress. 1431 new quarters are approved for the year 2005-06 of Railway Budget. The data regarding quarters actually constructed/likely to be constructed during these years is still under compilation.

178. The policy of the Railways is to provide quarters on a programmed basis for essential staff, who are likely to be called on duty at any time during day and night and also for non-essential staff at way-side stations and other places where housing is difficult. At present, the housing satisfaction over Indian Railways is about 48%. With a view to raise the house satisfaction further, increased allocations are made over successive years.

179. Allocation made for the year 2005-06 for Staff Quarters and Amenities for Staff is considered adequate in the light of the projections made by the Zonal Railways based on needs. In view of the concern of the Committee about the pathetic conditions of quarters of Group-C, Group-D and running Staff, the Chairman, Railway Board assured the Committee as under:-

“We assure the august Committee that we will sincerely go for improving the staff amenities and the condition of the staff quarters in the coming years”

RECOMMENDATIONS

180. From a small beginning of 34 Kms. from Boribunder to Thane in 1853, the Indian Railways have expanded its network significantly. Today, Indian Railways are operating through the length and breadth of the country with 63,221 route Kms. comprising 46,807 km. broad gauge, 13,290 Km. of meter gauge and 3,12 Km. of narrow gauge. It has a fleet of 2,28,170 wagons (units), 40781 coaches, 7817 locomotives, remaining daily 13,684 trains including 8,622 passenger trains carrying 1.6 million tones of freight traffic and about 14 million passengers covering 7031 stations. This system is being managed with 67 operating Divisions and 16 Zones. The Committee feel that Railways need to pay attention in various important fields such as safety maintenance of Railway assets, laying of new lines and track renewal. There are number of pending and ongoing projects which require huge financial resources. Keeping in view the growing competition with Road sector the Railways have to strive for cutting cost in passenger and freight operations and plugging their revenue leakages. The Committee also feel that there is an urgent need for the Railways to review their tariff policy as well to attract freight and passenger traffic and reduce the impact of cross subsidization. Railways being the prime infrastructural sector in the country need to expand, develop and modernize to keep pace with the growth of Indian economy. For this they have to promptly address the major difficulties being faced in their operations. Some of the areas that require to be attended to are:

- (i) Growth of basic infrastructure facilities are not commensurate with the growth in economy and traffic. The new lines, gauge conversion, doublings, restoration of dismantled lines, constructing the missing links and easing the congested routes, track renewals bridge work, level crossings, traffic facilities (yard), electrification works, road safety works are a must not only to enhance the carrying capacity of

the system but also smooth, efficient, prompt and safe running of trains. The projects are started without much justification and background work and after making huge investments are left without completion as new projects are taken up. This has caused spreading the scarce resources very thin without any remuneration from huge investments, creating missing links, last mile projects waiting completion and gross financial loss to Railways. As on date the ongoing and pending project shelf of Railways is worth Rs.46,000 crore. The Committee, therefore, suggest that the investments should be made on priority for last mile projects, missing links or strengthening high density network or for port connectivity so that quick remuneration start flowing.

- (ii) The Railways assets in the form of Rolling stocks viz. coaches, wagons, containers are outdated. Efforts should be made to modernize the coaches into more comfortable, accident proof, fire proof and the wagons with capacity for more axle on load and containers with larger capacities.. These technological upgradation of assets should be promptly taken up for improving efficiency, throughput and increasing average speed of trains.
- (iii) There have been a information technology revolution world over during the last few years due to introduction of computer, cable lines etc. The Railways have introduced Railway booking and enquiries to passengers through internet, SMS and E-mails etc. Also, FOIS has been introduced to keep complete information about the wagon requirement, wagon utilization, wagon where abouts and empty haulage. The Committee stress that these facilities should be introduced in the entire system promptly so that there is sufficient data

base for proper planning about allotment of rakes and Passenger Profile Management System.

