

ESTIMATES COMMITTEE
(2002-2003)

TWELFTH REPORT

(THIRTEENTH LOK SABHA)

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

**SHIFTING OF NORTH-WESTERN RAILWAY
ZONAL HEADQUARTERS FROM JAIPUR TO
AJMER**

Presented to Lok Sabha on 12.03.2003

LOK SABHA SECRETARIAT
NEW DELHI

March ,2003/Phalguna ,1924(S)

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(2002-2003)

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INTRODUCTION

I, the Chairman of the Estimates Committee having been authorised by the Committee to submit the report on their behalf present this Twelfth Report on the Ministry of Railways (Railway Board) – ‘Shifting of North-Western Railway Zonal Headquarters from Jaipur to Ajmer.’

2. The subject was selected for detailed examination by the Estimates Committee (2001-2002) on the basis of a representation made to the Study Group of the Committee by the ‘Ajmer Citizens’ Council’ during their visit to Ajmer on 5th November, 2001. The Estimates Committee examined every aspect of the subject by calling for written information and taking evidence of the representatives of Ministry of Railways (Railway Board) on 18th April, 2002. The Committee interacted with the representatives to get first hand information on the subject. The Committee wish to express their thanks to the officers of the Ministry for placing before them the detailed written notes on the subject and for furnishing information desired in connection with the examination of the subject. The Committee also appreciate the frankness with which the officers shared their views, perceptions and constraints with the Committee.

3. The Committee would also like to express their gratitude to the Estimates Committee (2001-2002) for the able guidance and right direction provided by them in obtaining information for indepth and comprehensive study of the subject.

4. The Report was considered and adopted by the Committee at their sitting held on 5th February, 2003.

5. The Report consists of a single chapter. The Committee have inter-alia made the following important observations/recommendations:

- (i) Government should review their decisions taken for setting up new Zones and shifting of the headquarter of North-Western Railways from Ajmer to Jaipur and if necessary a High Powered Committee be constituted for going into the entire issue and

giving their recommendations to the Government. A final decision in this regard should be taken within six months.

- (ii) The Ministry of Railways should take all possible measures to check the expenditure through economy and austerity measures and to augment the earnings through conventional and non-conventional measures.
- (iii) Concerted efforts should be made by the Railways at the highest level for effecting recovery of the dues.

6. For facility of reference, the observations/recommendations of the Committee have been printed in bold type in the body of the report and have also been reproduced in consolidated form in the Appendix.

New Delhi
March , 2003
Phalguna 1924(S)

UMMAREDDY VENKATESWARLU,
Chairman,
Committee on Estimates.

REPORT
INTRODUCTORY

1.1 During the visit of Estimates Committee to Ajmer in November,2001, representatives of Ajmer Citizens' Council met the Study Group of Estimates Committee and represented the case for shifting of Railway Zonal Office (NW) from Jaipur to Ajmer. They also presented a memorandum(Annexure-I) to the Committee in support of their Demand. They placed various points before the Committee for setting up of Railway Zonal Office to be stationed at Ajmer instead of Jaipur, which are as under:-

- No serious consideration has been given while deciding the establishment of Zonal Office at Jaipur. In this way, the rightful and legitimate claim of Ajmer City for the Railway Zonal Office has been negated, which has resulted into an increase of great financial burden on the exchequer and more so it goes against the very policy of the Government.
- The Zonal Office at Jaipur is being run from four different distant places in hired buildings. Therefore coordination is lacking and all attendant problems are making the task more complicated and quite expensive.
- Infrastructural facilities already exist at Ajmer. The space, buildings, lot of vacant land owned by Railways, etc. are lying unused. This land could prove to be of great utility to the Railways if the Zonal Office is shifted from Jaipur to Ajmer in the larger interest of all concerned.
- There is no dearth of availability of staff to cater to the needs of Zonal Office. The Railways need not spend any extra money for this.
- Ajmer being a tourist place of international importance, if Headquarters of North-Western Railway is shifted to Ajmer, it will give further impetus to growth of tourism in Ajmer City and the neighbourhood.
-
- All successive Committees had submitted their recommendations for establishment of Railway Zonal Office at Ajmer.

1.2 In this context the Committee took evidence of the representatives of Ministry of Railways.

SUBMISSION BY MINISTRY OF RAILWAYS

1.3 A need was felt in 1981 to review the whole gamut of working of Indian Railways. Consequently, a high-powered Railway Reforms Committee (RRC) was constituted in May, 1981 under the Chairmanship of Shri B.D. Pandey for the purpose. This Committee submitted its voluminous Report in 1984. The Railway Reforms Committee, with specific term of reference to examine the need for re-organisation of the Zonal Railways, creation of additional Zones and Divisions keeping in view the various demands therefor on the basis of acceptable methodology of assessing the workload of various management units had worked out the specific workload indices taking into account various parameters such as size, accessibility, traffic burden, operating/administrative requirements consistent with the needs of economy and efficiency recommended for creation of 4 zones in a phased manner i.e. in Phase I East Central Railway and North Western Railway with headquarters at Ajmer, in Phase II North Central Railway and in Phase III South Western Railway.

1.4 The Committee desired to know details starting from 1984 when the first recommendation for setting up of four additional zones including the North-Western Railway with headquarters at Ajmer was made by Railway Reforms Committee and subsequent developments which took place. In this context the Chairman, Railway Board stated during evidence as follows :-

“It was only in 1984 that a need was felt that the workload was not manageable and therefore, a recommendation was given by the Railway Reforms Committee for creating four more Zones, with one or two Zones at a time. They must have expected, with all the wisdom at their command, that four new Zones were required. So, that was the situation in 1984.”

The witness further stated:-

“.....RRC have taken up so many issues in the report. The report on different aspects of railway working was examined. To examine the need for reorganisation of the Zonal Railways is also topic of today. The RRC in its report

observed that the criteria for creation of new zonal railway should be based on workload, geographical spread and traffic flow, etc. The methodology for assessment of workload should be reviewed and the recommendations for the new Zones were accepted in principle. In view of these circumstances, the Railways had set up an internal study group to review the setting up of new Zones in the year 1994. The group changed the methodology. They examined it in detail and gave Report in three volumes. They looked into all issues and then carried out changes in it. Based on the workload and accessibility norms and also on various assessments, it identified four zones. They examined it in detail and identified four Zones. They also said that Headquarters should be at Jaipur, Jabalpur, Allahabad and Bangalore. Then as per RRC recommendations some change was effected in it. By then, a lot of development had been done. Though the recommendations were accepted by the Railways in principle, the entire issue was also examined by the Railway Board later on in the year 1996-97. The decision to have six Zones was taken in 1996, with the objective of development of backward areas, particularly Orissa and Bihar. Demand for this has been made from the public as well as the M.Ps. Bilaspur has also been added to this due to heavy workload and in view of the continuous long-pending demand of the region. In this way proposal for seven Zones was initiated”

1.5 The Committee enquired as to how the number was increased from four Zones to six Zones as recommended by Railway Reforms Committee, the Chairman, Railway Board explaining the reasons during evidence stated as follows :-

“Mr. Chairman, Sir, you have very rightly observed that the Railway Reforms Committee in 1984 had recommended formation of four Zones. One was with Headquarters at Jabalpur, second was Headquarters at Ajmer, third was Headquarters at Allahabad and fourth was Headquarters at Bangalore. They have also recommended that one or two Zones should be formed at a time. Subsequently, the Advisors’ Committee also recommended four Zones, but they were slightly different in the sense that one was Jaipur instead of Ajmer. Jabalpur was common Zone and Allahabad and Bangalore were also common Zones. They only suggested

one change that Headquarters may be set up at Jaipur now in view of the changed circumstances. It is a fact that subsequently six Zones were formed; not only six Zones were formed, after that another Zone namely Bilaspur Zone was formed. It was the seventh zone. As we have already accepted, the logic was the workload and the accessibility of certain Zones. So, the two Zones which were added were the Orissa Zone which is called East Coast Railway and the Bihar Zone which is called the East-Central Railway. The objective of this was development of the backward areas of Orissa and Bihar..... That is all I can say about it.”

1.6 Giving details of the above stated six zones, the Chairman, Railway Board further stated:

“Originally there were four plus two more. Four with headquarters at Jabalpur, Jaipur, Allahabd and Bangalore and two more with headquarters at Bhubaneshwar and Hajipur.”

1.7 Asked how frequently the Ministry of Railways review the issue of creation of new zones, the Chairman, Railway Board stated during evidence:

“In the history of independent India, primarily only two new Zones were added. One was the North Frontier Zone. Earlier there was one Railway, called BNR Railway. It was merged with the East Indian Railway and was formed into one Zone. So, there were five or six Zones like that. Later on it was bifurcated once again. Leaving aside that, it happened only in 50s that two new Zones have been created. One was the North Frontier Railway, because of the strategic reasons, accessibility and all that. That was in the 60s, if I remember correctly. The other was the South-Central Railway which was created in 1966. That means, since 1966, nine regular Zones have been existing till the year we created these Zones. In other words, during the last 30 years or so, we have not created any Zone. It was only in 1984 that a need was felt that the workload was not manageable and therefore, a recommendation was given by the Railway Reforms Committee for creating four more Zones, with one or two Zones at a time. They must have expected, with all the wisdom at their

command that four new Zones were required, so that was the situation in 1984. Then in 1996, six Zones were announced and another one was added. So, that is the status as far as the creation of Zones is concerned. That means, we have not created any Zone during the last thirty years.”

1.8 Committee enquired whether some of the 7 Zones created were yet to become functional. The Chairman, Railway Board during evidence replied:

“Sir, none of them is fully functional. But each Zone is functioning with a skeleton staff which has been given. They are doing some activities which have been given to them, to all the Zones uniformly. There have been some variations in the jurisdiction of all the Zones. They have to be seen as to what happens at a particular time.....”

1.9 Asked the view of Railway Board whether the new Zones would become fully functional as well as economically viable, the witness stated :-

“Sir, this has been debated too. There have been different opinions and variations. I personally believe that there is need for new Zones, a few of them at least, if not all. I believe that the taste of the pudding lies in its eating. The South Central Railway has been a success story. Their earnings have increased, their profitability and quality of service, after 1966, have increased and they went off tremendously. There are two things. Now with the increased communications, should we have more Zones or how many Zones we should have? That is one view. The other is that the new Zones are required because of workload. My personal view is that more Zones are required; but these are required on the workload angle and accessibility angle and all that. How many Zones are required is still a decision which is to be taken.....”

The witness further stated:-

“We had a lot of debate on that. A check is to be there. If something happens who will be responsible? A lot of intricate administrative problems are linked with that. Therefore, none of the Zones is fully functional. They are given only some part activities.”

1.10 Asked whether Planning Commission and Cabinet have confirmed the creation of 6 Zones, the Chairman, Railway Board replied during evidence:

“Planning Commission doesn’t have such sort of role in NDC but the decision which has been taken is taken by the Cabinet only, for which Railway had given a recommendation in the year 1996. The ‘Pink Book’ is approved by the Parliament.”

Reasons for Shifting North-Western Railway Zonal Headquarters from Ajmer to Jaipur

1.11 & 1.12 The Railway Reforms Committee for Reorganisation of Railways (1981) under the Chairmanship of Shri B.D. Pande had recommended setting up of a new Railway Zone namely North-Western Railway Zone at Ajmer way back in 1984. Dwelling upon the reasons that compelled Railways for setting up the Headquarters of the North-Western Railway Zone at Jaipur instead of Ajmer as was recommended by the Adviser’s Committee, the Chairman, Railway Board stated during evidence:

“.....Originally the Railway Reforms Committee of 1984 had recommended Ajmer as the HQ. Later on after ten years, we could not create the zone because of paucity of funds. By that time two major developments had taken place because of which there was a need for a review. One was the Uni-gauge project which Indian Railways took up in the 1990s, which was a conversion of meter-gauge routes into broad gauge routes.”

Second was the Konkan Railway Project which also changed some traffic patterns. Therefore, it was to review the whole thing and the Committee of Advisory Railway Board consisting of Traffic Officer, Planning Officer and Finance Officer was appointed to review the matter.

Originally,RRC had said that Ajmer does not fall on Ahmedabad - Delhi route. Later on, with the conversion from meter-gauge to broad-gauge from Delhi to Ahmedabad, Jaipur did fall in the broad-gauge route. With this, the handicap, which Jaipur had, was overcome. There were other advantages. It was felt that Jaipur, being the capital of the State, there is a lot of coordination that the Railway needs with the State Government, whether it is from tourism angle or from operation angle. “

1.13 The Chairman, Railway Board in this context stated during evidence as under:

“And also the industry was available, for which also coordination is required at the Zonal Headquarters level. Therefore, it was recommended by the Committee after going into a lot of details – there were three volumes and they had gone into the details – that now with the changed circumstances, Jaipur would be a better location for the Zonal Headquarters Office.”

1.14 The Ministry of Railways in their written replies stated that being the State Capital and a major Commercial Centre, Jaipur offered the added advantage of direct interaction with the State Government officials and industrial houses that were key railway consumers.

1.15 Asked whether there was pressure from State Government officials and industrial houses due to which Jaipur got more weight for setting up of Zonal Headquarters there, the Chairman, Railway Board stated during evidence:

“Perhaps it is an accepted fact that Railways have to maintain a lot of coordination with the State Governments. There should be mutual coordination even to promote tourism Industry too. Actually it is not the thing that co-ordination is not required. This is also a fact that Industries are the customers of Railways. They are the source of our commercial earnings. They are our bread and butter. It is not required to see them through that angle”.

1.16 On the kind of coordination required by Railways with the State Government authorities, the Chairman, Railway Board stated during evidence :-

“You had also asked what kind of a co-ordination is required with the State Governments. The most important aspect for which we require constant liaison with the State Governments is law and order. Law and order, as per our Constitution, is a State subject. The Indian Railways is their guest in the sense that they pass through their lands.”