- (iv) With the growth in the economy, a number of new units of iron, steel, cement and thermal power have come up at various places. Due to non-availability of wagons, these units are facing difficulties. The Committee desire that the Railways should prepare a Perspective Plan to cater to the needs of the industry and sufficient wagons should be made available so that industrial units may not suffer.'
- (v) There was a backlog of safety works to the extent of about Rs.17000 crore in 2001. A Special Railway Safety Fund was introduced to clear the backlog by replacement of over-aged assets within a period of 5 years. The Committee urge that sufficient provision should be made in Depreciation Fund henceforth to meet the current arisings on year to year basis. Besides safety infrastructure should be upgraded through induction of technical aids to support human element and increased asset reliability.
- (vi) The Committee desire that mobilisation of additional resources should be made through internal generation, commercial utilization of their surplus land and other focused marketing strategies. Budgetary allocation should be enhanced.
- (vii) The Committee stress that apart from optimum utilization of assets proper, adequate and timely maintenance norms should be laid down for zero failure of fixed installations and rolling stock. This, in turn, may yield not only safe transit and travel but also improve reliability, productivity and capacity.

- (viii) The Committee stress that Ministry should accelerate programme of containerization to enhance their multi-model transport and catering to high volume traffic.
- (ix) The Committee emphasise to adopt a policy of modernizing the system with state of the art technology and provide proper training to the large unskilled manpower so that they could be utilized for the betterment of the Railways. Intensive training programmes for behavioral changes in the operational as well as the commercial staff should be undertaken.
- (x) There is a need for empowerment of staff at cutting edge level for greater customer orientation. The Committee feel that more delegation of powers would result in quicker response to various situations and improvement in equality of service. Delegation of powers should be effected by undertaking a study of various feed back received from customers/passenger based on their requirement
- (xi) Passenger amenities/services/cleanliness and general ambience are yard stick of the performance and life line of business of Indian Railways. Rail users are ready to pay more if they are provided the services of quality and satisfaction. Therefore, all out efforts should be made to improve and maintain the quality of passenger amenities in running trains as well as at stations. They also stress that accountability should be enforced by fixing responsibility.
- (xii) Railways have failed to plug the revenue leakages and corruption prevalent due to existing administrative inefficiencies. They should take concrete measures to plug revenue leakages especially in areas such as scrap disposal and ticketless travel.

- (xiii) Railways' should emphasise reducing the energy bill by purchasing directly from Central Generating Agencies or Joint ventures for setting up power plants with generating agencies.
- (xiv) The Committee find that in the MEMU/DEMU trains which covers long distances over three hours, no toilet facilities are being provided which causes difficulties to passengers travelling in these trains. The Committee desire that such long distances MEMU/DEMU trains should be converted into conventional trains and requisite amenities be provided.

Freight

181. The target for originating revenue earning freight traffic for the year 2003-04 kept at 540 MT was revised to 550 MT at the revised estimates stage. The actual achievement made during the year was 557.39 MT which was 7.39 MT more than the revised estimates and 38.65 MT more than the performance in 2002-03. Similarly, the freight loading target for the year 2004-05 has been increased to 600 MT at revised estimates stage as against the Budget estimates of 580 MT. During the year 2005-06, a target of 635 MT has been projected for freight loading as the buoyancy in traffic is expected to be maintained during this year also as in 2004-05 on account of uniform growth path in economy of the country. As compared to 684.8 in 2004-05, a slightly lower lead of 680.4 has been projected for 2005-06. The Committee find that the Railways are not estimating the freight traffic realistically at the Budget Estimates stage and enhancing the targets subsequently at Revised Estimates stage. They are of the opinion that incremental loading should also be taken into account while projecting the target for the next fiscal year.

182. The Committee note that to enhance their earnings in freight segments, Railways have proposed certain initiatives/measures for the year 2005-06 such as

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

183. The Committee were informed that the Railways have regained its market share of freight loading which had gone to the road sector to a certain extent during previous years. They find that the Railways have not only maintained their share in the two major bulk commodities viz. coal and iron-ore which constitute 60% of the Railways total freight traffic but have also marginally increased their share. The share of food grains and fertilizers is being maintained at a higher level. However, the Railways share of freight loading in cement, steel & POL products has been affected due to continuous hike in freight rates. During the evidence, the Chairman, Railway Board explained that when the growth centres increase as in the case of Cement industry, the leads go shorter and the road mobility transport becomes more viable for a customer thereby leading to loss of traffic to roads. The Committee were also informed that difficulties were being faced at unloading points such as non-availability of complete godown, a complete cover shed at the unloading points, inability to unload directly to matching trucks within the given time frame etc. To address these difficulties certain measures have been proposed in the current budget viz. incentives to customers if they go for mechanization of