The witness further stated:

“We have constant meetings even with the Headquarters officers. The IG of Police and the General Manager have constant meetings to improve the law and order situation. It is causing problems for the image of the Railways. We carry the passengers and also hon. Members. So, we have to be careful enough to avoid complaints. Theft and dacoity took place, it is not good. Railway Reforms Committee has made recommendations keeping in view all these things. There should be constant coordination with State and Government. There should be coordination with State and Government from the point of view of law and order and communication and land acquisition and for the progress of the project. We are gradually proceeding towards it. We are constantly having meetings with the State Government.”

1.17 The Ministry of Railways furnished workload indices and other operational parameters of Jaipur Division vis-à-vis Ajmer Division as were considered by the Study Group (1994) as also the figures for (2000-01), are given below:

	(1992-93)		(2000-01)	
	Jaipur Division	Ajmer Division	Jaipur Division	Ajmer Division
Work Load	133	134	115	108
<u>Operational Parameters</u>				
Total Traffic (4Wheelers/ Day)	2750	1968	1458	1247
Total Train Kilometers (in millions)	9.775	8.203	8.98	6.17
Total Engine Kilometers (in millions)	12.895	10.618	9.62	6.98
Total Wagon Kilometers (in millions)	203.803	231.812	227.16	190.3
Originating Passengers (in millions)	21.7	10.1	27.9	10.86
Performance Efficiency Index (nos.)	1.941	0.252	1.769	0.454
Originating Surplus (in Rs. crore)	-42.65	302.86	-79.79	276.39

1.18 According to the Ministry of Railways the proposed North Western Railway at Jaipur satisfies the parameters as is evident from the figures given below:

Railway	Existing		Proposed	
	Route Kilometers	Workload	Route Kilometers	Workload
Northern	10995	322	6662	194
Western	9735	279	6642	199
North Western			6203	130

1.19 Asked that in 1984 Ajmer had more weightage for setting up North Western Zonal Railway Headquarters but after 10 years position changed and Jaipur weighed more. Since from 1984 to 1994 Jaipur looked better, was it so that with the completion of 10 years Bikaner or Jodhpur would become heavy and the Headquarters would be shifted there, the Chairman, Railway Board stated :

“According to my view if it gets established once then we do not shift because of cost problem”

1.20 The Committee enquired whether many issues of Railway were based on adhoc temperament, the witness stated :-

“Decisions are not changed without any reason. I want to say one thing. We have formed a Committee, so that the matter could be examined. If I'll accept the decision to have the zonal headquarters set up at Ajmer, then there would be representations from the other side. We got representations from the Hon'ble Members and State Government that zonal headquarters should be in Jaipur. If it is not changed then the matter may be considered. Circumstances have changed, Delhi - Ahmedabad has become broadgauge, therefore it has changed.”

1.21 The Committee pointed out during evidence that through the implementation of decision to shift North Western Zonal Railway Headquarters from Ajmer to Jaipur, the right of Ajmer to have the North Western Zonal Railways Headquarters has been negated. The Chairman, Railway Board reacted to this by saying :

“We do not undermine the importance of Ajmer. People do go there since British period. Ajmer Sharief has assumed great significance abroad, but, Jaipur has its own importance. Jaipur is State capital of Rajasthan. The Committee were made to examine all the issues. They said that Jaipur is State capital and there could be better coordination. The RRC did not consider Jaipur as better option because main route does not come on this line. However, the scenario changed by 1994 when the report came and Jaipur is on busy route now. The Committee, therefore, thought that as Jaipur was on that route, they, therefore, reported on all the issues and recommended Jaipur.”

Arguments favouring Ajmer to be the Zonal Headquarters of North Western Railway instead of Jaipur.

1.22 Committee pointed out during evidence that Ajmer being a tourist place of international importance, if the headquarters of North Western Railway is shifted to Ajmer, it would give further impetus to the growth of tourism in Ajmer City and its neighbourhood. The Chairman, Railway Board in this context stated as follows :-

“Mr. Chairman, Sir, as you said, it is related to tourism so it should be shifted to Ajmer. As far as tourism is concerned, Jaipur is also a big center of tourism. In my opinion, it hardly makes any difference. The aspect of tourism is associated everywhere. Therefore, there can be better coordination if Zonal Railway Headquarters is at Jaipur. This is my personal opinion.”

1.23 One reason put forward by Ministry of Railways for shifting North Western Zonal Railway Headquarters at Jaipur was its being State Capital. In this context, the Committee during evidence cited the example of Patna which is a State Capital but the zone has been given at Hajipur. While justifying this, the Chairman, Railway Board stated:

“The point you have raised about State Capital, there is difference in the sense that Hajipur is in suburb about 20-25 kms away from Patna. It is not that it is in a different city, whereas Jaipur is about 125 kms. away from Ajmer. As Gurgaon and Noida come in Delhi Region only, in the same way there is difference between Hajipur and Jaipur.”

Availability of Infrastructural Facilities at Ajmer vis a vis Jaipur

1.24 Keeping in view that Ajmer Division possesses Railway land, adequate staff quarters, hospitals and other infrastructural facilities making it ideal for setting up Zonal Headquarters there, the Committee enquired whether setting up of Zonal Headquarters at Jaipur is economically viable and organisationally prudent in the absence of ready infrastructure like Railway Land, building, etc. in Jaipur, as it would save the scarce resources of Railways, the Ministry of Railways in their written reply stated as under:

“There is no doubt that the principle of economy in expenditure is to be a guiding factor for setting up new Zonal Headquarters. It is to be applied while creating the required facilities for it. Modern management techniques are proposed to be adopted in new zonal offices so as to minimise the staff requirements and thereby reducing the size of office complexes and minimising other peripheral requirement. The additional quarter requirements are compensated by reduced demand at the existing zones and also through private leasing.

The decision to set up new Railway Zones is as per the guidelines/criteria laid down for this purpose and not on the availability of infra-structural facilities, which for a Zonal Headquarters are at a different scale than what is normally available at a Divisional Headquarters and are therefore required to be created. The RRC's report, with observations that "acquisition of land may be easier at Ajmer", was given due consideration by the "Study Group(1994)". The Group had also made a note of the various State Governments' willingness to provide land for the new Zonal Headquarters.

The Railways accepted the recommendations of the Study Group, which examined the entire gamut of issues pertaining to Railway Reorganisation and had also outlined the strategy for its implementation, keeping in view the factors of economy in expenditure, and accordingly it has been proposed to set up the North Western Railway Zonal Headquarters at Jaipur."

1.25 Enquired about the requirement and availability of land and its location for setting up of office at Jaipur, Member Engineering, Ministry of Railways stated that approximately 20 acres is needed. Further giving details of the location of office, the witness stated:

"Office will be at one place. Administrative building plus some houses will be there. At other places houses are there in colonies which remain scattered. These are not at one place whereas office has to be at one place."

1.26 Asked whether something has been finalised in writing regarding the possibility of land at some place with the State Government, the witness stated:

"State Government offered us 4.4 acre land in Jaipur for Rs. 7.5 crore but we have not taken possession so far. That we will have to take soon. There is 12 acre of land near Jagatpur which cost Rs. 4.82 crore. The State Government has acquired the land but it has not taken possession so far."

1.27 The Committee questioned as to how the title has been changed, without taking the possession, the witness further stated:

“Title of land at Jagatpur is yet to be changed but possession has not been taken. That is State Government land and they have given it to us but title has not been changed so far. 5 acre land is available at one place in Jaipur. Earlier there was loco shed but it is no more there. Thus 5 acre land is our Railway land.”

1.28 While 5 acre land is available at Jaipur, the Committee enquired as to how much land was available near Ajmer. The witness stated as under:

“There is a plot of 1.5 acre at Ajmer which is scattered. There are huge houses in between. There is not even a small piece of land where we can find space.”

The witness further clarified:

“I have not seen it but I am saying this after going through the map.”

1.29 Asked to comment on principle of economy while deciding for a Zonal Headquarters as Government has to purchase land worth crores of rupees on which building would be constructed and all the work would be undertaken by Western Railway, the Chairman, Railway Board during evidence replied:

“As you rightly pointed out, the principle of economy must apply and that is one of the guiding factors. As I have been saying a number of times, there are other guiding factors also because of which on an overall basis we decide.”

1.30 Infrastructural facilities like land, etc. are considered necessary for setting up of Headquarters of a New Railway Zone. Asked whether Jaipur Division possess infrastructural facilities necessary for setting up of a new Railway Zone, the Ministry of Railways in their written reply furnished to the Committee stated as follows :-

“While infrastructural facilities like land etc. are definitely required for setting up of Headquarters of a New Railway Zone, they are not a pre-condition for deciding the location of the Headquarters of a New Railway Zone. Once the decision of a new Zonal Headquarter is taken, the facilities are required to be created.

Infrastructural facilities required for setting up of a Zonal HQ are on a much larger scale. Such facilities are obviously not available at the Divisions including Jaipur Division.”

1.31 The Committee asked when all infrastructure was available at Ajmer then why the Zone was changed to Jaipur and whether Rajasthan Government had given free land for this. It was further brought out that Pushkar being near to Ajmer is also visited by people from abroad. The Chairman, Railway Board responded to this by stating as under:

“No doubt, land is available at Ajmer while it is not there at Jaipur. It will be purchased from the State Government as and when it offers. The Committee worked impartially. It is not so that Committee had inclination towards a particular place. Hon. Member said that land was available there, infrastructure was available there. The Committee discussed these issues and reported.”

1.32 The Committee pointed out that land and infrastructure facilities already available at Ajmer had been ignored and Railways had to pay many times more for the same facilities. Moreover, no other zone including Jaipur had such facilities. In this context the Committee wanted to know the policy of Government, to which the Chairman, Railway Board replied as under :

“Basically the total cost of setting up a zone in Jaipur is Rs. 156 crore and as compared to it, the cost of land is between Rs. 10-15 crores, which is either 10 percent or less than that i.e. 8 percent. It is not a major factor. There are lot of benefits in it.”

1.33 The Jaipur Division earned less than Ajmer Division as originating surplus. Originating surplus in Jaipur Division during 1992-93 was Rs.-42.65 crore and in 2000-01 it was Rs. - 79.73 crore. However, for Ajmer Division, for the same period it was Rs.276.39 crore. Keeping this in view the Committee wanted to know as to whether this did not count as positive factor for considering Ajmer as the Zonal Headquarter. The Chairman, Railway Board responded to this by stating during evidence as follows :-

“Yes, but this is originating surplus.”

He further stated:

“Actually, earning of income depends mainly on location of a Zone or a division and where the minerals are available including ores. If there are minerals, then there are loadings.”

Justifying their stand the witness further added in this regard as follows :-

“Earning of income is not the only criteria for setting up a Zonal Headquarter. There are eight or nine factors..... This is only one of the aspects that we consider. There are a large number of aspects.”

1.34 Committee enquired as to why Zonal Headquarters should not be shifted to a better place where the earnings would be much better. To this, Chairman, Railway Board during evidence replied as under :

“It is not necessary that location or station that is loading very heavily should be the zonal headquarters. For example, South-Eastern Railway loads 40 percent of the Indian Railway loading, and the profits are very high. But it will not make that particular area to be the best suitable location for the zonal headquarters.

It has to be somewhat away. If there are two locations in a particular area that are having a lot of profit, it is not necessary to have two zones there. There are certain zones of Railways that only carry the freight traffic. There are Railways that are carrying passenger kilometres or tonnage kilometres. So, we have different criteria which have been listed here, that is, how much is the total traffic, how many are total train kilometres, total engine kilometres and total traction kilometres. Then, the zones where it is originating surplus will be indicated. But they carry the trains, the passengers or the freight. We have a formula for this. We give different weightages. We have a formula and different weightages and different factors. We prepare a model. We do regression analysis. We do computer analysis as to what should be the basis for which factor. Based on that, we work out the zonal workload index. Then, we come to where should be the headquarters. For every Division, we work out the zonal workload index depending upon a large number of parameters and weightages which are decided by a detailed analysis of the workload as to whether those are valid or not. After deciding as to how much is the size of a zone with different means, it is all right.

There is a scientific analysis. We decide as to what is the workload of each Division. After we combine these Divisions, if we see certain workload index, then we say, all right, we would have another zone somewhere here. We take into account all these factors. Then we arrive at how many more Zones and where should it be and all that.”

Current Status of North-Western Railway Zonal Headquarters at Jaipur

1.35 The North-Western Railway Zone with Headquarters at Jaipur was inaugurated on 17th October, 1996. Furnishing details, of the current status of this new Railway Zone, the Ministry of Railways in their written replies furnished to the Committee stated as under:

“The new Railway Zone is still not operational. It has not been possible to create proper infrastructure for the full-fledged functioning of the Zone i.e. zonal office, residential quarters, communication network etc. are yet to be created. Temporary offices have, however, been provided for the skeleton officers and staff of the new Zone. An Officer-on-Special Duty along with 20 officers and 98 other staff are posted at Jaipur. They take care of a few activities of Jaipur Division, which has been attached to the new Zone. The jurisdiction of North-Western Railway, to include Jodhpur and Bikaner Divisions of Northern Railway and Jaipur and Ajmer Divisions of Western Railway, has been finalised. The anticipated cost for the new Zone is Rs. 156 crore approximately. An expenditure of Rs. 6.28 crore has been incurred upto December, 2001.”