direct truck loading, free time of two hours to customers provided there is nothing on the ground, Engine-on-load wagon availability, wagon utilization, wagon turn round to five days only, integrated rail side warehouse complexes with private participation as well. The Committee are of the opinion that the measures as proposed by the Railways would certainly provide them the additional freight traffic. However, they emphasise for prompt and effective implementation of these innovative schemes/measures. They also stress that retrieval of the Railways share of freight traffic from road should not be one time achievement and should be sustained and enhanced over a period of time through a focused approach. Simultaneously, Railways should extend their capacity to carry this enhanced load. Railways should also think over to give some rebate/concession on investment by industrial units for investing on installing mechanical devices for loading/unloading arrangements in the industrial sidings in view of drastic reduction of time of loading and unloading by the Railways. The Committee note that without requisite infrastructure at siding freight loading and unloading to 24 hours time has been imposed and demurrages are charged for delay. They recommend that the Railways should review its decision and this scheme should be introduced only after providing requisite infrastructure such as tracks, lighting, security arrangement, availability of labour during night.

Operating Ratio

184. The operating ratio (ratio of total Working Expenses excluding 'Suspense' to the total Traffic Earnings) of the Zonal Railways viz. Eastern Railway, East Central Railway, North Eastern Railway, Northeast Frontier Railway, North Western Railway, Southern Railway, South East Central Railway, South Western Railway and Western Railway is hovering beyond 100% during the last few years. The Committee are aware that Zonal Railways by virtue of their jurisdiction and geographical location, are not placed evenly with regard to traffic earnings. Also each Zonal Railway would be incurring operating expenses which includes an element of fixed costs necessary to keep the system operative irrespective of their

traffic out put. However, they insist that Railway Board should emphasise on each Zonal Railway to curb the undesirable expenditure and work towards enhancing efficiency and productivity to raise their earnings.

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

New Trains

186. The Committee find that 54 new trains have been announced in the Budget 2005-06 besides extension of 28 trains and increasing the frequencies of 10 trains. Time and again the Committee have raised their apprehension over the announcement of new trains on a system which is already over stressed. The Railway network has expanded at a very slow pace. The total route length has expanded only 9544 kms. from 1950-51 to 2002-03. However, new trains are announced every year invariably without enhancing requisite infrastructure to bear additional burden, which results in further congestion on the already over loaded tracks and further cut in the time available for maintenance. The Committee further note that new trains are announced without taking into account the feasibility of their operation. The Ministry of Railways have stated that the new trains announced in the Rail Budget are introduced during the course of that financial year subject to availability of resources & operational feasibility. All 54 new trains announced during 2005-06 would be introduced by 31st March, 2006. In cases where major infrastructural changes are required like gauge-conversion, new line, additional platform & pit lines at originating/terminating stations, introduction

will be done after completion of the work. The Committee do not appreciate the eagerness with which the announcement of new trains are generally made in the Budget. They desire that before announcing the new trains all pre-requisites such as the infrastructure capability to bear stress, capacity enhancement through acquisition of rolling stock commensurate with the growth of passenger traffic, the provision of adequate time for maintenance of assets/rolling stock apart from public demand on the route be worked out to justify announcement of new trains in the Railway Budget. In case the new trains are not operationally and financially feasible, the announcement of the same should be kept in abeyance until appropriate time.

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

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

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

Annual Plan 2004-05

190. The plan outlay for the year 2004-05 has been revised to Rs.15675 crore from Rs.14498 crore basically on account of an increase of about Rs.1137 crore under Budgetary Support Resource. Contrary to this increase there has been a reduction of Rs. 407.66 crore in the Extra Budgetary Resource. However, the plan outlays under the Internal Resource did not witness any substantial change at the revised stage. The expenditure incurred upto December, 2004 was found to the order of Rs.10197.41 crore which is approximately 65% of the total revised estimate of Rs.15675 crore. Though plan outlays for major heads like New Lines, Gauge Conversion, Signalling & Telecom Works and Electrification Projects have been increased, the physical targets under the heads new lines, gauge conversion and doubling have been revised downward. Moreover, the physical targets achieved upto December, 2004 under these heads have been realised to the order of about 50% of the revised targets under New Lines, 20% under Gauge Conversion, 30% under Electrification and about 37% under Doubling.