1.36 The Committee enquired that on one hand Railways is talking about resource constraints due to which these zones could not be developed and on the other, the offices of Railways have been divided at four-five places and all work is run from Mumbai Western Railways Headquarter. Also from 1994-2002 idle wages are being given to people. No new work also has been started as well. The Chairman, Railway Board in this connection stated during evidence as follows :

“When the Zones were formed in the year 1996, it was thought that the funds would be given separately in next 2-4 years, but later on circumstances were changed. When the recommendations of Fifth Pay Commission, which were fixed on all India basis, came into force, the economy of the Government got a different look. Therefore, we

were unable to give funds which we intent to give. The changes started taking place during the year 1984-85 and later on a lot of changes took place after the year 1996. Therefore, we were unable to draw the funds which were supposed to be drawn. Mainly because of the Pay Commission's recommendations, which were accepted. Meanwhile, the condition of the Railways became so deteriorated that we were unable to pay dividend. Later after 2-3 years the situation had slightly improved and we had been able to pay dividend. In 1996, after 5th Pay Commission's recommendations, the pension liabilities on Indian Railways had increased whereas the pension of retired persons was Rs. 600 only which increased upto thousands of rupees. After the recommendations of Pay Commission, the decision of Planning Commission was also got upset."

The witness further added:

"It's right that there is little progress in work in all the Zones. Railway Board had decided that work in all seven Zones would go simultaneously. The Government has decided that all the zones should go along but this work too has not been possible and they are not idle but we are taking some work from them. Work has been distributed in one or two divisions and some work we have assigned to them.

Plus and minus points in Jaipur Zone and Hajipur Zone are that its jurisdiction has been decided that which division will come under it. This is done keeping in view some of the administrative reforms. No doubt, Bikaner and Jodhpur are in Northern Railway and Ajmer and Jaipur division will come under Western Railway. It has been decided. Suggestions come from several quarters that Zone should have its headquarter here or it should have there. These decisions were taken on these issues and in view of the workshops. Every place has its own plus and minus points."

Budget Allocation

1.37 The Ministry of Railways informed that Budget outlay for the year 2002-03 for setting up North-Western Railway Zonal Headquarter at Jaipur is Rs. 5 crore. A total of Rs. 11.96 crore were sanctioned upto March, 2002.

1.38 Asked to furnish details of Rs. 6.5 crore spent on setting up the Zone and whether money was spent on infrastructure or on salary, the Member Engineering, Railway Board during evidence stated as under:

“A sum of Rs. 6.5 crore is spent, out of which some money is spent on salary. The staff quarters are under construction amounting to Rs. 2.1 crore and temporary accommodation for the offices is also under construction, which costs around Rs. 88 lakh.”

Reasons for non functioning of Railway Zones

1.39 Asked whether constraint of resources are affecting the setting up of full fledged Railway Zones at Jaipur and other places, the Ministry of Railways in their written reply stated:

“It is correct that constraint of resources are affecting the setting up of full fledged Railway Zones at Jaipur and other places. The current resource crunch has admittedly slowed down the setting up of all the new Zones including one at Jaipur.

The Railways are facing problems of resources for strengthening, modernising and expanding the system. The massive investment needed for the development of the Railway system has not been available because of the declining share of the capital from the General Exchequer which supported Railway development considerably in the initial years of planned development and because of inherent limitations of infrastructure like Railways to generate adequate resources internally.

Unlike many foreign Railways, which receive Government subsidies for public service obligations. Indian Railways are not compensated for these operations.”

1.40 The Committee enquired as to how much the Railways expect to be compensated. To this Financial Commissioner, Railway Board stated during evidence as under:

“We have to carry lot of commodities, we will have fares which are not meeting the expenses. We keep on asking the Government for meeting this compensation, but the Government also have to have their own funds position.”

He further stated:

“The question is about the social service obligation that we have. There are a lot of materials that are carried below cost. That is referred to in some other Budget documents. The total amount is around Rs. 5,000 crore. The amount of coaching services has been estimated at Rs. 5,104 crore. Then there are essential commodities carried below cost to the tune of Rs. 309 crore.

The total comes to Rs. 5,400 crore. Then we deduct from our own expenses on staff welfare.”

1.41 The Ministry of Railways in their written replies submitted to the Committee in this context stated as under:

“Implementation of recommendations of the Fifth Central Pay Commission in recent years has also had its impact. As a result, the expenditure of the Railways, particularly the staff costs and pension liability witnessed a steep rise, resulting in a drop in generation of internal resources and the Railways had to draw down the fund balances to compensate.

Railways have seldom enjoyed a comfortable position of investible resources. However, in the three financial years prior to 1996-97, when the new Zones were declared, Railways had achieved fairly low operating ratios (82.93, 82.64 and 82.45%), had paid up all dues to the General Revenues, built up reasonable balances in their funds and financed two-third of their Plan outlays. But in the immediately succeeding years due to implementation of recommendations of the Fifth Central Pay Commission, the financial health deteriorated. Unfortunately, the freight traffic earnings of the Railways which contribute about two third of the receipts, had a serious set-back in 1998-99 largely due to external factors, due to freight movement also dropping to more than 29 million tonnes below the target and 8 million tonnes below the previous year. Operating ratio also touched 98.3% in the year 2000-01 against 86.2% in 1996-97.

The combined effect of these two factors depressed the internal resource generation capacity of the Railways. Under the circumstances, the Railways were compelled to direct their investment only towards essential works of capacity addition,

replacement of old assets, rehabilitation and technological up-gradation and that too by almost depleting the fund balances, deferring the payment of dividend to the extent of Rs. 1,823 crore in 2000-01 and Rs. 1,000 crore in 2001-02 (Revised Estimates) and by taking a loan of Rs. 249 crore in 2000-01.

The earnings on the Railways have not been able to keep pace with the sudden spurt in expenditure. Whereas the Ordinary Working Expenses of the Railways have increased by 80% during the period from 1996-97 to 2001-02, the earnings have increased only by 55%. The slower growth of earnings is mainly due to the freight traffic not picking up to the expectations due to the recessionary trends prevailing in the national economy and our restraint in increasing the passenger fares.

The Railways are also committed to support the Konkan Railway Corporation. The support extended by the Railways till 31.3.2002 is Rs. 1,398 crore of which Rs. 744 crore was paid in the year 2001-02 alone.

Another area of concern is the non-clearance of Railways' dues by the railway users. There has been accumulation of amounts outstanding for the Railways due to non-clearance of dues mainly by the State Electricity Boards and Power Houses despite Railways' efforts at the highest level. Dues pertaining to State Electricity Boards and Power Houses stand at Rs. 1,865 crore as on 28.2.2002."

1.42 Asked to explain the bottlenecks and constraints faced in recovering the amount to the tune of Rs. 1,865 crore, the Financial Commissioner, Railway Board stated during evidence:

"I would like to thank the hon. Member for raising the subject. It is not directly linked with this. We carry coal to powerhouses and it is supposed to be on paid basis, that is, it is paid before we carry. We have some special arrangements. They deposit some money with us and we make it 'to pay'. They pay it at the receiving end. For example, Punjab Electricity Board, Badarpur and other power houses. Some of the power houses do not pay regularly; they pay at the end. I have figures up to February. The total outstanding on account of power houses alone was Rs.1,865 crore.