The Committee have noted that despite a substantial Capital Support from the General Exchequer, the Railways have not been able to manage their developmental Plan 2004-05. Though the Capital Support has contributed about 56% of the total Annual Plan, the physical targets under important Plan Heads such as New Lines, Gauge Conversion and Electrification have contrarily been reduced.

Moreover, the expenditure incurred upto December, 2004 has been assessed about 65% of the revised estimates, which shows a very slow pace of expenditure during the initial three quarters of the year 2004-05. The Committee further notice that the Railways' Plan seems to be propelled by the Capital Support being received from the General Exchequer instead of the resources managed by the Railways either through internal generation or by public/private investment initiatives/market borrowings. The Committee have over the last few years observed that the Railways do not reflect the requisite delivery instinct. Despite the pumping of huge resources into the development needs, the Railways could not produce any mile stones or show any significant/remarkable change. They are of the considered view that the Railways should manage their plan in a more professionalised way rather than the traditional one being practised currently. They further stress that financial and physical targets of Railways should move in direct proportion.

Annual Plan 2005-06

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

internal generation with the Railways on the other hand. They are of the view that it is imperative for the Railways to recast their priorities and business strategies to cope up with the emerging demands of the economy as a whole. They also urge that all out efforts should be made by Ministry of Railways to enhance their internal generation share of the total resources.

Road Safety Works

192. Basically road safety works consist of (i) Road Over Bridge/Road Under Bridge and (ii) Level Crossings. Resources for these two Plan Head Works are mobilised through diesel cess share the Railways are getting from the total diesel cess being collected and distributed by the Central Government. As far as the works relating to Road Over Bridge/ Road Under Bridge is concerned, there is a mutual agreement between the Indian Railways and concerned State to share the cost of these works on 50:50 basis. The proper bridge on the railway lines are got prepared by the Railways while the approach road on both sides of this proper bridge is supposed to be completed by the concerned State. However, the Railways release their share only after ensuring a matching release by the State concerned. Due to severe financial crunch being faced by most of the States, the works related to ROB/RUBs gets suffered. To address this constraint, the Railways have opined that in case the Central Government is ready to pass on the requisite share of diesel cess of concerned State directly to the Railways then there will be no problem of matching release of funds and the works will get completed on time. By doing so, the safety in the system will go a long way improving their Railways credibility. During the year 2004-05 at the revised stage, Rs.251 crore were estimated to be incurred on these works, however till December, 2004, only Rs.48.75 crore could be spent, which shows snail's pace of progress. The Committee have many a time squarely fathomed this problem and impressed upon the Ministry in their earlier Reports to expedite there works by exploring alternative way outs to the aforesaid funding problem. However, no viable wayout has been explored till date. Considering the Safety in the Railway system

as a sacrosanct area, the Committee urge the Ministry to approach the Cabinet Committee on Economic Affairs (CCEA) as early as possible so that one time solution for such stalemate of funding of these works may be found out. The Committee note that under the present criteria of sharing the cost of construction of ROB/RUB with the State Governments at 50:50 is not working properly due to financial crisis being faced by the State Government. They, therefore, desire that the Railways should workout the feasibility of bearing the expenditure on ROB/RUB at 75:25 ratio with the State Government.

Throughput Enhancement

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

study the feasibility of using aluminium wagons that can carry an additional 4.2 tonnes of revenue generating weight than the steel wagons. They stress that the Railways should go for all such works which ensure speedy delivery of goods. They also emphasize that application of Information Technology be exploited to a great extent to improve the efficiency and productivity of the Railways.

Staff Quarters and Amenities for Staff

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

195. The Committee note that the perishable items such as vegetables, fruits, beetle leaves etc. have to rebook at different stations for onward transmission. This has caused a lot of difficulties to the railway customers. The Committee

desire that the earlier system should be restored in booking of these perishable items.

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

NEW DELHI;
April, 2005
Chaitra, 1927 Saka

BASUDEB ACHARIA
Chairman,
Standing Committee on Railways

**MINUTES OF THE TWENTIETH SITTING OF STANDING COMMITTEE ON
RAILWAYS (2004-05)**

The Committee sat on Tuesday, the 15th March, 2005 from 1500 hours to 1710 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Ajaya Kumar
3. Shri Subrata Bose
4. Shri Bapu Hari Chaure
5. Shri Kishan Lal Diler
6. Shri Giridhar Gamang
7. Shri Pradeep Gandhi
8. Shri Anwar Hussain
9. Shri C. Kuppusami
10. Dr. Arun Kumar Sarma

RAJYA SABHA

11. Smt. Kamla Manhar
12. Shri Karnendu Bhattacharjee
13. Shri Lalit Kishore Chaturvedi
14. Shri Tarini Kanta Roy
15. Shri Harendra Singh Malik
16. Shri Abani Roy

SECRETARIAT

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|-------------------------------|---|------------------|
| 1. Shri P.D.T. Achary | - | Secretary |
| 2. Dr. (Smt.) P.K. Sandhu | - | Joint Secretary |
| 3. Shri V.S. Negi | - | Deputy Secretary |
| 4. Smt. Abha Singh Yaduvanshi | - | Under Secretary |

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS

1. Shri R.K. Singh, Chairman, Railway Board & Ex-officio Principal Secretary to the Government of India
2. Ms. Vijayalakshmi Viswanathan, Financial Commissioner, Railways & Ex-officio Secretary to the Government of India
3. Shri R.R. Jaruhar Member Engineering & Ex-officio Secretary to the Government of India
4. Shri R.N. Aga Member Traffic & Ex-officio Secretary to the Government of India
5. Shri P.N. Garg Member Mechanical & Ex-officio Secretary to the Government of India
6. Shri R.S. Varshneya Member Staff & Ex-officio Secretary to the Government of India.

2. At the outset, the Chairman welcomed the Members of the Committee and representatives of the Ministry of Railways to the sitting of the Committee. Thereafter, the Committee took oral evidence of the representatives of the Ministry on 'Demands for Grants 2005-06 of the Ministry of Railways'. As the evidence could not be concluded the Committee decided to take further evidence on the subject in their next sitting.

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

The Committee then adjourned.

**MINUTES OF THE TWENTY FIRST SITTING OF STANDING COMMITTEE ON
RAILWAYS (2004-05)**

The Committee sat on Wednesday, the 16th March, 2005 from 1500 hours to 1615 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

1. Shri Ajaya Kumar
2. Shri Subrata Bose
3. Shri Kishan Lal Diler
4. Shri Giridhar Gamang
5. Shri Pradeep Gandhi
6. Shri Anwar Hussain
7. Shri Mahesh Kanodia
8. Dr. Arun Kumar Sarma

RAJYA SABHA

9. Smt. Kamla Manhar
10. Shri Su. Thirunavukkarasar
11. Shri Tarini Kanta Roy
12. Shri Abani Roy

SECRETARIAT

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|----|----------------------------|---|------------------|
| 1. | Shri V.S. Negi | - | Deputy Secretary |
| 2. | Smt. Abha Singh Yaduvanshi | - | Under Secretary |

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS

1. Shri R.K. Singh, Chairman, Railway Board & Ex-officio Principal Secretary to the Government of India
2. Ms. Vijayalakshmi Viswanathan, Financial Commissioner, Railways & Ex-officio Secretary to the Government of India
3. Shri R.R. Jaruhar Member Engineering & Ex-officio Secretary to the Government of India
4. Shri R.N. Aga Member Traffic & Ex-officio Secretary to the Government of India
5. Shri P.N. Garg Member Mechanical & Ex-officio Secretary to the Government of India
6. Shri R.S. Varshneya Member Staff & Ex-officio Secretary to the Government of India.

2. In furtherance of the sitting held on 15th March, 2005, the Committee continued to take oral evidence of the representatives of the Ministry on 'Demands for Grants 2005-06 of the Ministry of Railways'. As the evidence could not be concluded the Committee decided to take further evidence on the subject in their next sitting to be held on 22nd March, 2005.

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

The Committee then adjourned.