This is a huge amount by any standards. The bulk of the amount was, of course, outstanding against Delhi Vidyut Board and the amount was Rs. 160 crore. The amount outstanding against Punjab Electricity Board which is mainly of Ropar Power Station was Rs. 368 crore. Then, Badarpur Thermal Power Station which is managed by National Thermal Power Corporation was leading with Rs. 1,001 crore as outstanding amount. In respect of other States, we keep settling them and most of them would have settled by end of March. A question was asked as to why they do not pay. The reason for that is they have their own financial situation to consider and they are unable to pay. That is the only reason I can think of, but we constantly pursue the matter right from the level of the Minister to the Chief Minister as well as Chief Secretary and Power Secretary. We keep pursuing the matter even at station levels also right down to the level of Supervisor. We hope for and we look to support from all quarters for ensuring that this payment is made.”

1.43 The Chairman, Railway Board in this context added:

“Mr. Chairman, Sir, we keep constantly pursuing the matter at General Manager level, Zonal Manager level. We pursue it at Secretary as well as Chief Secretary level too and letters are written from the Minister level. This is a continuous and constant process. Our lot of energy is wasted in this struggle, but, Sir, we always try that maximum amount under this head could be realised from the State Electricity Boards.”

1.44 The Ministry of Railways in their written reply stated :

“As a result of shortfall in earnings and non-clearance of outstanding dues, the internal generation of resources fell during the year and consequently, the budgeted plan expenditure of Rs. 11,090 crore was reduced to Rs. 9,395 crore.

The cost of replacement of the over-aged assets has been reassessed at current prices at Rs. 17,000 crore. The Government has accordingly decided to set up a non-lapsable dividend free Special Railway Safety Fund to wipe out the arrears of replacement on the Railways in a fixed time schedule.”

1.45 Furnishing details on the non-lapsable Special Railways Safety Fund, the Member, Railway Board replied during evidence as under:

“Regarding SRSF we had lot of arrears in safety works. Now when the accident took place, a Committee was appointed under Justice H.R. Khanna. It recommended that as one time grant, the Central Government should give money and wipe out the arrears of safety works as on 1.1.2001. Adding some updation in the prices, the amount works out to be Rs. 17,000 crore. The Government of India was approached and the Central Government was kind enough to sanction this money. This was placed before the House and cleared in the Winter Session. Out of that Rs. 12,000 crore is grant from the Central Government and Rs. 5,000 crore we are raising through special surcharge. This is called safety surcharge. It has been put in place from 1st October, last year. That total comes to Rs. 17,000 crore. This is for executing various safety works including tracks, bridges, signaling, etc.”

Measures to increase internal generation of resources

1.46 The Ministry of Railways on the measures taken to increase internal generation of resources stated in their written replies as under:

“The Railways have taken various measures to increase internal generation of resources by augmenting earnings and controlling the expenditure. Measures for augmenting earnings are being taken both in conventional as well as non-conventional areas. The non-conventional sources being targeted are commercial utilisation of railway land and space, commercial advertising on railway premises and assets and leasing of right of way for laying the Optical Fibre Cable.

While the expenditure on the Railways has now begun to stabilise as a result of the various economy and austerity measures being taken, the earnings, particularly the freight earnings, have not improved as desired. Realisation of earnings from non-conventional sources has been slow on account of teething troubles.

While the Railways are taking all steps to augment earnings and contain the expenditure, the inherent liability for the deferred dividend liabilities etc. stand at Rs. 3,072 crore which the Railway will be required to clear in priority. Thus, the Railway's position does not seem to improve much in the coming years also."

1.47 Asked how was this liability of Rs. 3,072 crore been accumulated, the Financial Commissioner, Railway Board stated during evidence as under:

"In the years preceding this, some amount of money had not been paid to the Central Government and is shown as deferred dividend liability, that was Rs. 1,000 crore plus Rs. 1,823 crore. So, it comes to Rs. 2,823 crore. To that some amount we have borrowed separately to fund some work three years back, that is Rs. 249 crore. This would be the first charge on our revenues."

Shifting back North Western Railway Zonal Headquarter from Jaipur to Ajmer

1.48 Keeping in view the sentiments expressed by various quarters, the Committee enquired about any scope for constituting another Committee to look into the issue of shifting North Western Zonal Railway Headquarter from Jaipur to Ajmer afresh, the Chairman, Railway Board replied as under:

"Chairman, Sir, this is my personal opinion that had the position changed I would have agreed with you. But the position has not changed, I think it will not be appropriate to say any thing."

1.49 In this context, the Ministry of Railways in their written replies submitted to the Committee stated as under:

"None of the new Zones have yet become functional. Several different views can be and have been expressed for and against the proposed locations of the headquarters of the new Zones. Considering all the factors the Railways stand by the decision to have the Zonal Headquarter at Jaipur and not shift it to Ajmer."

1.50 While quoting the Government's decision to shift the headquarter of South-Western Railways from Bangalore to Hoogly, which was contested in the High Court of Karnataka, the Chairman, Railway Board during evidence stated as under:

“The Supreme Court has given the final judgement indicating that the Government is free to decide the location of zonal headquarter.

The matter relating to Ajmer and Jaipur is subjudice. Jaipur should be shifted to Ajmer. This case was filed in Jaipur High Court. Hearing is fixed in July, 2002.”

The witness further added:

“This is uptodate position.* Public sentiments are coming in between. We have been receiving representations from all sides. The Railways constituted a Committee so that everything can be examined in detail as to what should be done. We want your guidance in this regard.”

*The Ministry of Railways during factual verification vide their OM No. 2002/RCC/204(EC)/1 dated 20th February, 2003 stated as follows:

“The Railway Board deliberated on the entire issue of deciding the jurisdiction and the operationalisation of new Zones. Based on various decisions taken, notification was issued on 14th June, 2002 regarding operationalisation of North-Western Railway/Jaipur w.e.f. 1.10.2002 . The Notification also indicated the final jurisdiction. The North Western Railway Zone with its headquarters at Jaipur has since been operationalised w.e.f. 1.10.2002.

The Writ Petition No. 743/98 regarding shifting of North-Western Railway Headquarters Office from Jaipur to Ajmer, filed by Ajmer Citizen’s Council with Hon’ble High Court, Jaipur has also been dismissed on 10.2.2003.”

**The Ministry of Railways vide their OM No.2002/RCC/204(EC)/1 dated 27.2.2003 stated as follows:

“No Committee was constituted by Railways to go into the issue of shifting of Zonal Headquarters of North Western Railway from Jaipur to Ajmer. A Committee was, however, constituted by the Railways on 11.4.2002 with terms of references as follows:-

- (i) To go into the details of various recommendations of the RRC (1984) and Advisers’ Committee (1994) on the subject of territorial jurisdiction of proposed new Zones.
- (ii) To review the proposed territorial jurisdiction taking into consideration the various demands regarding territorial jurisdiction of proposed new zones.
- (iii) To go into the views of the various Parliamentary Committees, the C&AG, alongwith the evaluation and development on IT front and its impact on the jurisdiction of proposed Zones.
- (iv) To study the likely problems/solutions in managing operation in the changed scenario of 16 Zones.
- (v) Suggest the final territorial jurisdiction of the five new zones namely North Central Railway/Allahabad, South Western Railway/Hubli, East Coast Railway/Bhubaneswar, West Central Railway/Jabalpur and Bilaspur Zone/Bilaspur, as well as an implementation plan for effecting the changes.....