**MINUTES OF THE TWENTY THIRD SITTING OF STANDING COMMITTEE ON
RAILWAYS (2004-05)**

The Committee sat on Monday, the 4th April, 2005 from 1500 hours to 1915 hours in Committee Room, G-074, K-Block, Parliament Library Building, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri A. Sai Prathap
3. Shri Dharendra Agarwal
4. Shri Subrata Bose
5. Shri Kishan Lal Diler
6. Shri Giridhar Gamag
7. Shri Pradeep Gandhi
8. Smt. Paramjit Kaur Gulshan
9. Shri Anwar Hussain
10. Shri Mahesh Kanodia
11. Shri Rajendrasinh Rana
12. Shri Kishan Singh Sangwan
13. Dr. Arun Kumar Sarma
14. Ch. Lal Singh

RAJYA SABHA

15. Smt. Kamla Manhar
16. Shri Karnendu Bhattacharjee
17. Maulana Obaidullah Khan Azmi
18. Shri Tarini Kanta Roy
19. Shri Abani Roy

SECRETARIAT

1. Shri P.D.T. Achary - Secretary
2. Shri V.S. Negi - Deputy Secretary
3. Smt. Abha Singh Yaduvanshi - Under Secretary

Representatives of the Ministry of Railways (Railway Board)

- | | | | |
|----|-----------------------------------|--|--|
| 1. | Shri R.K. Singh | Chairman, Railway Board & Ex-officio
Principal Secretary to the Govt. of India. | |
| 2. | Smt. Vijayalakshmi
Viswanathan | Financial Commissioner (Railways) &
Ex-officio Secretary to the Govt. of India. | |
| 3. | Shri P.N. Garg | Member Mechanical & Ex-officio
Secretary to Govt. of India. | |
| 4. | Shri R.S. Varshneya | Member Staff & Ex-officio Secretary
to the Govt. of India. | |
| 5. | Shri R.R. Jaruhar | Member Engineering & Ex-officio Secretary
to Govt. of India. | |
| 6. | Shri S.C. Gupta | Member (Electrical) & Ex-officio Secretary
to Govt. of India. | |

2. The Committee straight away took further evidence of the representatives of the Ministry of Railways in connection with the examination of 'Demands for Grants(2005-06)' of the Ministry of Railways. The evidence was concluded.

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

The Committee then adjourned.

**MINUTES OF THE TWENTY SECOND SITTING OF STANDING COMMITTEE
ON RAILWAYS (2004-05)**

The Committee sat on Tuesday, the 22nd March, 2005 from 1500 hours to 1700 hours in Committee Room No.G-074, Parliament Library Building, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

1. Shri A. Sai Pratap
2. Shri Dharendra Agarwal
3. Shri Subrata Bose
4. Shri Kishan Lal Diler
5. Shri Giridhar Gamang
6. Shri Pradeep Gandhi
7. Smt. Paramjit Kaur Gulshan
8. Shri Anwar Hussain
9. Shri Mahesh Kanodia

RAJYA SABHA

10. Smt. Kamla Manhar
11. Shri Karnendu Bhattacharjee
12. Maulana Obaidullah Khan Azmi
13. Shri Lalit Kishor Chaturvedi
14. Shri Tarini Kanta Roy
15. Shri Abani Roy

SECRETARIAT

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|----|------------------------|---|------------------|
| 1. | Dr. (Smt.) P.K. Sandhu | - | Joint Secretary |
| 2. | Shri V.S. Negi | - | Deputy Secretary |

- 2 -

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS

1. Shri R.K. Singh, Chairman, Railway Board & Ex-officio Principal Secretary to the Government of India
2. Ms. Vijayalakshmi Viswanathan, Financial Commissioner, Railways & Ex-officio Secretary to the Government of India
3. Shri R.R. Jaruhar Member Engineering & Ex-officio Secretary to the Government of India
4. Shri P.N. Garg Member Mechanical & Ex-officio Secretary to the Government of India
5. Shri R.S. Varshneya Member Staff & Ex-officio Secretary to the Government of India.

2. In furtherance of the evidence held on 16th March, 2005, the Committee continued to take oral evidence of the representatives of the Ministry on 'Demands for Grants 2005-06 of the Ministry of Railways'. As the evidence could not be concluded the Committee decided to take further evidence on the subject at their next sitting to be held on 4th April, 2005.

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

The Committee then adjourned.

**MINUTES OF THE TWENTY FOURTH SITTING OF STANDING COMMITTEE
ON RAILWAYS (2004-05)**

The Committee sat on Tuesday, the 12th April, 2005 from 1500 hours to 1545 hours in Committee Room, G-074, K-Block, Parliament Library Building, New Delhi.