However, due to non-cooperation by the Members of the Committee belonging to different Federations, the Committee could not finalise its report regarding jurisdiction.”

Observations/Recommendations of the Committee

2.1 The Committee took up examination of Ministry of Railways – ‘Shifting of North-Western Zonal Railway Headquarters from Jaipur to Ajmer’ on the basis of the representation made to Study Group of the Committee by the Ajmer Citizens’ Council during their visit to Ajmer on 05.11.2001. Grievance of the Ajmer Citizens’ Council was that although the Railway Reforms Committee had recommended setting up of North-Western Zonal Railway with headquarters at Ajmer, the Zonal Office was set up in Jaipur without sufficient justification negating the legitimate claim of Ajmer City for the Zonal Railway headquarters. The Council was of the view that such a decision was taken despite the availability of sufficient land, infrastructure and staff at Ajmer for setting up of the new Zonal Office and ignoring the importance of Ajmer city from the tourism point of view.

2.2 The Committee examined every aspect of the subject by calling for written information from the Ministry of Railways and taking oral evidence of the representatives of the Ministry. The Committee note that Indian Railways being a big and a fast expanding organisation, several reforms have been taken up from time to time. In 1981, a need was felt to review the whole gamut of the working of the Indian Railways and consequently a high powered Railway Reforms Committee was constituted for the purpose. This Committee after working out detailed indices of workload and taking into account various parameters such as size, accessibility, traffic burden, economic viability, geographical spread, operating/administrative requirements consistent with the needs of economy and efficiency, examined the proposals with

regard to creation of additional Zones and Divisions in the Indian Railways. After going into various parameters, the Committee submitted its voluminous Report in 1984 and recommended for setting up of four additional Zones with headquarters at Ajmer, Jabalpur, Allahabad and Bangalore which included setting up of the North-Western Zonal Railway at Ajmer. The recommendations for creation of all the new Zones were accepted in principle by the Government.

2.3 In 1994 an Internal Study Group was set up to review the setting up of new Railway Zones. Based on the workload and accessibility norms and on various assessments, the Internal Study Group identified the same four Zones, but recommended that headquarters of North-Western Zonal Railway be at Jaipur instead of Ajmer while agreeing for other locations which had been identified by the Railway Reforms Committee viz. at Jabalpur, Allahabad and Bangalore.

Though the recommendations of the Internal Study Group were accepted by the Railways in principle, the entire issue was again examined by the Railway Board in the year 1996-97 and a decision was taken in 1996 to create six Zones instead of four. It has been stated that the changes with regard to creation of Zones were made with the objective of development of backward areas particularly Orissa and Bihar with Zonal Headquarters at Bhubaneswar and Hajipur. Subsequently, Bilaspur was also added to the list of new Zones citing the reason as heavy workload and the long pending demand of the region. The Railways went ahead with the creation of seven new Zones, but none of the Zones have become fully functional.

2.4 The Committee express their displeasure about manner in which the Ministry of Railways has been taking decisions regarding creation of new Railway Zones and revising them from time to time without making any serious and sincere efforts to implement the decisions. The initial decision was taken to create four new Railway Zones on the basis of the recommendations made by a high-powered Railway Reforms Committee in 1984. It was after a gap of ten long years that a departmental committee looked into issues connected with creation of new Zones and recommended again in 1994 creation of four new Zones but with Jaipur as the headquarters for North-Western Zonal Railway. Ignoring the recommendations of two important Committees, the Railway Board took a decision in 1996 to create six new Zones instead of four. Bilaspur was identified as the Headquarters for the seventh Zone which was added subsequently. Initially, the Railway Reforms Committee had recommended formation of even the four Zones in three phases in view of the resource crunch. The Ministry of Railways were candid in admitting before the Committee that resource crunch was the main factor coming in the way of establishing full-fledged Zonal Offices. In spite of this, the Railways went ahead to expand the Railway network by adding seven new Zones at one go. As a result, none of the Zones have become fully functional as was admitted by the Chairman, Railway Board during evidence : “Sir, none of them is fully functional. But each Zone is functioning with a skeleton staff which has been given”.

2.5 The lack of vision and absence of long-term policies is quite evident from the lackadaisical manner of functioning of the Ministry of Railways. Well-considered decisions are subsequently altered without sufficient justification. This is evident from the manner in

which the headquarters of North-Western Railway was changed from Ajmer to Jaipur and the way decisions were taken to create three more new Railway Zones. Such hasty and short-sighted decisions have landed the Railways in much financial and administrative hardships. Although the Ministry of Railways have gone ahead with the creation of seven new Zones, there doesn't seem to be sufficient clarity with regard to their need, effectiveness and economic viability as was clearly admitted by the Chairman, Railway Board during evidence : "Sir, this has been debated too. There have been different opinions and variations. I personally believe that there is need for new Zones, a few of them at least, if not all..... Now with the increased communications, should we have more Zones or how many Zones we should have?How many Zones are required is still a decision which is to be taken". The Committee are astonished to find such uncertainty and indecision prevailing in the Ministry of Railways with regard to the need for creation of new Zones. The Committee are of the firm view that this alongwith the tardy progress that has been achieved in the implementation of the decision for creating seven new Zones is sufficient justification for the entire matter regarding creation of new Zones to be reviewed once again. The Committee, therefore, recommend that Government should review the entire issue in the light of the original recommendations made by the Railway Reforms Committee regarding creation of new Zones. The decision to shift the headquarters of North-Western Railways from Ajmer to Jaipur should also be reviewed by Government in the light of the recommendations which were made by the Railway Reforms Committee. If considered necessary a High Powered Committee

might be set up to go into the entire issue and give their recommendations to the Government.

2.6 The argument of the Ministry that the two major developments, viz. conversion of meter-gauge routes into broad gauge routes and change in traffic patterns on account of Konkan Railway Project, which have influenced the decision to change the location of headquarter of North-Western Railway from Ajmer to Jaipur do not hold much weightage. Equally weak are other justifications put forward by the Ministry of Railways in support of choice of Jaipur, like advantages of being the State capital, major commercial and industrial centre, need for close interaction and coordination with State Government and Police authorities, etc. On the other hand there are various factors which strongly favour Ajmer as ideal location for setting up North-Western Railway Zonal Headquarter instead of Jaipur. Ajmer being a tourist place of international importance has Dargah of Khwaja Garib Nawaz Moinuddin Chisti and Tirth Guru Pushkar in its vicinity. The setting up Headquarters at Ajmer would give further impetus to the growth of tourism including pilgrim tourism. Moreover, Ajmer also has adequate infrastructural facilities for setting up Zonal Headquarters viz., vacant Railway land apart from buildings available to house the Zonal office and living quarters for the staff. Since infrastructural facilities required for setting up of Zonal Headquarters are on a much larger scale, the Ministry of Railways have admitted that such facilities are obviously not available at Jaipur and the Railways have yet to procure the land required for the purpose from the State Government.