PRESENT

SHRI BASUDEB ACHARIA - CHAIRMAN

MEMBERS

LOK SABHA

1. Shri A. Sai Prathap
2. Shri Dharendra Agarwal
3. Shri Ajaya Kumar
4. Shri Subrata Bose
5. Shri Pradeep Gandhi
6. Smt. Paramjit Kaur Gulshan
7. Shri Anwar Hussain
8. Shri C. Kuppusami
9. Shri Kishan Singh Sangwan
10. Mohd. Tahir

RAJYA SABHA

11. Shri Lalit Kishore Chaturvedi
12. Shri Su. Thirunavukkarasar
13. Shri Tarini Kanta Roy
14. Shri Abani Roy

SECRETARIAT

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|-------------------------------|---|------------------|
| 1.. Shri V.S. Negi | - | Deputy Secretary |
| 2. Smt. Abha Singh Yaduvanshi | - | Under Secretary |

2. At the outset, the Chairman, welcomed the Members to the sitting of the Committee. Thereafter, the Committee considered the draft Eighth Report on 'Demands for Grants 2005-06 of the Ministry of Railways' and adopted the same with additions/changes as per Annexure.

3. The Committee also 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/Changes made by the Standing Committee on Railways in Draft Report on Demands for Grants (2005-06) of the Ministry of Railways

<u>Sl. No.</u>	<u>Page Nos.</u>	<u>Para Nos.</u>	<u>Line</u>	<u>Addition/Deletion</u>
1.	74	180	9-10	Delete – 'the Railways should put a moratorium for the time being on announcing new projects except when extremely necessary. Also'
2.	74	After	---	Add the following as sub para (iv):- 'With the growth in the economy, a number of new units of iron, steel, cement and thermal power have come up at various places. Due to non-availability of wagons, these units are facing difficulties. The Committee desire that the Railways should prepare a Perspective Plan to cater to the needs of the industry and sufficient wagons should be made available so that industrial units may not suffer.'
3.	75	Sub Para (v)	2-3	Delete the words - 'public private participation' and substitute the sentence 'Dependency on budget allocation should be reduced' with the sentence 'Budgetary allocation should be enhanced'
4.	75	Sub Para (vii)	---	Delete the sub para
5.	76	---	---	Add the following as new sub para (xiv):- 'The Committee find that in the MEMU/DEMU trains which covers long distances over three hours, no toilet facilities are being provided which causes difficulties to passengers travelling in these trains. The Committee desire that such long distances MEMU/DEMU trains should be converted into conventional trains and requisite amenities be provided.'

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|----|----|-----|-----|--|
| 6. | 78 | 183 | --- | <p>Add at the end of the para -</p> <p>‘Railways should also think over to give some rebate/concession on investment by industrial units for investing on installing mechanical devices for loading/unloading arrangements in the industrial sidings, in view of drastic reduction of time of loading and unloading by the Railways. The Committee note that without requisite infrastructure at sidings freight loading and unloading within 24 hours time has been imposed and demurrages are charged in case of delay. They recommend that the Railways should review this decision and the scheme should be introduced only after providing requisite infrastructure such as tracks, lighting, security arrangements and availability of labour during night.’</p> |
| 7. | 85 | 192 | --- | <p>Add at the end of the para –</p> <p>‘The Committee note that the present criteria of sharing the cost of construction of ROB/RUB with the State Governments at 50:50 ratio is not working properly due to financial crisis being faced by the State Governments. They, therefore, desire that the Railways should work out the feasibility of bearing the expenditure on ROB/RUB at 75:25 ratio with the State Government.’</p> |
| 8. | 86 | --- | --- | <p>Add new para 195 as below: –</p> <p>‘The Committee note that the perishable items such as vegetables, fruits, beetle leaves etc. have to rebook at different stations for onward transmission. This has caused a lot of difficulties to the railway customers. The Committee desire that the earlier system should be restored in booking of these perishable items.’</p> |
| 9. | 86 | --- | --- | <p>Add new para 196 as below: –</p> <p>‘The Committee desire that the Egmore station be connected with Central Chennai Railway Station as early as possible by completing the already sanctioned broad gauge line between these two stations so that the commuters from Southern Chennai travelling towards North India may board trains from Egmore station itself.’</p> |