2.7 The Committee note with concern that North Western Railway Zonal Headquarter which was inaugurated on 17th October 1996 is

still not operational. The reason furnished by Ministry of Railways for its not being operational is that it has not been possible to create proper infrastructure for the full-fledged functioning of the Zone i.e. Zonal Office, residential quarters, communication network, etc. are yet to be created. Temporary offices have, however, been provided for skeleton officers and staff comprising of 20 officers and 98 staff members posted at Jaipur. The Committee further note with concern that though the anticipated cost for setting up new Zone is Rs. 156 crore approximately upto December, 2001 only Rs. 6.28 crore was allocated. Out of this Rs. 2.1 crore is being spent on staff quarters, some on salary and Rs. 88 lakh on making temporary accommodation for the office. It is quite disturbing to find that even after six years the Zonal Headquarters at Jaipur is functioning from four different distant places in hired buildings. It is evident that the Zonal Office cannot function efficiently under such circumstances.

2.8 The present state of affairs is a clear confirmation of the impression gathered by the Committee that no serious thought was given to all aspects connected with setting up of the Zonal Office while taking a decision to shift it from Ajmer to Jaipur. The land and other infrastructural facilities at Ajmer could prove to be of great utility to the Railways if the Zonal Office was set up at Ajmer. Obviously, the decision to shift the headquarters to Jaipur has only resulted into increasing the burden on the exchequer. On the other hand, had the Headquarters been set up at Ajmer, it would have started functioning by now as infrastructural facilities were already available at Ajmer which could have been best utilised for the purpose.

2.9 The Ministry of Railways, however, put forward various justifications in their defence for the Zonal Railway Headquarters

not becoming functional at Jaipur and at other places. The reasons included resource constraints, non-receipt of subsidies for public service obligations, additional liabilities on account of implementation of Fifth Pay Commission recommendations, etc. on account of which expenditure of Railways witnessed a steep rise resulting in drop in generation of internal resources. Even freight traffic earnings of Railways which contribute about two third of the receipts had a serious setback in 1998-99 due to external factors. The combined effect of these two factors depressed the internal resource generation capacity of the Railways. Hence earnings of the Railways have not been able to keep pace with the sudden spurt in expenditure. The expenses of Railways have increased by 80% during the period from 1996-97 to 2001-2002; whereas the earnings increased only by 55%. The Railways have also given support to the Konkan Railway Corporation which is of the tune of Rs. 1398 crore till 31.03.2002. Another area of concern is non-clearance of dues by the Railway users. The dues pertaining to State Electricity Boards and Power Houses stand at Rs. 1865 crore as on 28.02.2002. As a result of shortfall in earnings and non-clearance of outstanding dues, the internal generation of resources fell during the year. Consequently, budgeted Plan expenditure of the Railways was reduced from Rs.11,090 crore to Rs.9,395 crore.

2.10 In view of the precarious situation being faced by the Railways, the Committee desire that the Ministry should take all possible measures to check the expenditure through economy and austerity measures and to augment the earnings through conventional and non-conventional measures. The Committee take note that the Railways have resorted to certain non-conventional sources of resource generation like commercial utilisation of

railway land and space, commercial advertising on railway premises and assets and leasing of right of way for laying Optical Fibre Cable. The Committee also desire that concerted efforts should be made by the Railways at the highest level for effecting recovery of the dues.

2.11 In the given circumstances, it is imperative that the Railways have to exercise maximum restraint on wasteful and unwanted expenditure. Expansion of the Zonal set up also should involve minimum financial liability. The fact that the Ministry has constituted a Committee to look into various views and representations is a clear indication that Government is open to further debate and review on the question of setting up the new Zones and the location of their headquarters. Therefore, the Committee once again stress that the decisions taken for setting up new Zones and shifting of the headquarters of North-Western Railway from Ajmer to Jaipur should be reviewed by Government and if necessary a High Powered Committee be constituted for going into the entire issue and giving their recommendations to the Government. The Committee desire that a final decision in this regard should be taken within six months and they be apprised of the same.

NEW DELHI
March , 2003
Phalguna , 1924(S)

UMMAREDDY VENKATESWARLU,
Chairman,
Committee on Estimates.

MINUTES OF SITTING OF THE ESTIMATES COMMITTEE
(2002-2003)

TWELFTH SITTING

The Committee sat on Wednesday, the 5th February, 2003 from 1400 to 1615 hours.

PRESENT

Prof. Ummareddy Venkateswarlu – Chairman

MEMBERS

2. Shri Ramchander Binda
3. Shri Surendra Singh Barwala
4. Shri Lal Muni Chaubey
5. Shri Dalit Ezhilmalai
6. Smt. Sheela Gautam
7. Shri Shankar Prasad Jaiswal
8. Shri Shriprakash Jaiswal
9. Dr. C. Krishnan
10. Shri Samik Lahiri
11. Shri Sanat Kumar Mandal
12. Shri Manjay Lal
13. Shri Shyam Bihari Mishra
14. Shri Subodh Mohite
15. Prof. Rasa Singh Rawat
16. Shri Dileep Sanghani
17. Shri Abdul Rasheed Shaheen
18. Shri Maheshwar Singh
19. Shri Rampal Singh
20. Shri Lal Bihari Tiwari
21. Shri Rammurti Singh Verma

SECRETARIAT

1. Shri John Joseph - Additional Secretary
2. Shri A.K. Singh - Director
3. Shri Cyril John - Under Secretary

2. The Committee considered the Draft Report on the Ministry of Railways

MODIFICATIONS MADE BY THE ESTIMATES COMMITTEE IN THE DRAFT REPORT ON 'SHIFTING OF NORTH-WESTERN RAILWAY ZONAL HEADQUARTERS FROM JAIPUR TO AJMER'

Para

Modifications

- 2.5 **For** :The Committee, therefore, recommend.....
final decision.
Read : The Committee, therefore, recommend that Government should review the entire issue in the light of the original recommendations made by the Railway Reforms Committee regarding creation of new Zones. The decision to shift the headquarters of North-Western Railways from Ajmer to Jaipur should also be reviewed by Government in the light of the recommendations which were made by the Railway Reforms Committee. If considered necessary a High Powered Committee might be set up to go into the entire issue and give their recommendations to the Government.
- 2.11 **For** :Therefore, the Committee once again stress.....
from Jaipur to Ajmer.
Read :Therefore, the Committee once again stress that the decisions taken for setting up new zones and shifting of the headquarters of North-Western Railway from Ajmer to Jaipur should be reviewed by Government and if necessary a High Powered Committee be constituted for going into the entire issue and giving their recommendations to the Government. The Committee desire that a final decision in this regard should be taken within six months and they be apprised of the same.